

If you are in any doubt about the contents of this Prospectus you should consult your stockbroker, bank manager, solicitor, accountant or other financial advisor. The Directors of the Company whose names appear on page 5 accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information and the Directors accept responsibility accordingly.

**RUSSELL INVESTMENT COMPANY
PUBLIC LIMITED COMPANY**

constituted as an investment company with variable capital
incorporated under the laws of Ireland pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011, as amended

P R O S P E C T U S

for

an umbrella fund with segregated liability between sub-funds comprising
RUSSELL CONTINENTAL EUROPEAN EQUITY FUND
RUSSELL EMERGING MARKETS EQUITY FUND
RUSSELL EURO LIQUIDITY FUND
RUSSELL EUROZONE AGGRESSIVE EQUITY FUND
RUSSELL GLOBAL BOND FUND
RUSSELL GLOBAL CREDIT FUND
RUSSELL GLOBAL REAL ESTATE SECURITIES FUND
RUSSELL GLOBAL HIGH YIELD FUND
RUSSELL JAPAN EQUITY FUND
RUSSELL MULTI-ASSET GROWTH STRATEGY EURO FUND
RUSSELL ASIA PACIFIC EX JAPAN FUND
RUSSELL STERLING BOND FUND
RUSSELL STERLING CORPORATE BOND FUND*
RUSSELL U.K. EQUITY FUND
RUSSELL U.K. INDEX LINKED FUND
RUSSELL U.K. LONG DATED GILT FUND
RUSSELL U.S. BOND FUND
RUSSELL U.S. EQUITY FUND
RUSSELL U.S. SMALL CAP EQUITY FUND
RUSSELL WORLD EQUITY FUND II
RUSSELL ABSOLUTE RETURN BOND FUND
RUSSELL MULTI-ASSET CONSERVATIVE STRATEGY FUND
RUSSELL EMERGING MARKET DEBT FUND

3 December 2015

There is a separate prospectus for	There is a separate prospectus for
Old Mutual African Frontiers Fund	Acadian Emerging Markets Local Debt UCITS
Old Mutual Pan African Fund	Acadian European Equity UCITS
Old Mutual Value Global Equity Fund	Acadian Global Equity UCITS
Old Mutual Global Bond Fund	Acadian Emerging Markets Equity UCITS
Old Mutual Quant Global Equity Fund	Acadian Global Managed Volatility Equity UCITS
Old Mutual Internal Growth Global Equity Fund	Acadian Global Equity SRI UCITS
Old Mutual Global REIT Fund	Acadian Emerging Markets Managed Volatility Equity UCITS
Old Mutual Global Aggregate Bond Fund	Acadian Emerging Markets Equity UCITS II
Old Mutual Global Currency Fund	Acadian Emerging Markets Small-Cap Equity UCITS
Old Mutual U.S. Core-Bond Fund	Acadian Global Leveraged Market Neutral Equity UCITS
Old Mutual MSCI Emerging Markets Index Fund	
Old Mutual MSCI Africa Ex-South Africa Index Fund	
Old Mutual FTSE RAFI® All World Index Fund	
Old Mutual MSCI World ESG Index Fund	
Old Mutual Global Balanced Fund	
Old Mutual Global Defensive Fund	
Old Mutual Emerging Market Local Currency Debt Fund	
Old Mutual Multi-Style Global Equity Fund	
Old Mutual Opportunities Global Equity Fund	
Old Mutual Emulated Opportunities Global Equity Fund	
Old Mutual MSCI Emerging Markets ESG Index Fund	
Old Mutual Blended Global Equity Fund	

Distribution of this document is not authorised unless it is accompanied by a copy of the latest annual report of the Company and, if published thereafter, the latest half-yearly report of the Company. Such reports will form part of this Prospectus.

*This Fund is closed and no longer available for investment. Accordingly, the Company intends to apply to the Central Bank to revoke the Fund's approval and shall seek approval from the Central Bank to remove the reference to the Fund on this page of the Prospectus following approval of the revocation application.

THIS DOCUMENT IS IMPORTANT

If you are in any doubt about the contents of this Prospectus you should consult your stockbroker, bank manager, solicitor, accountant or other financial advisor.

Certain terms used in this Prospectus are defined in Schedule IV.

It should be appreciated that the value of the Shares and the income from them may go down as well as up and accordingly an investor may not get back the full amount invested.

Investors may be required to pay a Sales Charge on subscriptions in certain Classes of Shares. An investment in Classes on which a Sales Charge is applied should be viewed as medium to long term investment. It should be noted that as the Russell Global Bond Fund, Russell Global High Yield Fund, Russell Global Credit Fund, Russell Sterling Bond Fund, Russell Absolute Return Bond Fund and Russell Emerging Market Debt Fund will charge all of their fees and expenses to capital rather than income, there is an increased risk that investors in these Funds may not receive back the full amount invested when their holdings are repurchased.

Russell Euro Liquidity Fund and the Russell Absolute Return Bond Fund may invest a significant amount of Net Asset Value in deposits and/or money market instruments.

Shares of the Company are not bank deposits or obligations of, or guaranteed or endorsed or otherwise supported by the Promoter, the Manager, the Investment Managers, the Distributor or any of their affiliates, and are not insured or guaranteed by any government, government agency or other guarantee scheme which may protect the holders of a bank deposit. Details of certain investment risks and other information for an investor are set out more fully in the section "Risk Factors" below. The attention of investors is drawn to the difference between the nature of a deposit and the nature of an investment in a Fund because the principal invested in a Fund is capable of fluctuation as the Net Asset Value of a Fund fluctuates.

The distribution of this Prospectus and the offering or purchase of the Shares may be restricted in certain jurisdictions. No persons receiving a copy of this Prospectus or any accompanying application form in any such jurisdiction may treat this Prospectus or such application form as constituting an invitation to them to subscribe for Shares, nor should they in any event use any such application form, unless in the relevant jurisdiction such an invitation could lawfully be made to them and such application form could lawfully be used without compliance with any registration or other legal requirements. Accordingly, this Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation. It is the responsibility of any persons in possession of this Prospectus and any persons wishing to apply for Shares pursuant to this Prospectus to inform themselves of and to observe all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for Shares should inform themselves as to the legal requirements of so applying and as to any applicable exchange control regulations and taxes in the countries of their respective citizenship, residence or domicile.

The Company is an investment undertaking as defined in Section 739B(1) of the Taxes Consolidation Act 1997, as amended.

Japan

In Japan Shares may be offered to certain qualified institutional investors ("QIIs" as defined under Japanese law and regulations) by way of a private placement exemption pursuant to Article 2, Paragraph 3, Item 2(a) of the Financial Instruments and Exchange Law of Japan (the "FIE") with a condition that the purchaser shall enter into a transfer agreement with a covenant that he shall not transfer the Shares to non-QIIs. No filing of a securities registration statement has been made pursuant to Article 4, Paragraph 1 of the FIE.

Dubai

This Prospectus relates to a collective investment fund which is not subject to any form of regulation or approval by the Dubai Financial Services Authority ("DFSA"). This Prospectus is intended for distribution only to persons of a type specified in the DFSA's rules (i.e. "Qualified Investors") and must not, therefore, be delivered to, or relied on by, any other type of person. The offering is not intended for, and the Shares are not being offered, distributed, sold, transferred or delivered, directly or indirectly, to, or for the account or benefit of, any person in the Dubai International Financial Centre ("DIFC"). This Prospectus is not intended for distribution to any person in the DIFC

and any such person that receives a copy of this Prospectus should not act or rely on this Prospectus and should ignore the same. The DFSA has no responsibility for reviewing or verifying any Prospectus or other documents in connection with this collective investment fund. Accordingly, the DFSA has not approved this Prospectus or any other associated documents nor taken any steps to verify the information set out in this Prospectus, and has no responsibility for it. The Shares to which this Prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the Shares offered should conduct their own due diligence on the Shares. If you do not understand the contents of this document you should consult an authorised financial adviser.

United States of America

THE SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”) OR THE SECURITIES LAWS OF ANY STATE OF THE U.S., AND MAY NOT BE OFFERED, SOLD OR TRANSFERRED TO OR FOR THE ACCOUNT OF A U.S. PERSON. THE FUNDS ARE AVAILABLE ONLY TO INVESTORS WHO ARE NOT “U.S. PERSONS”. AS DEFINED HEREIN, A U.S. PERSON INCLUDES U.S. CITIZENS, RESIDENTS AND ENTITIES. THIS PROSPECTUS MAY NOT BE DELIVERED IN THE U.S., ITS TERRITORIES OR POSSESSIONS TO ANY PROSPECTIVE INVESTOR. NO PERSON (WHETHER OR NOT A U.S. PERSON) MAY ORIGINATE A PURCHASE ORDER FOR SHARES FROM WITHIN THE U.S.

WHILE A FUND MAY TRADE COMMODITY INTERESTS WITHIN THE MEANING OF THE U.S. COMMODITY EXCHANGE ACT AND THE RULES AND REGULATIONS PROMULGATED THEREUNDER (COLLECTIVELY, THE “CEA”), THE MANAGER IS EXEMPT FROM REGISTRATION WITH THE COMMODITY FUTURES TRADING COMMISSION (THE “CFTC”) AS A COMMODITY POOL OPERATOR (“CPO”) AND A COMMODITY TRADING ADVISOR (“CTA”) WITH RESPECT TO THE RELEVANT FUND UNDER APPLICABLE CFTC RULES, INCLUDING 4.13(A)(3) AND 4.14(a)(8), WHICH REQUIRE, AMONG OTHER THINGS, THAT EACH PROSPECTIVE INVESTOR IN THE RELEVANT FUND BE AN ACCREDITED INVESTOR, A KNOWLEDGEABLE EMPLOYEE OR A QUALIFIED ELIGIBLE PERSON AND THAT AN INTEREST IN THE RELEVANT FUND BE EXEMPT FROM REGISTRATION UNDER THE U.S. SECURITIES ACT, AND BE OFFERED AND SOLD WITHOUT MARKETING TO THE PUBLIC IN THE UNITED STATES. THE RULES FURTHER REQUIRE THAT SHARES OF THE RELEVANT FUND MAY NOT BE MARKETED AS OR IN A VEHICLE FOR TRADING IN THE MARKETS FOR COMMODITY INTERESTS WITHIN THE MEANING OF THE CEA AND THAT THE RELEVANT FUND’S TRADING IN SUCH COMMODITY INTERESTS BE LIMITED. CURRENTLY ONLY THE WORLD EQUITY FUND II WILL TRADE COMMODITY INTERESTS WITHIN THE MEANING OF THE CEA.

UNLIKE A REGISTERED CPO OR CTA, THE MANAGER IS NOT REQUIRED TO PROVIDE PROSPECTIVE INVESTORS WITH A CFTC COMPLIANT DISCLOSURE DOCUMENT, NOR IS THE MANAGER REQUIRED TO PROVIDE INVESTORS IN THE RELEVANT FUND WITH CERTIFIED ANNUAL REPORTS THAT SATISFY THE REQUIREMENTS OF CFTC REGULATIONS APPLICABLE TO REGISTERED CPOS. THE COMPANY DOES, HOWEVER, INTEND TO PROVIDE INVESTORS WITH ANNUAL AUDITED FINANCIAL STATEMENTS. THIS PROSPECTUS HAS NOT BEEN REVIEWED OR APPROVED BY THE CFTC.

Applicants will be required to declare whether they are an Irish Resident and/or a U.S. Person.

United Kingdom

The Company has been granted the status of a “recognised scheme” by the Financial Conduct Authority (“FCA”) for the purposes of s264 of the Financial Services and Markets Act 2000, as amended (“FSMA”). Russell Investments Limited whose registered office is at Rex House, 10 Regent Street, London, SW1Y 4PE (the “Facilities Agent”) has been appointed as the Company’s facilities agent in the UK to provide the facilities required under the rules and guidance of the FCA (the “FCA Rules”) to be maintained in the UK for a recognised scheme. Russell Investments Limited is authorised by the FCA to conduct investment business in the UK.

Accordingly facilities are maintained at the offices of the Facilities Agent:

- (i) for any person to inspect and obtain (free of charge) copies of the memorandum of association and Articles (and of any amendments), the latest version of this Prospectus and the key investor information document and the latest annual and half-yearly reports of the Company during normal business hours on any weekday (UK public holidays excepted;*

- (ii) *for any person to obtain information about the price of Shares in any Fund and for any Shareholder to arrange for repurchase of this Shares and obtain payment; and*
- (iii) *at which any person who has a complaint to make about the operation of the Company may submit a complaint for transmission to the Manager.*

Notwithstanding that the Company is a recognised scheme, to the extent that this Prospectus is made available in the UK by any person who is not an “Authorised Person” (as defined in the FSMA)::

- (i) *it will only be communicated or caused to be communicated to persons falling within a relevant exemption contained in the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended, (“FPO”) to whom this Prospectus may lawfully be communicated or caused to be communicated (“**Exempt Persons**”). Exempt Persons includes but, in accordance with the FPO, is not limited to: (a) persons who have professional experience in matters relating to investments falling within Article 19(5) of the FPO; or (b) high net worth entities, and other persons to whom this material may otherwise lawfully be communicated, falling within Article 49(1) of the FPO, (in each case all such persons together being referred to as “**relevant persons**”). Any person who is not a relevant person should not act or rely on this material or any of its contents. In these circumstances, be aware that for your purposes, the content has not been approved by an Authorised Person for the purposes of s21 FSMA; and*
- (ii) *neither this Prospectus nor the Shares will be available to persons in the UK who are not Exempt Persons and no one in the UK who is not an Exempt Person is entitled to rely on, and they must not act on, any information in this Supplement or the Prospectus. Any communication from within the UK other than by an Authorised Person to any person in the UK not falling within a relevant exemption contained in the FPO, is unauthorised and is likely to contravene FSMA.*

Notwithstanding that the Company is a recognised scheme, to the extent that this Prospectus is made available in the UK by Russell Investments Limited (who is an Authorised Person) or another Authorised Person:

- (i) *the restrictions in the FPO on communicating this Prospectus do not apply; and*
- (ii) *this Prospectus has been approved for the purpose of Section 21 of FSMA by Russell Investments Limited, but solely for such purpose.*

*Notwithstanding that the Company is a recognised scheme, to the extent that this Prospectus is made available in the UK by a distributor other than Russell Investments Limited (for this paragraph only, the “**distributor**”) this Prospectus may be made available to retail clients and approved for that purpose under Section 21 of FSMA by the distributor. Russell Investments Limited accepts no responsibility for the distribution of this Prospectus to retail clients.*

Some or all of the protections provided by the FCA’s regulatory system in the UK do not apply to investments in the Company or a Fund and compensation under the UK’s Financial Services Compensation Scheme will not generally be available.

The contents of the Prospectus are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other person.

Any individual who is in any doubt about the investment to which this Prospectus relates should consult an Authorised Person specialising in advising on investments of this kind.

Shares are offered only on the basis of the information contained in the current Prospectus and, as appropriate, the latest audited annual accounts and any subsequent half-yearly report.

Any further information or representation given or made by any dealer, salesman or other person should be disregarded and, accordingly, should not be relied upon.

Statements made in this Prospectus are based on the law and practice currently in force in Ireland and are subject

to changes therein.

This Prospectus may be translated into other languages, provided that it is a direct translation of the English version. In the event of any inconsistency or ambiguity in relation to the meaning of any word or phrase in any translation, the English text shall prevail except to the extent (and only to the extent) that the law of Switzerland requires that the legal relationship between the Company and investors in Switzerland shall be governed by the German version of the Prospectus as filed with the Swiss regulator. All disputes as to the terms thereof, regardless of the language version, shall be governed by, and construed in accordance with, the law of Ireland.

This Prospectus should be read in its entirety before making an application for Shares.

RUSSELL INVESTMENT COMPANY PUBLIC LIMITED COMPANY

Board of Directors of the Company

Mr. James Firth (Chairman)
Mr. James Beveridge
Mr. John McMurray
Mr. William Roberts
Mr. David Shubotham
Mr. Kenneth Willman
Mr. Neil Jenkins
Mr. Tom Murray
Mr. Peter Gonella

Registered Office

78 Sir John Rogerson's Quay,
Dublin 2,
Ireland.

Manager

Russell Investments Ireland Limited,
78 Sir John Rogerson's Quay,
Dublin 2,
Ireland.

Investment Manager for the Russell Multi- Asset Growth Strategy Euro Fund, Russell Multi-Asset Conservative Strategy Fund and Russell U.K. Equity Fund

Russell Investments Limited,
Rex House,
10 Regent Street,
London, SW1Y 4PE,
England.

Custodian and Trustee

State Street Custodial Services (Ireland) Limited,
78 Sir John Rogerson's Quay,
Dublin 2,
Ireland.

Administrator

State Street Fund Services (Ireland) Limited,
78 Sir John Rogerson's Quay,
Dublin 2,
Ireland.

Company Secretary

MFD Secretaries Limited,
2nd Floor, Beaux Lane House,
Mercer Street Lower,
Dublin 2,
Ireland.

Adviser, Distributor and UK Facilities Agent

Russell Investments Limited,
Rex House,
10 Regent Street, St James's
London, SW1Y 4PE,
England.

Promoter

Frank Russell Company,
1301 Second Avenue,
18th Floor,
Seattle WA 98101,
United States of America.

Legal Advisors

Maples and Calder,
75 St. Stephen's Green,
Dublin 2,
Ireland.

Auditors

PricewaterhouseCoopers,
Chartered Accountants,
One Spencer Dock,
North Wall Quay,
Dublin 1,
Ireland.

INDEX

SECTION	PAGE
THE COMPANY	9
Introduction	9
THE FUNDS	10
Investment Objectives and Policies	10
Profile of a typical investor.....	10
Russell Continental European Equity Fund	11
Russell Emerging Markets Equity Fund	12
Russell Euro Liquidity Fund	12
Russell Eurozone Aggressive Equity Fund.....	13
Russell Global Bond Fund.....	14
Russell Global Credit Fund.....	14
Russell Global Real Estate Securities Fund	15
Russell Global High Yield Fund.....	16
Russell Japan Equity Fund.....	17
Russell Multi-Asset Growth Strategy Euro Fund.....	17
Russell Asia Pacific ex Japan Fund	19
Russell Sterling Bond Fund	20
Russell U.K. Equity Fund	20
Russell U.K. Index Linked Fund	22
Russell U.K. Long Dated Gilt Fund.....	22
Russell U.S. Bond Fund.....	23
Russell U.S. Equity Fund.....	24
Russell U.S. Small Cap Equity Fund	24
Russell World Equity Fund II.....	25
Russell Absolute Return Bond Fund.....	25
Russell Multi-Asset Conservative Strategy Fund.....	27
Russell Emerging Market Debt Fund.....	28
General	30
Money Managers and Investment Advisers	30
Adherence to Investment Objectives and/or Policies.....	31
Investment Restrictions.....	31
Borrowings	31
Investment Techniques and Financial Derivative Instruments.....	31
Risk Factors	35
ADMINISTRATION OF THE FUNDS.....	47
Determination of the Net Asset Value	47
Subscription Price.....	48
Applications for Shares.....	49
Repurchases of Shares	51
Dilution adjustment.....	51
Transfers of Shares	52
Certificates.....	52
Distribution Policy.....	52
Mandatory Repurchase of Shares and Forfeiture of Distributions	53
Publication of the Price of the Shares	54
Temporary Suspension of Valuation and of Issues and Repurchases of Shares	54
Conversion of Shares.....	54
MANAGEMENT AND ADMINISTRATION.....	55
Directors and Secretary.....	55
The Promoter	57
The Manager.....	57

The Adviser and Distributor	58
The Administrator.....	59
The Custodian and Trustee	60
Paying Agents/Representatives/Distributors	60
FEES AND EXPENSES.....	60
General	61
Fees and Expenses	61
Sales Charge	77
Charging fees and expenses to capital	78
IRISH TAXATION	78
Taxation of the Company.....	78
Exempt Irish Resident Shareholders	80
Taxation of Non-Irish Resident Shareholders	81
Taxation of Irish Resident Shareholders	81
Overseas Dividends	82
Stamp Duty	83
FATCA Implementation in Ireland.....	83
Residence.....	83
Individual Investors	83
Test of Residence.....	83
Test of Ordinary Residence	84
Trust Investors	84
Corporate Investors.....	84
Disposal of Shares and Irish Capital Acquisitions Tax.....	84
European Union Taxation of Savings Income Directive.....	84
GENERAL.....	85
Conflicts of Interest	85
The Share Capital	86
The Funds and Segregation of Liability.....	87
Meetings and Votes of Shareholders	88
Reports.....	88
Termination of the Funds.....	89
Miscellaneous	90
Material Contracts	90
Supply and Inspection of Documents	90
Shareholder Complaints.....	90
SCHEDULE I.....	91
The Regulated Markets.....	91
SCHEDULE II.....	93
Characteristics of Classes of Shares by Fund.....	93
SCHEDULE III	108
Material Contracts	108
SCHEDULE V	109
Definitions	109
SCHEDULE VI	116
Investment Restrictions.....	116
SCHEDULE VII.....	120
Investment Techniques and Financial Derivative Instruments.....	120

THE COMPANY

Introduction

The Company is an investment company with variable capital organised under the laws of Ireland as a public limited company pursuant to the Companies Act 2014 and the Regulations. It was incorporated on 31 March 1994 under registration number 215496 as Frank Russell Investment Company p.l.c. and was authorised by the Central Bank of Ireland on 11 April 1994. The Company changed its name to Russell Investment Company p.l.c. on 9 March 2006. Clause 2 of the memorandum of association of the Company provides that the Company's sole object is the collective investment in transferable securities and/or other liquid financial assets referred to in Regulation 68 of the Regulations of capital raised from the public and which operates on the principle of risk spreading.

The Company has been approved by the Central Bank as a UCITS within the meaning of the Regulations. **Authorisation by the Central Bank is not an endorsement or guarantee of the Company by the Central Bank nor is the Central Bank responsible for the contents of the Prospectus. The authorisation of the Company shall not constitute a warranty as to performance of the Company and the Central Bank shall not be liable for the performance or default of the Company.**

The Company is organised in the form of an umbrella fund with segregated liability between sub-funds. The Articles of Association provide that the Company may offer separate Classes of Shares each representing interests in a Fund comprised of a distinct portfolio of investments. Where interests in a Fund are represented by more than one Class of Shares, a separate pool of assets shall not be maintained for each such Class within that Fund. These Classes are distinguished principally on the basis of either the Manager's fee and/or the charges to the relevant Class (see the section entitled "Fees and Expenses" for a complete list of all fees charged); the distribution policy relating to the relevant Class (see the section entitled "Distribution Policy"); and/or on the basis of its Class Currency (see Schedule II for a list of the Class Currency of each Class). The Net Asset Value per Share for one Class will differ from the other Classes, reflecting these differing fee levels or Class Currencies and in some cases due to the initial subscription price per Share differing from the Net Asset Value per Share of Classes already in issue. This Prospectus relates to Russell Continental European Equity Fund, Russell Emerging Markets Equity Fund, Russell Euro Liquidity Fund, Russell Eurozone Aggressive Equity Fund, Russell Global Bond Fund, Russell Global Credit Fund, Russell Global Real Estate Securities Fund, Russell Global High Yield Fund, Russell Japan Equity Fund, Russell Multi-Asset Growth Strategy Euro Fund, Russell Asia Pacific ex Japan Fund, Russell Sterling Bond Fund, Russell U.K. Equity Fund, Russell U.K. Index Linked Fund, Russell U.K. Long Dated Gilt Fund, Russell U.S. Bond Fund, Russell U.S. Equity Fund, Russell U.S. Small Cap Equity Fund, Russell World Equity Fund II, Russell Absolute Return Bond Fund, Russell Multi-Asset Conservative Strategy Fund and Russell Emerging Market Debt Fund.

A separate prospectus dated 6 March 2015 as amended by a supplemental prospectus dated 28 August 2015 has been issued by the Company and relates to the following funds: Old Mutual African Frontiers Fund, Old Mutual Pan African Fund Old Mutual Value Global Equity Fund, Old Mutual Global Bond Fund, Old Mutual Quant Global Equity Fund, Old Mutual Internal Growth Global Equity Fund, Old Mutual Global REIT Fund, Old Mutual Global Aggregate Bond Fund, Old Mutual Global Currency Fund, Old Mutual U.S. Core-Bond Fund, Old Mutual MSCI Emerging Markets Index Fund, Old Mutual FTSE RAFI[®] All World Index Fund, Old Mutual Global Balanced Fund, Old Mutual Emerging Market Local Currency Debt Fund, Old Mutual Global Defensive Fund, Old Mutual Multi-Style Global Equity Fund, Old Mutual Opportunities Global Equity Fund, Old Mutual Emulated Opportunities Global Equity Fund, Old Mutual MSCI Africa Ex-South Africa Index Fund, Old Mutual MSCI World ESG Index Fund, Old Mutual MSCI Emerging Markets ESG Index Fund and Old Mutual Blended Global Equity Fund.

A further separate prospectus dated 13 August 2015, has been issued by the Company and relates to the following funds: Acadian Emerging Markets Local Debt UCITS, Acadian European Equity UCITS, Acadian Global Equity UCITS, Acadian Emerging Markets Equity UCITS, Acadian Global Managed Volatility Equity UCITS, Acadian Global Equity SRI UCITS, Acadian Emerging Markets Managed Volatility Equity UCITS and Acadian Emerging Market Equity UCITS II, Acadian Emerging Markets Small-Cap Equity UCITS and Acadian Global Leveraged Market Neutral Equity UCITS.

The Company may, with the prior approval of the Central Bank, create additional Funds or Classes of Shares in the Funds.

THE FUNDS

Investment Objectives and Policies

The objective of the Funds is to invest in transferable securities in accordance with the Regulations and/or other liquid financial assets referred to in Regulation 68 of the Regulations with the aim of spreading investment risk. The transferable securities in which the Funds may invest generally must be quoted, or dealt in, on a Regulated Market. A list of Regulated Markets is contained in Schedule I.

The following is a description of the investment objectives and policies of each Fund. There can be no assurance that a Fund will achieve its investment objective.

Profile of a typical investor

The following table sets out the suitability of each of the Funds for investors, by stating (i) what type of return the investor should seek to achieve by investing in each Fund (ii) over what time period the investor should invest in each Fund for and (iii) the level of volatility an investor should be prepared to accept.

Fund:	Suitable for Investors Seeking:		Over a Time Horizon of:	Level of Volatility:
	Growth	Income		
Russell Continental European Equity Fund	✓	-	5 to 7 years	Moderate - high
Russell Emerging Markets Equity Fund	✓	-	5 to 7 years	Moderate - high
Russell Euro Liquidity Fund	-	✓	5 to 7 years	Moderate
Russell Eurozone Aggressive Equity Fund	✓	-	5 to 7 years	High
Russell Global Bond Fund	✓	✓	5 to 7 years	Moderate
Russell Global Credit Fund	✓	✓	5 to 7 years	Moderate
Russell Global Real Estate Securities Fund	✓	✓	5 to 7 years	Moderate - high
Russell Global High Yield Fund	-	✓	5 to 7 years	Moderate
Russell Japan Equity Fund	✓	-	5 to 7 years	Moderate – high
Russell Multi-Asset Growth Strategy Euro Fund	✓	-	5 to 7 years	Moderate
Russell Asia Pacific ex Japan Fund	✓	-	5 to 7 years	Moderate – high
Russell Sterling Bond Fund	✓	-	5 to 7 years	Moderate
Russell U.K. Equity Fund	✓	-	5 to 7 years	Moderate - high
Russell U.K. Index Linked Fund	✓	✓	5 to 7 years	Moderate

Russell U.K. Long Dated Gilt Fund	✓	✓	5 to 7 years	Moderate
Russell U.S. Bond Fund	✓	✓	5 to 7 years	Moderate
Russell U.S. Equity Fund	✓	-	5 to 7 years	Moderate - high
Russell U.S. Small Cap Equity Fund	✓	-	5 to 7 years	Moderate - high
Russell World Equity Fund II	✓	-	5 to 7 years	Moderate – high
Russell Absolute Return Bond Fund	✓	✓	5 to 7 years	Moderate – high
Russell Multi-Asset Conservative Strategy Fund	✓	✓	3 to 5 years	Moderate
Russell Emerging Market Debt Fund	✓	✓	5 to 7 years	Moderate - high

Russell Continental European Equity Fund

Russell Continental European Equity Fund will seek to achieve capital appreciation by investing primarily in equity securities, including common stock, convertibles, American depository receipts, global depository receipts and warrants, listed on the Regulated Markets in Europe (ex U.K.). Russell Continental European Equity Fund may hold such securities of companies listed or traded on Regulated Markets worldwide that are not incorporated in Europe (ex U.K.) but which receive the majority of their total revenue from countries in Europe (ex U.K.). Investments in warrants may not exceed 5 per cent of the Russell Continental European Equity Fund's net assets. Russell Continental European Equity Fund will not be concentrating on any specific industry sector but will pursue a policy of active stock selection and active country allocation on the Regulated Markets in which it operates. Investors' attention is drawn to the risk factors set out in the section entitled "Risk Factors" below.

At all times, at least two-thirds of the Russell Continental European Equity Fund's total assets (without taking into account ancillary liquid assets) will be invested in the foregoing instruments (excluding convertibles) of issuers domiciled in the aforementioned region.

Russell Continental European Equity Fund may employ investment techniques and financial derivative instruments for efficient portfolio management and/or investment purposes within the limits set forth in Schedule VI as described in the section "Investment Techniques and Financial Derivative Instruments". Futures contracts will be used to hedge against market risk or gain exposure to an underlying market. Forward contracts will be used to hedge or gain exposure to an increase in the value of an asset, currency, commodity or deposit. Options will be used to hedge or achieve exposure to a particular market instead of using a physical security. Swaps (including swaptions) will be used to achieve profit as well as to hedge existing long positions. Forward foreign exchange transactions will be used to reduce the risk of adverse market changes in exchange rates or to increase exposure to foreign currencies or to shift exposure to foreign currency fluctuations from one country to another. Caps and floors will be used to hedge against interest rate movements exceeding given minimum or maximum levels. Contracts for differences will be used to gain exposure to equities. Credit derivatives will be used to isolate and transfer the exposure to or transfer the credit risk associated with a reference asset or index of reference assets.

The Directors have authorised the issuance of the Classes of Shares set out in Schedule II.

Russell Emerging Markets Equity Fund

The Directors recommend that an investment in Russell Emerging Markets Equity Fund should not constitute a substantial portion of an investor's portfolio. Investors' attention is drawn to the risk factors set out in the section entitled "Risk Factors" below.

The objective of the Russell Emerging Markets Equity Fund is to achieve capital appreciation by investing primarily in common stock, convertibles, American depository receipts, global depository receipts and warrants of issuers in Emerging Markets throughout the world or in new issues for which application for listing will be sought on a Regulated Market. Russell Emerging Markets Equity Fund may hold such securities of companies listed or traded on Regulated Markets worldwide that are not incorporated in Emerging Markets but which receive the majority of their total revenue from Emerging Market countries. Investments in warrants may not exceed 5 per cent of the Russell Emerging Markets Equity Fund's net assets. The investments will be listed on the Regulated Markets, a list of which appears in Schedule I. Investments in Pakistan shall not exceed 30 per cent and investments in China 40 per cent of Russell Emerging Markets Equity Fund's net assets. At all times, at least two-thirds of the Russell Emerging Markets Equity Fund's total assets (without taking into account ancillary liquid assets) will be invested in the foregoing instruments (excluding convertibles) of issuers domiciled or which receive the majority of their total revenue from Emerging Market countries. Russell Emerging Markets Equity Fund will not concentrate on any specific industry sectors but will pursue a policy of active stock selection and active country allocation in the markets in which it operates.

Russell Emerging Markets Equity Fund may employ investment techniques and financial derivative instruments for efficient portfolio management and/or investment purposes within the limits set forth in Schedule VI as described in the section "Investment Techniques and Financial Derivative Instruments". Futures contracts will be used to hedge against market risk or gain exposure to an underlying market. Forward contracts will be used to hedge or gain exposure to an increase in the value of an asset, currency, commodity or deposit. Options will be used to hedge or achieve exposure to a particular market instead of using a physical security. Swaps (including swaptions) will be used to achieve profit as well as to hedge existing long positions. Forward foreign exchange transactions will be used to reduce the risk of adverse market changes in exchange rates or to increase exposure to foreign currencies or to shift exposure to foreign currency fluctuations from one country to another. Caps and floors will be used to hedge against interest rate movements exceeding given minimum or maximum levels. Contracts for differences will be used to gain exposure to equities. Credit derivatives will be used to isolate and transfer the exposure to or transfer the credit risk associated with a reference asset or index of reference assets.

The Directors have authorised the issuance of the Classes of Shares set out in Schedule II.

Russell Euro Liquidity Fund

The investment objective of the Russell Euro Liquidity Fund is to preserve the principal of the Fund and provide a return in line with Money Market Rates. Russell Euro Liquidity Fund is a Short-Term Money Market Fund.

It will seek to achieve its objective by active selection of money market instruments consistent with its daily assessment of market risks. This investment approach begins with a broad view of the economic and political environment. Interest rate forecasts in relation to the Euro issued by the investment community and European Central Bank policy are then analysed to develop an expectation for interest rate trends.

The Fund will invest in a diversified portfolio of high quality Euro denominated short-term money market instruments which shall be listed, traded or dealt in on Regulated Markets in the EU and/or, subject to the limit stated in paragraph 2.2 of Schedule V, to be listed on such Regulated Markets within a year of being issued. The short-term debt and debt-related instruments in which the Fund will invest must be denominated in Euro and issued by either:

- (i) EU governments their agencies or instrumentalities; or
- (ii) any other OECD government (details of which are set out in Schedule IV) or their agencies or instrumentalities; or
- (ii) corporations, municipalities, supra-national organisations or other entities such as financial institutions or their asset backed commercial paper conduits.

The Fund will invest up to 100 per cent of its Net Asset Value in short-term money market instruments issued by the entities referred to in paragraph (i), (ii) and (iii) above in accordance with the diversification requirements set out in Schedule V, but will not however invest more than 10 per cent of its Net Asset Value in instruments issued by the same issuer in the case of instruments issued by entities referred to in paragraphs (ii) and (iii) above in accordance with the requirement set out in paragraph 2.3 of Schedule V. For the avoidance of doubt, this restriction will not apply to the entities referred to in paragraph (i) above.

The short-term money market instruments in which the Fund invests will consist of fixed and floating rate investments, including, but not limited to, bonds (including zero coupon bonds), notes, bank obligations, commercial paper (including asset-backed commercial paper) and letters of credit which are unconditional and irrevocable. A documented assessment of the credit quality of such instruments will be performed in order to ensure that such instruments are of high quality. Where one or more rating agencies registered and supervised by ESMA have provided a rating of the instrument, regard may be given to, inter alia, those credit ratings. While there will be no mechanistic reliance on such external ratings, a downgrade below the two highest short-term credit ratings by any agency registered and supervised by ESMA that has rated the instrument will lead to a new assessment of the credit quality of such instruments.

The Fund intends to maintain at least 25 per cent of its Net Asset Value in instruments that mature or can be realised within 5 Business Days, and of this proportion 10 per cent of its Net Asset Value in instruments that mature or can be realised within 1 Business Day.

The Fund may hold ancillary liquid assets including term deposits but all investments in cash must be denominated in Euros.

The Fund's investments are limited to securities or instruments with residual maturity until the legal redemption date of less than or equal to 397 days. The Euro weighted average maturity of the Fund shall not exceed 60 days - for the purposes of calculating weighted average maturity, floating rate notes will utilise the next interest rate reset to the money market rate. There will be a maximum of a 120 day average spread duration for the portfolio.

The Euro weighted average life of the Fund shall not exceed 120 days. For the purposes of calculating weighted average life, floating rate notes will utilise the stated final maturity date of the notes.

The Fund will utilise repurchase agreements for efficient portfolio management purposes subject to the conditions set forth in Schedule VI: "Investment Techniques and Financial Derivative Instruments". The repurchase agreements these shall be in the Base Currency of the Fund.

The risk and reward profile of the Fund is such that the aim of the Fund is to preserve capital and maintain liquidity which it seeks to achieve by foregoing the potential for capital growth. The Fund will carry out monthly portfolio analysis incorporating stress testing to examine portfolio returns under various market scenarios to determine if the portfolio constituents are appropriate to meet pre-determined levels of credit risk, interest rate risk, market risk and investor repurchases. The results of the periodic analysis will be available for inspection by the Central Bank.

The Fund will use the commitment approach as a risk measurement technique to identify, monitor and manage risks.

The Directors have authorised the issuance of the Classes of Shares set out in Schedule II.

Russell Eurozone Aggressive Equity Fund

Russell Eurozone Aggressive Equity Fund seeks to achieve capital appreciation by investing primarily in a concentrated portfolio of equities, domiciled and listed on Regulated Markets in the Member States of the EU that have adopted the Euro. At least 75 per cent of the Russell Eurozone Aggressive Equity Fund's net assets will be invested in issuers based in the EU, Norway and Iceland. The Fund may also invest in common stock, American depository receipts, global depository receipts, convertibles and warrants. Investments in warrants may not exceed 5 per cent of the Russell European Aggressive Equity Fund's net assets. In addition to pursuing a more concentrated portfolio, Money Managers may deviate from benchmark weightings. Russell Eurozone Aggressive Equity Fund may also invest up to a maximum of 10 per cent of its net assets in securities traded on other Regulated Markets within the EU that have not yet adopted the Euro. Russell Eurozone Aggressive Equity Fund may also invest in new issues for which application for listing on a Regulated Market in one of the foregoing countries will be sought within one year of their issue. At all times at least two-thirds of the total assets of the Russell Eurozone Aggressive Equity Fund

(without taking into account ancillary liquid assets) will be invested in equities (excluding convertibles) of issuers domiciled in a country having adopted the Euro as its official currency or exercising the predominant part of their economic activity in such country. In addition, the Fund may invest up to 10 per cent of its net assets in units or shares of open-ended collective investment schemes within the meaning of the Regulations. Investments in convertibles may not exceed 25 per cent of the Russell Eurozone Aggressive Equity Fund's Net Asset Value.

Investment techniques and financial derivative instruments may be used for efficient portfolio management and/or investment purposes within the limits set forth in Schedule VI as described in the section "Investment Techniques and Financial Derivative Instruments". Futures contracts will be used to hedge against market risk or gain exposure to an underlying market. Forward contracts will be used to hedge or gain exposure to an increase in the value of an asset, currency, commodity or deposit. Options will be used to hedge or achieve exposure to a particular market instead of using a physical security. Swaps (including swaptions) will be used to achieve profit as well as to hedge existing long positions. Forward foreign exchange transactions will be used to reduce the risk of adverse market changes in exchange rates or to increase exposure to foreign currencies or to shift exposure to foreign currency fluctuations from one country to another. Caps and floors will be used to hedge against interest rate movements exceeding given minimum or maximum levels. Contracts for differences will be used to gain exposure to equities. Credit derivatives will be used to isolate and transfer the exposure to or transfer the credit risk associated with a reference asset or index of reference assets.

The Directors have authorised the issuance of the Classes of Shares set out in Schedule II.

Russell Global Bond Fund

Russell Global Bond Fund's investment objective is to provide income and capital growth by investing primarily in transferable debt instruments denominated in a variety of currencies which include but are not limited to, municipal and government bonds, agency debt (being that issued by local authorities or public international bodies of which one or more governments is a member), mortgage related debt and corporate debt, that are listed, traded or dealt in on a Regulated Market in the OECD and which may have fixed or floating interest rates.

At least two-thirds of the total assets of the Fund (without taking into account ancillary liquid assets) will be invested in transferable debt instruments worldwide. The Fund will not invest more than one third of its total assets in aggregate in bank deposits or convertible bonds and bonds with warrants attached or money market instruments (including, but not limited to, T-bills, certificates of deposit, commercial paper, bankers' acceptances and letters of credit, whose maturity or interest rate reset period does not exceed 397 days). Investments in convertible bonds and bonds with warrants attached may in aggregate not exceed 25 per cent of the Fund's total assets. The Fund will not purchase equity securities but may hold them if they are acquired through a restructuring of a company's debt instruments that are already held by the Fund.

Investors should note that the Russell Global Bond Fund may also invest in transferable debt instruments with non-investment grade ratings or in unrated instruments which are deemed to be of comparable quality. The Fund will not invest more than 30 per cent of its assets in non-investment grade instruments.

Russell Global Bond Fund may employ investment techniques and financial derivative instruments for efficient portfolio management and/or investment purposes within the limits set forth in Schedule VI as described in the section "Investment Techniques and Financial Derivative Instruments". At any time the Fund may hold a combination of derivative instruments such as futures, forward contracts, options, swaps and swaptions, forward foreign exchange contracts, caps, floors and credit derivatives, any of which may be listed or over-the-counter. The Fund may use any of the above derivatives to (i) hedge an exposure and/or (ii) gain a positive or negative exposure to an underlying market, asset, reference rate or index, provided that the Fund may not have an indirect exposure to an instrument, issuer or currency to which it cannot have a direct exposure.

The Directors have authorised the issuance of the Classes of Shares set out in Schedule II.

Russell Global Credit Fund

Russell Global Credit Fund's investment objective is to provide income and capital growth by investing primarily in transferable debt instruments (including, but not limited to bonds, convertible bonds and contingent capital securities) denominated in a variety of currencies which include but are not limited to, corporate, agency (being that issued by local authorities or public international bodies of which one or more governments is a member) municipal,

government and, mortgage related debt (including, but not limited to agency and non-agency mortgage-backed securities) that are listed, traded or dealt in on a Regulated Market in the OECD and which may have fixed or floating interest rates.

At least two-thirds of the total assets of the Fund (without taking into account ancillary liquid assets) will be invested in transferable debt instruments worldwide. The Fund will not invest more than one third of its total assets in aggregate in bank deposits and/or convertible bonds and bonds with warrants attached or money market instruments (including, but not limited to, T-bills, certificates of deposit, commercial paper, bankers' acceptances and letters of credit, whose maturity or interest rate reset period does not exceed 397 days). Investments in convertible bonds and bonds with warrants attached may in aggregate not exceed 25 per cent of the Fund's total assets. The Fund will not purchase equity securities but may hold them if they are acquired through a restructuring of a company's debt that is already held by the Fund. The Fund may also hold derivative instruments in relation to equity indices as specified below.

Russell Global Credit Fund may also invest in transferable debt instruments with non-investment grade ratings or in unrated instruments which are deemed to be of comparable quality. The Fund will not invest more than 30 per cent of its assets in non-investment grade instruments.

Russell Global Credit Fund may employ investment techniques and financial derivative instruments for efficient portfolio management and/or investment purposes within the limits set forth in Schedule VI as described in the section "Investment Techniques and Financial Derivative Instruments". At any time the Fund may hold a combination of derivative instruments such as futures, forward contracts, options (including put options on equity indices), swaps and swaptions, forward foreign exchange contracts, caps, floors and credit derivatives, any of which may be listed or over-the-counter. The Fund may use any of the above derivatives to (i) hedge an exposure and/or (ii) gain exposure to an underlying market, asset, reference rate or index, provided that the Fund may not have an indirect exposure to an instrument, issuer or currency to which it cannot have a direct exposure.

The Directors have authorised the issuance of the Classes of Shares set out in Schedule II.

Russell Global Real Estate Securities Fund

Russell Global Real Estate Securities Fund aims to provide investors with exposure to a diversified portfolio of listed property securities. It seeks to generate capital appreciation and income, by investing principally (meaning not less than two-thirds of the total assets of the Fund (without taking into account ancillary liquid assets) in equities of mid to large sized commercial and rental residential real estate property companies and/or property trusts (including, but not limited to, U.S. Real Estate Investment Trusts (REITs), Dutch *Fiscale Beleggingsinstelling*, Belgium *Sociétés d'investissements à capital fixe en immobilière*, French *Sociétés d'investissements immobilières cotées* and Australian Listed Property Trusts), which are listed in countries included on the FTSE, EPRA/NAREIT Global Real Estate Index. As of 31 May 2005, the countries included on the FTSE EPRA/NAREIT Global Real Estate Index are as follows: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Italy, Japan, Netherlands, New Zealand, Singapore, Spain, Sweden, Switzerland, the U.K. and the U.S. It is expected that companies listed in these countries, will invest primarily in established urban markets of North America, Europe, Asia and Australia. Investments in convertibles may not exceed 25 per cent of the Russell Global Real Estate Securities Fund's net assets. Russell Global Real Estate Securities Fund does not engage in market timing between the stock market and cash. Similarly, allocations to the major regions (North America, Europe, Asia and Australia) will tend to mirror that of the Fund's benchmark, the FTSE EPRA/NAREIT Global Real Estate Index, over time. Russell Global Real Estate Securities Fund may also invest in new issues for which application for listing will be sought on a Regulated Market within one year of their issue.

Investment techniques and financial derivative instruments may be used for efficient portfolio management and/or investment purposes within the limits set forth in Schedule VI as described in the section "Investment Techniques and Financial Derivative Instruments". Futures contracts will be used to hedge against market risk or gain exposure to an underlying market. Forward contracts will be used to hedge or gain exposure to an increase in the value of an asset, currency, commodity or deposit. Options will be used to hedge or achieve exposure to a particular market instead of using a physical security. Swaps (including swaptions) will be used to achieve profit as well as to hedge existing long positions. Forward foreign exchange transactions will be used to reduce the risk of adverse market changes in exchange rates or to increase exposure to foreign currencies or to shift exposure to foreign currency fluctuations from one country to another. Caps and floors will be used to hedge against interest rate movements exceeding given minimum or maximum levels. Contracts for differences will be used to gain exposure to equities.

Credit derivatives will be used to isolate and transfer the exposure to or transfer the credit risk associated with a reference asset or index of reference assets.

The Directors have authorised the issuance of the Classes of Shares set out in Schedule II.

Russell Global High Yield Fund

Russell Global High Yield Fund's investment objective is to generate income and capital growth.

The Russell Global High Yield Fund will seek to achieve its objective by investing primarily in high yield corporate debt instruments. It will seek to generate returns through investing in debt instruments with credit risk and having fixed or floating interest rates, that are listed, traded or dealt in on a Regulated Market worldwide.

The Fund will invest at least 80 per cent. of its Net Asset Value in high yield/non-investment grade corporate debt instruments, such as bonds, notes, commercial paper and letters of credit (which are rated below BBB- by Standard & Poors or below Baa3 by Moodys or below BBB- by Fitch, or deemed to be of equivalent quality by the relevant Money Manager).

The Fund will be diversified worldwide across sectors, avoiding over-concentration in any single sector or issuer and without any industry or capitalization focus.

The Fund may also invest up to 20 per cent of its Net Asset Value, and when considered to be consistent with the investment objective of the Fund, in convertible bonds and other debt instruments including government and sovereign debt securities and asset-backed debt instruments, mortgage-backed debt securities, structured notes and credit linked notes issued by financial institutions (which may be rated below BBB- by Standard and Poors or below Baa3 by Moodys or below BBB- by Fitch, or deemed to be of equivalent quality by the relevant Money Manager).

The Fund may also invest up to 10 per cent. of its net assets in each of the following types of assets respectively: Short-Term Instruments, unlisted securities including units or shares in unregulated collective investment schemes, units or shares in open-ended collective investment schemes within the meaning of Regulation 68(1)(e) and Equities or Equity-Related Instruments listed on Regulated Markets worldwide.

The Fund may employ investment techniques and invest in financial derivative instruments for efficient portfolio management and/or investment purposes within the limits set forth in Schedule VI as described in the section "Investment Techniques and Financial Derivative Instruments". At any time the Fund may hold a combination of derivative instruments such as futures, forward contracts, options, swaps and swaptions, forward foreign exchange contracts and credit derivatives, any of which may be listed or over-the-counter. The Fund may use any of the above derivatives in order to hedge certain exposures or to gain certain exposures including exposures to currencies, interest rates, instruments, markets, reference rates or indices, provided that the Fund may not have an indirect exposure to an instrument, issuer or currency to which it cannot have a direct exposure. Such exposures may lead to economic benefits for the Fund when a currency, interest rate, instrument, market, reference rate or index appreciates in value or, in certain cases, depreciates in value. In particular, it is expected that the Fund will use: (i) forward foreign exchange contracts to gain exposure to certain currencies or to hedge exposures to certain currencies that have arisen due to investment in the debt instruments set out above; and (ii) interest rate swaps and futures to gain exposure to changes in relevant interest rates or to hedge against changes in relevant interest rates. The expected effect of the use of these instruments will be to enhance returns and/or reduce inherent risks relating to the currencies and interest rates affecting the instruments in which the Fund is invested. Details of the expected leverage effect of utilising such instruments are set out below.

The Fund will use VaR as a risk measurement technique to measure, monitor and manage risks. The Fund will use the absolute VaR approach to measure the maximum potential loss due to market risk at a given confidence level over a specified time period under prevailing market conditions. The VaR of the Fund shall not exceed 3.16 per cent of the Net Asset Value of the Fund, based on a 1 day holding period and a "one-tailed" 95 per cent confidence interval using a historical observation period of at least 1 year.

The Fund will monitor its use of financial derivative instruments. The level of exposure (calculated based on the sum of the absolute value of notionals of the derivatives used, in accordance with the requirements of the Central Bank) is expected to be 200 per cent of the Fund's Net Asset Value. It is possible that this could increase, for example, during

abnormal market conditions and at times when there is low volatility. The expected level of exposure figure is calculated based on the sum of the absolute value of notionals of the derivatives used, in accordance with the requirements of the Central Bank. This figure does not take into account any netting and hedging arrangements that the Fund has in place at any time even though these netting and hedging arrangements are used for risk reduction purposes and is therefore not a risk-adjusted method of measuring exposure which means this figure can be higher than it otherwise would be if such netting and hedging arrangements were taken into account. As these netting and hedging arrangements, if taken into account, may reduce the level of exposure, this calculation may not provide an accurate measure of the Fund's actual level of exposure. In addition there are limitations in using VaR as a statistical measure of risk because it does not directly limit the level of exposure in the Fund and only describes the risk of loss in prevailing market conditions and would not capture future significant changes in volatility.

The Fund may invest more than 20% of its Net Asset Value in Emerging Markets. Accordingly, an investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. Shareholders should note that the Net Asset Value of the Fund may be subject to increased volatility as a consequence of the Fund's investment in the securities of issuers located in Emerging Markets. Please refer to the risk factors set out in the section titled "Risk Factors".

The Directors have authorised the issuance of the Classes of Shares set out in Schedule II.

Russell Japan Equity Fund

Russell Japan Equity Fund will seek to achieve capital appreciation by investing primarily in Japanese equity securities, including common stock, American depository receipts, global depository receipts, listed convertibles and warrants quoted on a Regulated Market in Japan. The Japan Equity Fund may also invest in new issues for which application for listing on a Regulated Market in Japan will be sought and may hold such securities of companies listed or traded on Regulated Markets worldwide that are not incorporated in Japan but which receive the majority of their total revenue from Japan. Investments in warrants may not exceed 5 per cent of the Russell Japan Equity Fund's net assets. At all times, at least two-thirds of Russell Japan Equity Fund's total assets (without taking into account ancillary liquid assets) will be invested in the foregoing instruments (excluding convertibles) of issuers domiciled in Japan or who receive the majority of their total revenue from Japan. Russell Japan Equity Fund will seek to maintain a wide diversification of investment and, therefore, will not be concentrating on any specific industry sectors but will pursue a policy of active stock selection and active sector allocation in the markets in which it operates.

Russell Japan Equity Fund may employ investment techniques and financial derivative instruments for efficient portfolio management and/or investment purposes within the limits set forth in Schedule VI as described in the section "Investment Techniques and Financial Derivative Instruments". Futures contracts will be used to hedge against market risk or gain exposure to an underlying market. Forward contracts will be used to hedge or gain exposure to an increase in the value of an asset, currency, commodity or deposit. Options will be used to hedge or achieve exposure to a particular market instead of using a physical security. Swaps (including swaptions) will be used to achieve profit as well as to hedge existing long positions. Forward foreign exchange transactions will be used to reduce the risk of adverse market changes in exchange rates or to increase exposure to foreign currencies or to shift exposure to foreign currency fluctuations from one country to another. Caps and floors will be used to hedge against interest rate movements exceeding given minimum or maximum levels. Contracts for differences will be used to gain exposure to equities. Credit derivatives will be used to isolate and transfer the exposure to or transfer the credit risk associated with a reference asset or index of reference assets.

The Directors have authorised the issuance of the Classes of Shares set out in Schedule II.

Russell Multi-Asset Growth Strategy Euro Fund

The investment objective of Russell Multi-Asset Growth Strategy Euro Fund is to seek to achieve long-term capital appreciation.

The Fund will seek to achieve this objective by implementing the following policies:

1. The Fund will invest in Eligible Collective Investment Schemes, including schemes that:

- invest primarily in Equities, Fixed Income Securities and Instruments and/or Short-Term Instruments;
- aim to replicate an index which will meet the requirements relating to index tracking funds in the UCITS Directive, including index tracking funds that are comprised primarily of Equities, Fixed Income Securities and Instruments or Short Term Instruments; or
- make cash-based investments or whose objectives are to exceed cash benchmarks.

The Eligible Collective Investment Schemes in which the Fund invests may be leveraged or unleveraged.

2. The Fund may also invest in Equities, Equity-Related Instruments, Fixed Income Securities and Instruments, Short-Term Instruments, Exchange Traded Funds, Exchange Traded Commodities and convertible debt securities (including convertible corporate bonds) or any combination of these instruments and securities that are listed, traded or dealt in on Regulated Markets worldwide, including Emerging Markets. The Fund may also invest up to 10% of its Net Asset Value in unlisted securities.
3. In determining the Fund's asset allocation among the Eligible Collective Investment Schemes described in paragraph 1 above, the Investment Manager will have regard to long-term capital market assumptions and its short to medium term views on the relative attractiveness of the various asset classes.
4. The Fund's investments in Fixed Income Securities and Instruments will primarily consist of investment grade instruments (rated at least BBB- by S&P, Baa3 by Moody's or an equivalent rating where rated by another rating agency), however the Fund may invest up to 10% of its Net Asset Value in non-investment grade or unrated Fixed Income Securities and Instruments.
5. The Short Term Instruments in which the Fund invests will carry a short-term rating or a minimum issuer's rating of A1/P1 by S&P or Moody's. A Short-Term Instrument that is not rated by either of these rating agencies is permissible if the Short-Term Instrument is deemed by the Investment Manager to be of equivalent credit quality to the minimum credit constraint.
6. The Fund may maintain a small allocation to cash for temporary defensive and ancillary liquid asset purposes.
7. The Fund's investments will be made in accordance with the principle of risk diversification and the Fund will not be confined to any particular sector or region when making its investments.
8. The Fund may employ investment techniques and financial derivative instruments for efficient portfolio management and/or investment purposes within the limits set forth in Schedule VI as described in the section "Investment Techniques and Financial Derivative Instruments". Futures contracts will be used to hedge against market risk or gain exposure to an underlying market. Forward contracts will be used to hedge or gain exposure to an increase in the value of an asset, currency or deposit. Options will be used to hedge or achieve exposure to a particular market instead of using a physical security. Forward foreign exchange transactions will be used to reduce the risk of adverse market changes in exchange rates. Contracts for differences will be used to gain exposure to equities. Warrants may be used to hedge or achieve exposure to a particular market, index or security instead of using a physical security. The underlyings of the financial derivative instruments used will relate to securities that are referred to in the investment policy.

In order to protect Shareholders' interests, the Fund will use VaR as a risk measurement technique to accurately measure, monitor and manage risks. The Fund will use the absolute VaR approach to measure the maximum potential loss due to market risk at a given confidence level over a specified time period under prevailing market conditions. The VaR of the Fund calculated daily shall not exceed 3.16 per cent of the Net Asset Value of the Fund, based on a 1 day holding period and a "one-tailed" 95 per cent confidence interval using a historical observation period of at least 1 year.

The Fund will monitor its use of financial derivative instruments. The level of exposure (calculated based on the sum of the absolute value of notionals of the derivatives used, in accordance with the requirements of the Central Bank) is expected to be 30 per cent of the Fund's Net Asset Value. It is possible that this

could increase, for example, during abnormal market conditions and at times when there is low volatility. The expected level of exposure figure is calculated based on the sum of the absolute value of notional of the derivatives used, in accordance with the requirements of the Central Bank. This figure does not take into account any netting and hedging arrangements that the Fund has in place at any time even though these netting and hedging arrangements are used for risk reduction purposes and is therefore not a risk-adjusted method of measuring exposure which means this figure can be higher than it otherwise would be if such netting and hedging arrangements were taken into account. As these netting and hedging arrangements, if taken into account, may reduce the level of exposure, this calculation may not provide an accurate measure of the Fund's actual level of exposure. In addition there are limitations in using VaR as a statistical measure of risk because it does not directly limit the level of exposure in the Fund and only describes the risk of loss in prevailing market conditions and would not capture future significant changes in volatility.

The Fund may invest more than 20% of its Net Asset Value in Emerging Markets. Accordingly, an investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. Shareholders should note that the Net Asset Value of the Fund may be subject to increased volatility as a consequence of the Fund's investment in the securities of issuers located in Emerging Markets. Please refer to the risk factors set out in the section titled "Risk Factors".

The Directors have authorised the issuance of the Classes of Shares set out in Schedule II.

Russell Asia Pacific ex Japan Fund

The Directors recommend that an investment in the Russell Asia Pacific ex Japan Fund should not constitute a substantial portion of an investor's portfolio. An investment in the Russell Asia Pacific ex Japan Fund may not be appropriate for all investors. Investors' attention is drawn to the risk factors set out in the section entitled "Risk Factors" below.

Russell Asia Pacific ex Japan Fund will seek to achieve capital appreciation by investing primarily in equity securities, including common stock, convertibles, American depository receipts, global depository receipts and warrants on Regulated Markets in countries in the Pacific Basin (ex Japan) region or in new issues for which application for listing on a Regulated Market in those countries will be sought. Russell Asia Pacific ex Japan Fund may hold such securities of companies listed or traded on Regulated Markets worldwide that are not incorporated in the region but which receive the majority of their total revenue from the region. In any event investments in Pakistan will not exceed 30 per cent of the net assets of the Russell Asia Pacific ex Japan Fund. Investments in warrants may not exceed 5 per cent of the Russell Asia Pacific ex Japan Fund's net assets. Investors' attention is drawn to the risk factors set out in the section entitled "Risk Factors" below. At all times, at least two-thirds of the Russell Asia Pacific ex Japan Fund's total assets (without taking into account ancillary liquid assets) will be invested in the foregoing instruments (excluding convertibles) of issuers domiciled in the aforementioned region. Russell Asia Pacific ex Japan Fund will not be concentrating on any specific industry sectors but will pursue a policy of active stock selection and active country allocation in the market in which it operates. It is not proposed to invest in Japan. For the purposes of the Fund, the Pacific Basin region comprises the following countries: Australia, Bangladesh, China, Hong Kong, India, Indonesia, Korea, Malaysia, New Zealand, Pakistan, Philippines, Singapore, Sri Lanka, Taiwan, Thailand and Vietnam.

Russell Asia Pacific ex Japan Fund may employ investment techniques and financial derivative instruments for efficient portfolio management and/or investment purposes within the limits set forth in Schedule VI as described in the section "Investment Techniques and Financial Derivative Instruments". Futures contracts will be used to hedge against market risk or gain exposure to an underlying market. Forward contracts will be used to hedge or gain exposure to an increase in the value of an asset, currency, commodity or deposit. Options will be used to hedge or achieve exposure to a particular market instead of using a physical security. Swaps (including swaptions) will be used to achieve profit as well as to hedge existing long positions. Forward foreign exchange transactions will be used to reduce the risk of adverse market changes in exchange rates or to increase exposure to foreign currencies or to shift exposure to foreign currency fluctuations from one country to another. Caps and floors will be used to hedge against interest rate movements exceeding given minimum or maximum levels. Contracts for differences will be used to gain exposure to equities. Credit derivatives will be used to isolate and transfer the exposure to or transfer the credit risk associated with a reference asset or index of reference assets.

The Directors have authorised the issuance of the Classes of Shares set out in Schedule II.

Russell Sterling Bond Fund

Russell Sterling Bond Fund's investment objective is to provide capital appreciation by investing primarily in Sterling denominated debt instruments which include but are not limited to, municipal and government bonds, agency debt (being that issued by local authorities or public international bodies of which one or more governments is a member), mortgage related debt and corporate debt that are listed, traded or dealt in on a Regulated Market in the OECD and which may have fixed or floating interest rates.

At least two-thirds of the total assets of the Fund (without taking into account ancillary liquid assets) will be invested in transferable debt instruments denominated in Sterling.

The Fund will not invest more than one third of its total assets in aggregate in bank deposits or convertible bonds and bonds with warrants attached or money market instruments (including, but not limited to, T-bills, certificates of deposit, commercial paper, bankers' acceptances and letters of credit, whose maturity or interest rate reset period does not exceed 397 days). Investments in convertible bonds and bonds with warrants attached may in aggregate not exceed 25 per cent of the Fund's total assets. The Fund will not purchase equity securities but may hold them if they are acquired through a restructuring of a company's debt instruments that are already held by the Fund.

Investors should note that the Sterling Bond Fund may also invest in transferable debt instruments with non-investment grade ratings or in unrated instruments which are deemed to be of comparable quality. The Fund will not invest more than 30 per cent of its assets in non-investment grade instruments.

Russell Sterling Bond Fund will be allowed to take positions in currencies other than Sterling through the use of techniques described and within the limits set forth in Schedule VI. Russell Sterling Bond Fund's currency exposure to Sterling will range between 75 and 125 per cent of the Fund's net assets, leveraging through investment in financial derivative instruments.

Derivatives may be used for efficient portfolio management and/or investment purposes as described in the section "Investment Techniques and Financial Derivative Instruments" in accordance within the limits set forth in Schedule VI. At any time the Fund may hold a combination of derivative instruments such as futures, forward contracts, options, swaps and swaptions, forward foreign exchange contracts, caps, floors and credit derivatives, any of which may be listed or over-the-counter. The Fund may use any of the above derivatives to (i) hedge an exposure and/or (ii) gain a positive or negative exposure to an underlying market, asset, reference rate or index, provided that the Fund may not have an indirect exposure to an instrument, issuer or currency to which it cannot have a direct exposure.

The Directors have authorised the issuance of the Classes of Shares set out in Schedule II.

Russell U.K. Equity Fund

Russell U.K. Equity Fund will seek to achieve capital appreciation by investing primarily in U.K. equity securities, including common stock, convertibles, American depository receipts, global depository receipts and warrants listed on Regulated Markets in the U.K.

At all times, at least 75 per cent of the Russell U.K. Equity Fund's total assets will be invested in the equity securities (excluding convertibles) of issuers domiciled in the U.K. Russell U.K. Equity Fund may also hold such securities of companies listed or traded on Regulated Markets worldwide that are not incorporated, listed or traded in the U.K. but which receive the majority of their total revenue from the U.K. Investments in warrants may not exceed 5 per cent of the Russell U.K. Equity Fund's net assets. Russell U.K. Equity Fund may also invest in new issues for which application for listing on a Regulated Market will be sought. Russell U.K. Equity Fund will be highly diversified and therefore will not be concentrating on any specific industry sectors but will pursue a policy of active stock selection.

Russell U.K. Equity Fund may employ investment techniques and financial derivative instruments for efficient portfolio management and/or investment purposes within the limits set forth in Schedule VI as described in the section "Investment Techniques and Financial Derivative Instruments". Futures contracts will be used to hedge against market risk or gain exposure to an underlying market. Forward contracts will be used to hedge or gain exposure to an increase in the value of an asset, currency, commodity or deposit. Options will be used to hedge or achieve exposure to a particular market instead of using a physical security. Swaps (including swaptions) will be used

to achieve profit as well as to hedge existing long positions. Forward foreign exchange transactions will be used to reduce the risk of adverse market changes in exchange rates or to increase exposure to foreign currencies or to shift exposure to foreign currency fluctuations from one country to another. Caps and floors will be used to hedge against interest rate movements exceeding given minimum or maximum levels. Contracts for differences will be used to gain exposure to equities. Credit derivatives will be used to isolate and transfer the exposure to or transfer the credit risk associated with a reference asset or index of reference assets.

Russell U.K. Equity Fund is eligible for the Plan d'Epargne Actions (PEA) which is a French tax-free long-term savings scheme. As such, at all times it is required to invest at least 75 per cent of its net assets in PEA Eligible Securities. This requirement can be met in the context of the investment policy of the Russell U.K. Equity Fund as disclosed herein.

The Directors have authorised the issuance of the Classes of Shares set out in Schedule II.

Russell U.K. Index Linked Fund

Russell U.K. Index Linked Fund's investment objective is to preserve capital and to generate current income adjusted for U.K. inflation.

Russell U.K. Index Linked Fund will seek to achieve its investment objective by investing directly in inflation linked transferable securities.

Russell U.K. Index Linked Fund will invest primarily in fixed or floating rate index linked gilts that are listed, traded or dealt in on a Regulated Market. An index linked security is one where the coupons and principal are linked to inflation.

Russell U.K. Index Linked Fund may invest in securities rated investment grade or non-investment grade by a recognised rating agency such as Moody's or S&P or securities deemed by the Money Manager(s) to have an equivalent rating.

Russell U.K. Index Linked Fund may also hold cash and invest in cash equivalents, including but not limited to commercial paper, certificates of deposit and Treasury bills, without restriction.

Russell U.K. Index Linked Fund may also invest up to 10% of its net assets in unlisted securities and regulated collective investment schemes that meet the criteria set out in the Central Bank's Guidance Note 2/03.

The performance of Russell U.K. Index Linked Fund will be benchmarked against the Barclays UK Government Inflation-Linked Bond Index. The Barclays UK Government Inflation-Linked Bond Index measures the performance of the UK government index-linked market and comprises British government index linked securities with a remaining maturity of one year or more. The Barclays UK Government Inflation-Linked Bond Index is calculated daily and rebalanced once a month.

Russell U.K. Index Linked Fund is expected to operate with a performance tracking error of between 30 and 40 basis points against the Barclays UK Government Inflation-Linked Bond Index. At any time, a significant proportion of Russell U.K. Index Linked Fund's net asset value may be invested in the constituents of the Barclays UK Government Inflation-Linked Bond Index.

The Russell U.K. Index Linked Fund may employ investment techniques and financial derivative instruments for efficient portfolio management within the limits set forth in Schedule VI as described in the section "Investment Techniques and Financial Derivative Instruments". Futures contracts will be used to hedge against market risk or gain exposure to an underlying market. Forward contracts will be used to hedge or gain exposure to an increase in the value of an asset, currency, commodity or deposit. Options will be used to hedge or achieve exposure to a particular market instead of using a physical security. Swaps (including swaptions) will be used to achieve profit as well as to hedge existing long positions.

The Fund will use the commitment approach as a risk measurement technique to identify, monitor and manage risks. The Fund will not be leveraged as a result of its investment in derivatives.

The Directors have authorised the issuance of the Classes of Shares set out in Schedule II.

Russell U.K. Long Dated Gilt Fund

Russell U.K. Long Dated Gilt Fund's investment objective is to preserve capital and to generate income.

Russell U.K. Long Dated Gilt Fund will seek to achieve its investment objective by investing directly in long dated U.K. government debt securities. UK gilts have a fixed rate of interest, are denominated in Sterling, listed on the London Stock Exchange and generally rated investment grade by Moody's or S&P.

Russell U.K. Long Dated Gilt Fund may also hold cash and invest in cash equivalents, including but not limited to commercial paper, certificates of deposit and Treasury bills, without restriction.

Russell U.K. Long Dated Gilt Fund may also invest up to 10% of its net assets in unlisted securities and regulated collective investment schemes that meet the criteria set out in the Central Bank's Guidance Note 2/03.

The performance of the Russell U.K. Long Dated Gilt Fund will be benchmarked against the Barclays Sterling Gilt 15+ Year Index. The Barclays Sterling Gilt 15+ Year Index consists of long dated bonds issued in GBP by the UK government and measures the performance of the long dated UK government bond (Gilt) market.

Russell U.K. Long Dated Gilt Fund is expected to operate with a performance tracking error of between 30 and 40 basis points against the Barclays Sterling Gilt 15+ Year Index. At any time, a significant proportion of Russell U.K. Long Dated Gilt Fund's net asset value may be invested in the constituents of the Barclays Sterling Gilt 15+ Year Index.

Russell U.K. Long Dated Gilt Fund may employ investment techniques and financial derivative instruments for efficient portfolio management within the limits set forth in Schedule VI as described in the section "Investment Techniques and Financial Derivative Instruments". Futures contracts will be used to hedge against market risk or gain exposure to an underlying market. Forward contracts will be used to hedge or gain exposure to an increase in the value of an asset, currency, commodity or deposit. Options will be used to hedge or achieve exposure to a particular market instead of using a physical security. Swaps (including swaptions) will be used to achieve profit as well as to hedge existing long positions.

The Fund will use the commitment approach as a risk measurement technique to identify, monitor and manage risks. The Fund will not be leveraged as a result of its investment in derivatives.

The Directors have authorised the issuance of the Classes of Shares set out in Schedule II.

Russell U.S. Bond Fund

Russell U.S. Bond Fund's investment objective is to provide income and capital growth by investing primarily in U.S. Dollar, denominated transferable debt instruments which include but are not limited to, municipal and government bonds, agency debt (being that issued by local authorities or public international bodies of which one or more governments is a member), mortgage related debt and corporate debt that are listed, traded or dealt in on a Regulated Market in the OECD and which may have fixed or floating interest rates.

At least two-thirds of the total assets of the Fund (without taking into account ancillary liquid assets) will be invested in transferable debt instruments of issuers domiciled or exercising the predominant part of their economic activity in the U.S. The Fund will not invest more than one third of its total assets in aggregate in bank deposits or convertible bonds and bonds with warrants attached or money market instruments (including, but not limited to, T-bills, certificates of deposit, commercial paper, bankers' acceptances and letters of credit, whose maturity or interest rate reset period does not exceed 397 days). Investments in convertible bonds and bonds with warrants attached may in aggregate not exceed 25 per cent of the Fund's total assets. The Fund will not purchase equity securities but may hold them if they are acquired through a restructuring of a company's debt instruments that are already held by the Fund.

Investors should note that the Russell U.S. Bond Fund may also invest in transferable debt with non-investment grade ratings or in unrated instruments which are deemed to be of comparable quality. The Fund will not invest more than 30 per cent of its assets in non-investment grade instruments.

Russell U.S. Bond Fund will be allowed to take positions in currencies other than U.S. Dollars through the use of techniques described and within the limits set forth in Schedule VI. Russell U.S. Bond Fund's currency exposure to U.S. Dollars will range between 75 and 125 per cent of the Fund's net assets, leveraging through investment in financial derivative instruments.

Russell U.S. Bond Fund may employ investment techniques and financial derivative instruments for efficient portfolio management and/or investment purposes within the limits set forth in Schedule VI as described in the section "Investment Techniques and Financial Derivative Instruments". At any time the Fund may hold a combination of derivative instruments such as futures, forward contracts, options, swaps and swaptions, forward foreign exchange contracts, caps, floors and credit derivatives, any of which may be listed or over-the-counter. The Fund may use any of the above derivatives to (i) hedge an exposure, (ii) gain a positive or negative exposure to an underlying market, asset, reference rate or index, provided that the Fund may not have an indirect exposure to an instrument, issuer or currency to which it cannot have a direct exposure.

The Directors have authorised the issuance of the Classes of Shares set out in Schedule II.

Russell U.S. Equity Fund

Russell U.S. Equity Fund will seek to achieve capital appreciation by investing primarily in U.S. equity securities, including common stock, convertibles, American depository receipts, global depository receipts and warrants listed on a Regulated Market in the U.S. the Russell U.S. Equity Fund may invest in new issues for which application for listing on a Regulated Market will be sought. Russell U.S. Equity Fund may hold such securities of companies listed or traded on Regulated Markets worldwide that are not incorporated, listed or traded in the U.S., but which receive the majority of their total revenue from the U.S. Investments in warrants may not exceed 5 per cent of the Russell U.S. Equity Fund's net assets. At all times, at least two-thirds of the Russell U.S. Equity Fund's total assets (without taking into account ancillary liquid assets) will be invested in the foregoing instruments (excluding convertibles) of issuers domiciled in the U.S. the Russell U.S. Equity Fund will be highly diversified and, therefore, will not be concentrating on any specific industry sectors but will pursue a policy of active stock selection in the markets in which it operates.

Russell U.S. Equity Fund may employ investment techniques and financial derivative instruments for efficient portfolio management and/or investment purposes within the limits set forth in Schedule VI as described in the section "Investment Techniques and Financial Derivative Instruments". Futures contracts will be used to hedge against market risk or gain exposure to an underlying market. Forward contracts will be used to hedge or gain exposure to an increase in the value of an asset, currency, commodity or deposit. Options will be used to hedge or achieve exposure to a particular market instead of using a physical security. Swaps (including swaptions) will be used to achieve profit as well as to hedge existing long positions. Forward foreign exchange transactions will be used to reduce the risk of adverse market changes in exchange rates or to increase exposure to foreign currencies or to shift exposure to foreign currency fluctuations from one country to another. Caps and floors will be used to hedge against interest rate movements exceeding given minimum or maximum levels. Contracts for differences will be used to gain exposure to equities. Credit derivatives will be used to isolate and transfer the exposure to or transfer the credit risk associated with a reference asset or index of reference assets.

The Directors have authorised the issuance of the Classes of Shares set out in Schedule II.

Russell U.S. Small Cap Equity Fund

The Directors recommend that an investment in the Russell U.S. Small Cap Equity Fund should not constitute a substantial proportion of an investor's portfolio. Investors' attention is drawn to the risk factors set out in the section entitled "Risk Factors" below.

Russell U.S. Small Cap Equity Fund's investment objective is to achieve capital appreciation by investing in U.S. equity securities, primarily in a portfolio of U.S. companies within the Russell 2000 Index. U.S. equity securities include common stock, American depository receipts, global depository receipts, convertibles and warrants listed on a Regulated Market in the U.S. Investments in small to medium sized companies may involve greater risk because these companies generally have a limited track record and often experience higher price volatility. Russell U.S. Small Cap Equity Fund may invest in new issues which will be listed on a Regulated Market. At all times, at least two-thirds of the Russell U.S. Small Cap Equity Fund's total assets (without taking into account ancillary liquid assets) will be invested in the foregoing instruments (excluding convertibles) of smaller capitalised issuers domiciled or exercising the predominant part of their economic activity in the U.S. Investments in warrants may not exceed 5 per cent of the Russell U.S. Small Cap Equity Fund's net assets. For the purposes of the Fund, smaller capitalized issuers are to be defined as companies not exceeding the maximum market capitalization of the companies contained in the Russell 2000 Index.

Russell U.S. Small Cap Equity Fund may employ investment techniques and financial derivative instruments for efficient portfolio management and/or investment purposes within the limits set forth in Schedule VI as described in the section "Investment Techniques and Financial Derivative Instruments". Futures contracts will be used to hedge against market risk or gain exposure to an underlying market. Forward contracts will be used to hedge or gain exposure to an increase in the value of an asset, currency, commodity or deposit. Options will be used to hedge or achieve exposure to a particular market instead of using a physical security. Swaps (including swaptions) will be used to achieve profit as well as to hedge existing long positions. Forward foreign exchange transactions will be used to reduce the risk of adverse market changes in exchange rates or to increase exposure to foreign currencies or to shift exposure to foreign currency fluctuations from one country to another. Caps and floors will be used to hedge against

interest rate movements exceeding given minimum or maximum levels. Contracts for differences will be used to gain exposure to equities. Credit derivatives will be used to isolate and transfer the exposure to or transfer the credit risk associated with a reference asset or index of reference assets.

The Directors have authorised the issuance of the Classes of Shares set out in Schedule II.

Russell World Equity Fund II

Russell World Equity Fund II will seek to achieve capital appreciation by investing predominantly in equity securities, including common stock, convertibles and warrants, listed, traded or dealt in on any Regulated Market worldwide. At all times, at least two-thirds of the total assets of the Fund (without taking into account ancillary liquid assets) will be invested in the foregoing instruments (excluding convertibles). Russell World Equity Fund II may seek to achieve its investment objective by investing in derivative instruments that have as their underlying exposure the foregoing (e.g. swaps and contracts for differences) and may implement bought (long) and synthetic short (sold) positions through the use of derivatives. Russell World Equity Fund II may also invest in new issues for which application for listing on a Regulated Market will be sought in accordance with Section 2.2 of Schedule V entitled "Investment Restrictions". Russell World Equity Fund II may also invest no more than 20 per cent of its net assets in the equity securities of companies whose securities are listed, traded or dealt in on any Regulated Market in the Emerging Markets. Russell World Equity Fund II will not be concentrating on any specific markets or industry sectors but will pursue a policy of active stock, sector and country allocation on the Regulated Markets in which it invests. Russell World Equity Fund II may invest up to 10 per cent of its net assets in collective investment schemes within the meaning of Regulation 68(1)(e) of the Regulations.

Russell World Equity Fund II may employ investment techniques and financial derivative instruments for efficient portfolio management and/or investment purposes within the limits set forth in Schedule VI as described in the section "Investment Techniques and Financial Derivative Instruments". For efficient portfolio management purposes, The World Equity Fund II may engage in currency hedging transactions to hedge against exchange rate risk. The World Equity Fund II will carry out spot foreign exchange transactions. Futures contracts will be used to hedge against market risk or gain exposure to an underlying market. Forward contracts will be used to hedge or gain exposure to an increase in the value of an asset, currency, commodity or deposit. Options will be used to hedge or achieve long or short exposure to particular markets or securities instead of using a physical security. Swaps (including swaptions) will be used to achieve profit by gaining long or short exposure to markets or securities as well as to hedge existing long positions. Forward foreign exchange transactions will be used to reduce the risk of adverse market changes in exchange rates or to increase exposure to foreign currencies or to shift exposure to foreign currency fluctuations from one country to another. Caps and floors will be used to hedge against interest rate movements exceeding given minimum or maximum levels. Contracts for differences will be used to gain long or short exposure to equities. Credit derivatives will be used to isolate and transfer the exposure to or transfer the credit risk associated with a reference asset or index of reference assets but will not be used until the Company's financial derivative instruments risk assessment plan has been amended to describe risk management methods for credit derivatives and cleared by the Central Bank.

Investments in convertibles may not exceed 25 per cent of net assets of the Russell World Equity Fund II. Investments in warrants may not exceed 5 per cent of net assets of the Russell World Equity Fund II and warrants may be purchased only if it is reasonably foreseeable that the right to subscribe conferred by the warrants could be exercised without contravening the Regulations.

The Directors have authorised the issuance of the Classes of Shares set out in Schedule II.

Russell Absolute Return Bond Fund

The Directors recommend that an investment in Russell Absolute Return Bond Fund should not constitute a substantial portion of an investor's portfolio. An investment in Russell Absolute Return Bond Fund may not be appropriate for all investors. Investors' attention is drawn to the risk factors set out in the section entitled "Risk Factors".

The Russell Absolute Return Bond Fund's investment objective is to generate a total return in excess of US\$ 3-month Libor.

The Fund will seek to achieve its investment objective by focussing its investments in fixed and floating rate

securities and instruments.

The Fund's long positions will be achieved primarily by investing in fixed income securities such as government bonds or bonds issued by their sub-divisions or agencies, such as municipal bonds, corporate bonds, mortgage-backed and asset-backed securities, convertible bonds (up to a limit of 20% of the Net Asset Value of the Fund), zero coupon bonds, discount bonds and inflation-linked bonds, that are listed, traded or dealt in on a Regulated Market. The fixed income securities may have fixed, variable and floating rates of interest. These instruments may be denominated in a range of currencies and may include Emerging Market securities.

The Fund also intends to pursue its investment objective through investment in cash and cash equivalents, including but not limited to commercial paper, certificates of deposit and Treasury bills, without restriction. At any time, a significant proportion of the Fund's net asset value may be invested in cash and cash equivalents, including, for example, to cover the Fund's obligations arising through its investment in derivative instruments, as set out below.

The Fund may also enter into repurchase and reverse repurchase agreements for efficient portfolio management purposes subject to the conditions and limits set out in the UCITS notices issued by the Central Bank.

The Fund may invest in securities rated investment grade or non-investment grade by a recognised rating agency such as Moody's or S&P or securities deemed by the Money Manager(s) to have an equivalent rating. Net long/short exposure to securities rated below investment grade will be restricted to 40% of the Net Asset Value of the Fund.

The Fund may also invest up to 10% of its net assets in each of the following types of assets respectively: unlisted securities, regulated collective investment schemes that meet the criteria set out in the Central Bank's Guidance Note 2/03 and equities or equity-related instruments listed on Regulated Markets worldwide including but not limited to American depositary receipts, global depositary receipts and REITS (being real estate investment trusts).

The Fund may employ investment techniques and financial derivative instruments for efficient portfolio management and/or investment purposes subject to the conditions and within the limits from time to time set forth in Schedule VI.

At any time the Fund may hold a combination of derivative instruments such as futures, forward contracts, options, swaps and swaptions, forward foreign exchange contracts and credit derivatives, any of which may be listed or over-the-counter. The Fund may use any of these derivatives to create synthetic short positions. Short positions can enhance returns if taken in a market or security that declines in value. A short position may also help to offset a long position and thus provide protection when a market or security declines in value.

The Fund may use any of the above derivatives in order to hedge certain exposures or to gain certain exposures including exposures to currencies, interest rates, instruments, markets, reference rates (e.g. LIBOR or EURIBOR) or financial indices (subject to the conditions and limits set out in the UCITS Notices issued by the Central Bank), provided that the Fund may not have an indirect exposure to an instrument, issuer or currency to which it cannot have a direct exposure. Such exposures may lead to economic benefits for the Fund when a currency, interest rate, instrument, market, reference rate or index appreciates in value or, in certain cases, depreciates in value. In particular, it is expected that the Fund will use: (i) forward foreign exchange contracts to gain exposure to certain currencies or to hedge exposures to certain currencies that have arisen due to investment in fixed income securities, (ii) interest rate swaps and futures to gain exposure to changes in relevant interest rates or to hedge against changes in relevant interest rates, and (iii) credit derivatives to gain exposure (long and short) to a specific credit or credit index. The expected effect of the use of these instruments will be to enhance returns and/or reduce inherent risks (currency, interest rate and credit) affecting the instruments in which the Fund is invested. Details of the expected leverage effect of utilising such instruments are set out below.

In order to protect Shareholders' interests, the Fund will use VaR as a risk measurement technique to accurately measure, monitor and manage risks. The Fund will use the absolute VaR approach to measure the maximum potential loss due to market risk at a given confidence level over a specified time period under prevailing market conditions. The VaR of the Fund calculated daily shall not exceed 3.16 per cent of the Net Asset Value of the Fund, based on a 1 day holding period and a "one-tailed" 95 per cent confidence interval using a historical observation period of at least 1 year.

The Fund will monitor its use of financial derivative instruments. The level of exposure (calculated based on the sum of the absolute value of notionals of the derivatives used, in accordance with the requirements of the Central Bank) is expected to be 300 per cent of the Fund's Net Asset Value. It is possible that this could increase, for example, during abnormal market conditions and at times when there is low volatility. The expected level of exposure figure is

calculated based on the sum of the absolute value of notionals of the derivatives used, in accordance with the requirements of the Central Bank. This figure does not take into account any netting and hedging arrangements that the Fund has in place at any time even though these netting and hedging arrangements are used for risk reduction purposes and is therefore not a risk-adjusted method of measuring exposure which means this figure can be higher than it otherwise would be if such netting and hedging arrangements were taken into account. As these netting and hedging arrangements, if taken into account, may reduce the level of exposure, this calculation may not provide an accurate measure of the Fund's actual level of exposure. In addition there are limitations in using VaR as a statistical measure of risk because it does not directly limit the level of exposure in the Fund and only describes the risk of loss in prevailing market conditions and would not capture future significant changes in volatility.

The Directors have authorised the issuance of the Classes of Shares set out in Schedule II.

Russell Multi-Asset Conservative Strategy Fund

The investment objective of Russell Multi-Asset Conservative Strategy Fund is to seek to achieve positive returns over a three to five year investment horizon.

The Fund will seek to achieve its investment objective by implementing the following policies:

1. in accordance with paragraph 3 of Schedule V, the Fund will invest in Eligible Collective Investment Schemes, including schemes that:
 - invest primarily in Equities, Fixed Income Securities and Instruments and/or Short-Term Instruments;
 - aim to replicate an index which will meet the requirements relating to index tracking funds in the UCITS Directive, including index tracking funds that are comprised primarily of Equities, Fixed Income Securities and Instruments or Short Term Instruments; or
 - make cash-based investments or whose objectives are to exceed cash benchmarks, for example, money market funds.

The Eligible Collective Investment Schemes in which the Fund invests may be leveraged or unleveraged and may include unit trusts and investment companies domiciled in the European Union. Such Eligible Collective Investment Schemes may charge subscription, repurchase, management, performance, distribution, administration and/or custody fees. Accordingly, the Fund will pay indirectly, its pro rata share of the fees and expenses charged by each underlying Eligible Collective Investment Scheme as well as the operating fees and expenses of any underlying Eligible Collective Investment Scheme. All such fees and expenses will be reflected in the Net Asset Value of Fund. The level of fee that the Fund will be charged, arising from its investment in an underlying Eligible Collective Investment Scheme, is not typically expected, on a net basis to exceed 2 per cent of the Net Asset Value of the underlying Eligible Collective Investment Scheme. Where the Fund invests in units or shares of another collective investment scheme managed by the Investment Manager or by an associated or related company, the manager of the underlying collective investment scheme in which the investment is being made will waive the preliminary/initial/repurchase charge which it would normally charge.

2. In determining the Fund's asset allocation among the Eligible Collective Investment Schemes described in paragraph 1 above, the Investment Manager will have regard to long-term capital market assumptions and its short to medium term views on the relative attractiveness of the various asset classes.
3. The Fund may also invest, either directly or indirectly, in Equities, Equity-Related Instruments, Fixed Income Securities and Instruments, Short-Term Instruments, Exchange Traded Funds, Exchange Traded Commodities and convertible debt securities (including convertible corporate bonds) or any combination of these instruments and securities that are listed, traded or dealt in on Regulated Markets worldwide, including Emerging Markets. The Fund may also invest up to 10% of its Net Asset Value in unlisted securities.
4. The Fund may invest in Fixed Income Securities and Instruments rated investment grade or non-investment grade by a recognised rating agency such as Moody's or S&P or deemed by the Investment Manager to have an equivalent rating.

5. The Short Term Instruments in which the Fund invests will carry a short-term rating or a minimum issuer's rating of A1/P1 by S&P or Moody's or deemed by the Investment Manager to have an equivalent rating.
6. The Fund may maintain a small allocation to cash for temporary defensive and ancillary liquid asset purposes.
7. The Fund's investments will be made in accordance with the principle of risk diversification and the Fund will not be confined to any particular sector or region when making its investments.
8. The Fund may employ investment techniques and financial derivative instruments for efficient portfolio management and/or investment purposes within the limits set forth in Schedule VI as described in the section "Investment Techniques and Financial Derivative Instruments". Futures contracts may be used to hedge against market risk or gain exposure to an underlying market. Forward contracts may be used to hedge or gain exposure to an increase in the value of an asset, currency or deposit. Options may be used to hedge or achieve exposure to a particular market instead of using a physical security. Forward foreign exchange transactions may be used to reduce the risk of adverse market changes in exchange rates. Contracts for differences may be used to gain exposure to equities. Warrants may be used to hedge or achieve exposure to a particular market, index (subject to the conditions and limits set out in the UCITS Notices issued by the Central Bank) or security instead of using a physical security. Investment in financial derivative instruments will not cause the Fund to diverge from its investment objective. The underlyings of the financial derivative instruments used will relate to securities that are referred to in the investment policy, being Equities, Equity-Related Instruments, Fixed Income Securities and Instruments, Short-Term Instruments and convertible debt securities. The Fund may use any of these financial derivative instruments to create synthetic short positions. Such positions will not, however, result in the Fund having net short exposure as each short position will be covered by the underlying assets of the Fund. Short positions can enhance returns if taken in a market or security that declines in value. A short position may also help to offset a long position and thus provide protection when a market or security declines in value.

In order to protect Shareholders' interests, the Fund will use VaR as a risk measurement technique to accurately measure, monitor and manage risks. The Fund will use the absolute VaR approach to measure the maximum potential loss due to market risk at a given confidence level over a specified time period under prevailing market conditions. The VaR of the Fund calculated daily shall not exceed 3.16 per cent of the Net Asset Value of the Fund, based on a 1 day holding period and a "one-tailed" 95 per cent confidence interval using a historical observation period of at least 1 year.

The Fund will monitor its use of financial derivative instruments. The level of exposure (calculated based on the sum of the absolute value of notionals of the derivatives used, in accordance with the requirements of the Central Bank) is expected to be 30 per cent of the Fund's Net Asset Value. It is possible that this could increase, for example, during abnormal market conditions and at times when there is low volatility. The expected level of exposure figure is calculated based on the sum of the absolute value of notionals of the derivatives used, in accordance with the requirements of the Central Bank. This figure does not take into account any netting and hedging arrangements that the Fund has in place at any time even though these netting and hedging arrangements are used for risk reduction purposes and is therefore not a risk-adjusted method of measuring exposure which means this figure can be higher than it otherwise would be if such netting and hedging arrangements were taken into account. As these netting and hedging arrangements, if taken into account, may reduce the level of exposure, this calculation may not provide an accurate measure of the Fund's actual level of exposure. In addition there are limitations in using VaR as a statistical measure of risk because it does not directly limit the level of exposure in the Fund and only describes the risk of loss in prevailing market conditions and would not capture future significant changes in volatility.

The Fund may invest more than 20% of its Net Asset Value in Emerging Markets. Accordingly, an investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. Shareholders should note that the Net Asset Value of the Fund may be subject to increased volatility as a consequence of the Fund's investment in the securities of issuers located in Emerging Markets. Please refer to the risk factors set out in the section titled "Risk Factors".

The Directors have authorised the issuance of the Classes of Shares set out in Schedule II.

Russell Emerging Market Debt Fund

Russell Emerging Market Debt Fund's investment objective is to provide income and capital growth.

The Fund will seek to achieve its investment objective by investing directly or indirectly (through financial derivative instruments, as set out below) at least 80 per cent of its Net Asset Value in Fixed Income Securities and Instruments that are issued by or economically tied to an Emerging Market country. The primary types of Fixed Income Securities and Instruments that the Fund may invest in may be fixed or floating rate and may be government and sovereign debt securities, supranational debt securities, corporate debt securities and structured notes issued by financial institutions. It is not expected that investments in such structured notes will exceed 10% of the net asset value of the Fund

A security or instrument is economically tied to an Emerging Market country if the issuer or guarantor has its headquarters or registered office in an Emerging Market country or exercises a significant part of its economic activity in Emerging Markets. The security or instrument may be denominated in any currency.

The Fund may be exposed to the currencies of Emerging Market countries directly through the purchase of Fixed Income Securities and Instruments that are settled in the currencies of Emerging Market countries and indirectly as a result of the use of derivatives (as described below). These currency exposures will be actively managed meaning that the Fund's exposures will be increased or decreased from time to time, depending on the outlook for the respective currency.

The Fund will not be restricted by credit quality measured by rating agencies or maturity when making investment decisions. Therefore no minimum credit rating or maximum maturity will apply to the investments of the Fund, which may be rated investment grade or below investment grade by Standard & Poor's, Moodys and Fitch.

The Fund may also invest up to 10 per cent of its Net Asset Value in each of the following types of assets respectively: Short-Term Instruments, unlisted securities, units or shares of open-ended collective investment schemes within the meaning of Regulation 68(1)(e) of the Regulations and where such CIS have a similar investment objective to that of the Fund and Equities or Equity-Related Instruments listed on Regulated Markets worldwide.

As indicated above, the Fund may employ investment techniques and financial derivative instruments for efficient portfolio management and/or investment purposes within the limits set forth in Schedule VII as described in the section "Investment Techniques and Financial Derivative Instruments". At any time the Fund may hold a combination of the following derivative instruments: futures, forward contracts, options, swaps and swaptions, forward foreign exchange contracts and credit derivatives, any of which may be listed or over-the-counter. The Fund may use any of the above derivatives in order to hedge certain exposures or to gain certain exposures including exposures to Fixed Income Securities and Instruments, currencies, interest rates or bond indices, provided that the Fund may not have an indirect exposure to an asset, issuer or currency to which it cannot have a direct exposure. Such exposures may lead to economic benefits for the Fund when a currency, interest rate or bond index appreciates in value or, in certain cases, depreciates in value. In particular, it is expected that the Fund will use: (i) forward foreign exchange contracts to gain exposure to certain currencies or to hedge exposures to certain currencies that have arisen due to investment in Emerging Market Fixed Income Securities and Instruments; and (ii) interest rate swaps and futures to gain exposure to changes in relevant interest rates or to hedge against changes in relevant interest rates. The expected effect of the use of these financial derivative instruments will be to enhance returns and/or reduce inherent risks relating to the currencies and interest rates affecting the Fixed Income Securities and Instruments and other assets (set out above) in which the Fund is invested. Details of the expected leverage effect of utilising such instruments are set out below.

In order to protect Shareholders' interests, the Fund will use VaR as a risk measurement technique to accurately measure, monitor and manage risks. The Fund will use the absolute VaR approach to measure the maximum potential loss due to market risk at a given confidence level over a specified time period under prevailing market conditions. The VaR of the Fund calculated daily shall not exceed 3.16 per cent of the Net Asset Value of the Fund, based on a 1 day holding period and a "one-tailed" 95 per cent confidence interval using a historical observation period of at least 1 year.

The Fund will monitor its use of financial derivative instruments. The level of exposure (calculated based on the sum of the absolute value of notionals of the derivatives used, in accordance with the requirements of the Central Bank) is expected to be 110 per cent of the Fund's Net Asset Value. It is possible that this could increase, for example, during abnormal market conditions and at times when there is low volatility. The expected level of exposure figure is calculated based on the sum of the absolute value of notionals of the derivatives used, in accordance with the

requirements of the Central Bank. This figure does not take into account any netting and hedging arrangements that the Fund has in place at any time even though these netting and hedging arrangements are used for risk reduction purposes and is therefore not a risk-adjusted method of measuring exposure which means this figure can be higher than it otherwise would be if such netting and hedging arrangements were taken into account. As these netting and hedging arrangements, if taken into account, may reduce the level of exposure, this calculation may not provide an accurate measure of the Fund's actual level of exposure. In addition there are limitations in using VaR as a statistical measure of risk because it does not directly limit the level of exposure in the Fund and only describes the risk of loss in prevailing market conditions and would not capture future significant changes in volatility.

An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. Shareholders should note that the Net Asset Value of the Fund may be subject to increased volatility as a consequence of the Fund's investment in the securities of issuers located in Emerging Markets. Please refer to the risk factors set out in the section titled "Risk Factors".

General

Unless specifically otherwise stated in a Fund's investment objectives and policies, no Fund may invest more than 10 per cent of its net assets in units or shares of open-ended collective investment schemes. The Manager will not charge fees or attribute costs to the Company which relate to the purchase or sale of units or shares, as the case may be, in related schemes including all commissions that may entail transactional fees such as subscription, conversion or repurchase fees and direct management fees, consultancy commissions and trail commissions. However, each Fund may invest its surplus cash in any one or more money market sub-funds of the Company or Russell Investment Company III p.l.c. ("RIC III") in order to maximise the returns available on its cash. The Manager of the Company is also the manager of RIC III. The Manager may charge a management fee for the management of the Company's surplus cash invested in RIC III's sub-funds to the extent of the management fee disclosed in the RIC III prospectus, but shall not charge a management fee for the management of the Company's surplus cash invested in money market sub-funds of the Company.

Investors should note that, subject to the requirements of the Central Bank, each of the Funds may invest in the other Funds of the Company where such investment is appropriate to the investment objectives and policies of the relevant Fund. Any commission received by the Manager, Investment Manager or Adviser in respect of such investment will be paid into the assets of the relevant Fund. In addition, no subscription, conversion or repurchase fees will be payable in respect of the cross-investing Fund's investment.

In order to avoid double-charging of management and/or any performance fees, any Fund that is invested in another Fund may not be charged management fee or performance fee in respect of that part of its assets invested in other Funds unless such investment in another Fund is made into a Class of Shares that does not attract any management fee or performance fee. Investment may not be made by a Fund in a Fund which itself cross-invests in another Fund within the Company.

Under the terms of the Custodian and Trusteeship Agreement, the Custodian and Trustee will be required, when exercising voting rights in respect of any securities, to vote with incumbent management unless otherwise directed by the Manager.

For the purpose of performance enhancement and efficient portfolio management, the Funds may use forward foreign exchange contracts. Each Fund may enter into forward foreign exchange contracts to alter the currency exposure of securities held, to hedge against exchange risks, to increase exposure to a currency, to shift exposure to currency fluctuations from one currency to another. Forward foreign exchange contracts must be used within the limits set forth in Schedule VI and in accordance with the investment objective of the Funds subject to the requirements set out under the section entitled "Investment Techniques and Financial Derivative Instruments". Details of foreign exchange transaction risk are set out in the section of this document entitled "Risk Factors". All of the Funds may engage in stocklending for efficient portfolio management purposes at the direction of the Manager within the limits set forth in Schedule VI.

Notwithstanding anything else in this Prospectus, neither the Manager, Adviser nor any Money Manager shall solely or mechanistically rely on credit ratings in determining the credit quality of an issuer or counterparty.

Money Managers and Investment Advisers

Most of the Funds are managed by one or more Money Managers appointed by the Manager. In some cases the Manager or its affiliates may also manage a portion of a Fund's assets directly. Information concerning the Money Managers will be provided by the Manager, free of charge, upon a Shareholder's request. Information concerning the Money Managers is also contained in the Company's latest annual and half-yearly reports. The Manager will monitor each Fund's characteristics in detail with the Money Manager(s) at least quarterly and in some cases monthly.

A different implementation strategy from the usual multi-manager approach has been adopted for the Russell U.K. Equity Fund. For this Fund the Adviser will appoint one or more Investment Advisers who have expertise in the relevant sector and/or asset class. The optimal stock views from those Investment Advisers will be aggregated by the Investment Manager and trades will be effected by the Investment Manager (or its affiliate) on a periodic basis (probably twice monthly) with a view to improving trading efficiency, managing portfolio risk better and reducing potential transactions costs in respect of the Fund's investments.

Adherence to Investment Objectives and/or Policies

Any change in the investment objectives and/or a material change to the investment policies of a Fund will be subject to the approval of the Shareholders of the Fund by ordinary resolution. In the event of a change in the investment objectives and policies of a Fund a reasonable notification period will be provided by the Company to the Shareholders of that Fund to enable those Shareholders to repurchase their Shares prior to the implementation of such changes.

Investment Restrictions

Each of the Funds' investments will be limited to investments permitted by the Regulations. The limits on investments shall apply at the time of the purchase of the investments. If the limits referred to in Schedule V are exceeded for reasons beyond the control of the Manager, or as a result of the exercise of subscription rights, the Manager shall ensure that the Company will adopt as a priority objective for its sales transactions the remedying of that situation taking due account of the interests of Shareholders. Each Fund is also subject to the relevant investment policies stated above and in the case of a conflict between such policies and the Regulations the more restrictive limitation shall apply.

If the Regulations are altered during the term of a Fund, the investment restrictions may be changed to take account of any such alterations and Shareholders will be advised of such changes in the next succeeding annual or half-yearly report of the Company.

Borrowings

The Company may not borrow money, grant loans or act as guarantor on behalf of third parties, except as follows:

- (i) foreign currency may be acquired by means of a back-to-back loan; and
- (ii) borrowings not exceeding 10 per cent of the assets of the Company may be made on a temporary basis.

The Company may not sell any of its investments when such investments are not in the Company's ownership.

The Funds will engage in leverage to the extent permitted by Schedule VI and as described in the section "Investment Techniques and Financial Derivative Instruments" subject to the restrictions set out in the "Investment Objectives and Policies" section for each Fund.

Investment Techniques and Financial Derivative Instruments

Each of the Funds may employ investment techniques and financial derivative instruments for efficient portfolio management and/or investment purposes subject to the conditions and within the limits from time to time set forth in Schedule VI. New techniques and financial derivative instruments may be developed which may be suitable for use by a Fund in the future and a Fund may employ such techniques and financial derivative instruments within the limits from time to time set forth in Schedule VI. Each Fund shall only employ investment techniques and financial derivative instruments for efficient portfolio management and/or investment purposes to the extent that such investment techniques and financial derivative instruments are consistent with the Fund's investment objective and

policies. Details of the risks associated with derivative instruments, futures and options are set out in the section entitled “Risk Factors” below. The Company employs a risk management process which enables it to accurately measure, monitor and manage the various risks associated with such investment techniques and financial derivative instruments. The Company shall supply to a Shareholder on request supplementary information in relation to the quantitative risk management limits applied by it, the risk management methods used by it and any recent developments in the risks and yields characteristics for the main categories of investment. The Company’s Short-Term Money Market Funds may only use financial derivative instruments which give rise to exposure to foreign exchange for hedging purposes to cover the exposure of such Funds’ investments denominated in currencies other than their Base Currency. The Company may also enter into stocklending arrangements and repurchase agreements subject to the restrictions set forth in Schedule VI.

A list of the Regulated Markets on which the financial derivative instruments may be quoted or traded is set out in Schedule I. A description of the current conditions and limits laid down by the Central Bank in relation to financial derivative instruments is set out in Schedule VI. The following is a description of the types of financial derivative instruments which may be used by the Funds:

Futures: Futures are contracts to buy or sell a standard quantity of a specific asset (or, in some cases, receive or pay cash based on the performance of an underlying asset, instrument or index) at a pre-determined future date and at a price agreed through a transaction undertaken on an exchange. Futures contracts allow investors to hedge against market risk or gain exposure to the underlying market. Since these contracts are marked-to-market daily, investors can, by closing out their position, exit from their obligation to buy or sell the underlying assets prior to the contract’s delivery date. Futures may also be used to equitise cash balances, both pending investment of a cash flow and with respect to fixed cash targets. Frequently, using futures to achieve a particular strategy instead of using the underlying or related security or index results in lower transaction costs being incurred.

Forwards: A forward contract locks-in the price an index or asset may be purchased or sold on a future date. In currency forward contracts, the contract holders are obligated to buy or sell the currency at a specified price, at a specified quantity and on a specified future date, whereas an interest rate forward determines an interest rate to be paid or received on an obligation beginning at a start date sometime in the future. Forward contracts may be cash settled between the parties. These contracts cannot be transferred. The Funds’ use of forward foreign exchange contracts may include, but is not be limited to, altering the currency exposure of securities held, hedging against exchange risks, increasing exposure to a currency, and shifting exposure to currency fluctuations from one currency to another.

Options: There are two forms of options, put and call options. Put options are contracts sold for a premium that gives one party (the buyer) the right, but not the obligation, to sell to the other party (the seller) of the contract, a specific quantity of a particular product or financial instrument at a specified price. Call options are similar contracts sold for a premium that gives the buyer the right, but not the obligation, to buy from the seller of the option. Options may also be cash settled. A Fund may be a seller or buyer of put and call options.

Swaps: A standard swap is an agreement between two counterparties in which the cash flows from two assets are exchanged as they are received for a fixed time period, with the terms initially set so that the present value of the swap is zero. The Funds may enter into swaps, including, but not limited to, equity swaps, swaptions, interest rate swaps or currency swaps and other derivative instruments both as independent profit opportunities and to hedge existing long positions. Swaps may extend over substantial periods of time, and typically call for the making of payments on a periodic basis. Swaptions are contracts whereby one party receives a fee in return for agreeing to enter into a forward swap at a predetermined fixed rate if some contingency event occurs (normally where future rates are set in relation to a fixed benchmark). Interest rate swaps involve the exchange by a Fund with another party of their respective commitments to make or receive interest payments (e.g. an exchange of fixed rate payments for floating rate payments). On each payment date under an interest rate swap, the net payments owed by each party, and only the net amount, is paid by one party to the other. Currency swaps are agreements between two parties to exchange future payments in one currency for payments in another currency. These agreements are used to transform the currency denomination of assets and liabilities. Unlike interest rate swaps, currency swaps must include an exchange of principal at maturity.

Spot foreign exchange transactions: The Funds may enter into spot foreign exchange transactions which involve the purchase of one currency with another, a fixed amount of the first currency being paid to receive a fixed amount of the second currency. “Spot” settlement means that delivery of the currency amounts normally takes place two business days in both relevant centres after the trade is executed.

Caps and floors: The Funds may enter into caps and floors which are agreements under which the seller agrees to compensate the buyer if interest rates rise above a pre-agreed strike rate on pre-agreed dates during the life of the agreement. In return the buyer pays the seller a premium up front. A floor is similar to a cap except that the seller compensates the buyer if interest rates fall below a pre-agreed strike rate on pre-agreed dates during the life of the agreement. As with a cap, the buyer pays the seller a premium up front.

Contracts for differences: The Funds may enter into contracts for differences which allow a direct exposure to the market, a sector or an individual security. Unlike a forward contract, there is no final maturity, the position being closed out at the discretion of the position taker. Contracts for differences (“CFD”) are used to gain exposure to share price movements without buying the shares themselves. A CFD on a company’s shares will specify the price of the shares when the contract was started. The contract is an agreement to pay out cash on the difference between the starting share price and when the contract is closed.

Credit derivatives: The Funds may enter into credit derivatives to isolate and transfer the credit risk associated with a particular reference asset. Credit default swaps provide a measure of protection against defaults of debt issuers. The Funds’ use of credit default swaps does not assure their use will be effective or will have the desired result. A Fund may either be the buyer or seller in a credit default swap transaction. Credit default swaps are transactions under which the parties’ obligations depend on whether a credit event has occurred in relation to the reference asset. The credit events are specified in the contract and are intended to identify the occurrence of a significant deterioration in the creditworthiness of the reference asset. On settlement, credit default products may be cash settled or involve the physical delivery of an obligation of the reference entity following a default. The buyer in a credit default swap contract is obligated to pay the seller a periodic stream of payments over the term of the contract provided that no event of default on an underlying reference asset has occurred. If a credit event occurs, the seller must pay the buyer the full notional value of the reference asset that may have little or no value. If the Fund is a buyer and no credit event occurs the Fund’s losses will be limited to the periodic stream of payments over the term of the contract. As a seller, the Funds will receive a fixed rate of income throughout the term of the contract, provided that there is no credit event. If a credit event occurs, the seller must pay the buyer the full notional value of the reference obligation.

Warrants: Warrant are financial instruments that are typically issued by banks and other financial institutions. They provide investors with an alternative means of gaining exposure to a variety of underlying assets, such as shares. There are different types of warrants which can suit investment and/or trading purposes.

Use of Efficient Portfolio Management Techniques and Financial Derivative Instruments

The Company may enter into stocklending arrangements and repurchase agreements (together “**Efficient Portfolio Management Techniques**”) and may invest in OTC financial derivative instruments, subject to the restrictions set forth in Schedule VI and to the extent consistent with the Fund’s investment objective and policies.

The use of techniques and instruments relating to transferable securities, money market instruments and/or other financial instruments in which the Funds invest for efficient portfolio management purposes will generally be made for one or more of the following reasons:

- (i) the reduction of risk;
- (ii) the reduction of cost; or
- (iii) the generation of additional capital or income for the relevant Fund with an appropriate level of risk, taking into account the risk profile of the Fund and the risk diversification rules set out in the UCITS Notices issued by the Central Bank.

Efficient Portfolio Management Techniques

Efficient Portfolio Management Techniques may only be effected in accordance with normal market practice. All assets received in the context of Efficient Portfolio Management Techniques should be considered as collateral and should comply with the criteria set out below in relation to collateral. All the revenues arising from Efficient Portfolio Management Techniques employed shall be returned to the relevant Fund following the deduction of any direct and indirect operational costs and fees arising. Such direct and indirect operational costs and fees, (which are all fully transparent) which shall not include hidden revenue, shall include fees and expenses payable to repurchase/reverse repurchase agreements counterparties and/or stocklending agents engaged by the Company from time to time. Such fees and expenses of any repurchase/reverse repurchase agreements counterparties and/or stocklending agents engaged by the Company, which will be at normal commercial rates together with VAT, if any, thereon, will be borne by the Company or the Fund in respect of which the relevant party has been engaged. Details

of Fund revenues arising and attendant direct and indirect operational costs and fees as well as the identity of any specific repurchase/reverse repurchase agreements counterparties and/or stocklending agents engaged by the Company from time to time shall be included in the Company's semi-annual and annual reports. From time to time, a Fund may engage repurchase/reverse repurchase agreement counterparties and/or stocklending agents that are related parties to the Manager and/or the Custodian and Trustee, or other service providers of the Company. Such engagement may on occasion cause a conflict of interest with the role of the Custodian and Trustee or other service provider in respect of the Company. Please refer to section entitled "Conflicts of Interest" below for further details on the conditions applicable to any such related party transactions. The identity of any such related parties will be specifically identified in the Company's semi-annual and annual reports.

Collateral Policy

In the context of Efficient Portfolio Management Techniques and/or the use of derivative instruments for hedging or investment purposes, collateral may be received from a counterparty for the benefit of a Fund or posted to a counterparty by or on behalf of a Fund. Any receipt or posting of collateral by a Fund will be conducted in accordance with the requirements of the Central Bank and the terms of the Company's collateral policy outlined below.

Collateral posted by a counterparty for the benefit of a Fund may be taken into account as reducing the exposure to such counterparty. Each Fund will require receipt of the necessary level of collateral so as to ensure counterparty exposure limits are not breached.

Counterparty risk may be reduced to the extent that the value of the collateral received corresponds with the value of the amount exposed to counterparty risk at any given time.

The Manager or its delegate(s) will liaise with the Custodian and Trustee in order to manage all aspects of the counterparty collateral process.

Risks linked to the management of collateral, such as operational and legal risks, shall be identified, managed and mitigated by the Company's risk management process. A Fund receiving collateral for at least 30 per cent of its assets should have an appropriate stress testing policy in place to ensure regular stress tests are carried out under normal and exceptional liquidity conditions to enable the Fund to assess the liquidity risk attached to the collateral. The liquidity stress testing policy will at least prescribe the following:

- (a) Design of stress test scenario analysis including calibration, certification and sensitivity analysis;
- (b) Empirical approach to impact assessment, including back-testing of liquidity risk estimates;
- (c) Reporting frequency and limit/loss tolerance threshold/s; and
- (d) Mitigation actions to reduce loss including haircut policy and gap risk protection.

For the purpose of providing margin or collateral in respect of transactions in Efficient Portfolio Management Techniques and financial derivative instruments, a Fund may transfer, mortgage, pledge, charge or encumber any assets or cash forming part of the Fund in accordance with normal market practice.

Collateral

Collateral received by a Fund must, at all times, meet with the specific criteria outlined in the Central Bank Notices in respect of the following elements:

- (i) Liquidity.
- (ii) Valuation.
- (iii) Issuer credit quality.
- (iv) Correlation.
- (v) Diversification.
- (vi) Immediately available.
- (vii) Safe-keeping: Collateral received on a title transfer basis should be held by the Custodian and Trustee. For other types of collateral arrangement, the collateral can be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral.
- (viii) Haircuts: The relevant Money Manager(s), on behalf of each Fund, shall apply suitably conservative haircuts to assets being received as collateral where appropriate on the basis of an assessment of the characteristics of the assets such as the credit standing or the price volatility, as well as the outcome of

any stress tests performed as referred to above. Generally if issuer or issue credit quality of the collateral is not of the necessary quality or the collateral carries a significant level of price volatility with regard to residual maturity or other factors, a conservative haircut must be applied in accordance with more specific guidelines as should be maintained in writing by the Manager and/or relevant Money Manager(s) on an on-going basis. However, the application of such a haircut should be determined on a case by case basis, depending on the exact details of the assessment of the collateral. The relevant Money Manager(s), in its discretion, may consider it appropriate in certain circumstances to resolve to accept certain collateral with more conservative, less conservative or no haircuts applied if they so determine, on an objectively justifiable basis. Any extenuating circumstances that warrant the acceptance of relevant collateral with haircut provisions containing levels other than the guideline levels should be outlined in writing as documentation of the rationale behind this is imperative.

Non-cash collateral cannot be sold, pledged or re-invested.

Cash collateral

Cash collateral may only be invested in the following:

- (i) deposits with relevant institutions;
- (ii) high-quality government bonds;
- (iii) reverse repurchase agreements provided the transactions are with credit institutions subject to prudential supervision and the relevant Fund is able to recall at any time the full amount of cash on an accrued basis;
- (iv) short-term money market funds as defined in the ESMA Guidelines on a Common Definition of European Money Market Funds (ref CESR/10-049).

Invested cash collateral should be diversified in accordance with the diversification requirement applicable to non-cash collateral outlined above. Invested cash collateral may not be placed on deposit with the counterparty or a related entity. Exposure created through the reinvestment of collateral must be taken into account in determining risk exposures to a counterparty. Reinvestment of cash collateral in accordance with the provisions above can still present additional risk for a Fund. Please refer to the risk factor “Reinvestment of Cash Collateral Risk” for more details.

Collateral – posted by a Fund

Collateral posted to a counterparty by or on behalf of a Fund must be taken into account when calculating counterparty risk exposure. Collateral posted to a counterparty and collateral received by such counterparty may be taken into account on a net basis provided the relevant Fund is able to legally enforce netting arrangements with the counterparty.

Risk Factors

The following are the principal risks which may affect the Funds but the list does not purport to be exhaustive:

Investment Risks

Past performance is not necessarily a guide to the future. The price of Shares and the income from them may fall as well as rise and an investor may not recover the full amount invested. There can be no assurance that any Fund will achieve its investment objective or that a Shareholder will recover the full amount invested in a Fund. The capital return and income of each Fund are based on the capital appreciation and income on the securities it holds, less expenses incurred. Therefore, each Fund’s return may be expected to fluctuate in response to changes in such capital appreciation or income.

Investors may be required to pay a Sales Charge on subscriptions in certain Classes of Shares. An investment in Classes on which a Sales Charge is applied should be viewed as a medium to long term investment.

An investment in the Russell Global Real Estate Securities Fund is subject to the principal risks of investing in equity securities, particularly in securities of companies concentrated in the real estate market. The value of equity securities will rise and fall in response to the activities of the company that issued them, general market conditions and/or economic conditions. Real estate securities are also subject to the risks associated with direct ownership of real estate, such as declines in the value of real estate, changes in economic and real estate market conditions, increases in property taxes or other operating expenses and changes in tax laws and interest rates.

Furthermore, the ability to trade REITs in the secondary market can be more limited than in other stocks.

Prospective Shareholders should note that a Fund's investment policies may not be able to be fully implemented or complied with during the launch and wind-down phase of a Fund when initial investment positions are being established or final positions are being liquidated, as relevant. In addition, in respect of the launch phase of a Fund, the Central Bank may permit a Fund to derogate from regulations 70, 71, 72 and 73 of the Regulations for six (6) months from the date of its approval, provided that the Fund still observes the principle of risk spreading. In respect of the wind-down phase and in accordance with the terms of this Prospectus and the Articles of Association, Shareholders will be notified in advance of a Fund being wound-down. As a consequence, Shareholders may be exposed to different types of investment risk and may receive a return that is different to the return that would have been received if full compliance with the relevant investment policies and/or Regulations had been maintained (noting that there can be no assurance that any Fund will achieve its investment objective) during the launch and/or wind-down phase of a Fund.

Risk of Loss In the case of all Funds, an investment in a Fund is neither insured nor guaranteed by any bank, government, government agency or instrumentality, guarantee scheme or any bank guarantee fund which may protect the holders of a bank deposit. Shares of the Company are not bank deposits or obligations of, or guaranteed or endorsed or otherwise supported by the Manager, the Promoter, the Investment Managers, the Distributor or any of their affiliates.

Amortised Cost Method Risk

In respect of the Russell Euro Liquidity Fund, the Net Asset Value per Share shall be calculated using the amortised cost method of valuation. Further information is set out in the section "Determination of Net Asset Value" below. The Manager may take action in the event of material discrepancies between the market value of the investments and the amortised cost value resulting from a decline in the market value of the investments following investment by the Russell Euro Liquidity Fund. Such action will not include the provision of financial assistance, either directly or indirectly, by any of the Directors, the Manager, the Promoter, the Distributor or any of their affiliates to the Russell Euro Liquidity Fund.

In periods of declining short-term interest rates, the inflow of net new money to the Russell Euro Liquidity Fund from the continuous issue of Shares will likely be invested in portfolio instruments producing lower yields than the balance of the Russell Euro Liquidity Fund's portfolio, thereby reducing the current yield of the Fund. In periods of rising interest rates, the opposite can be true.

Equity Risks

Prices of equities fluctuate daily dependent on market conditions. Markets can be influenced by a series of factors such as political and economic news, corporate earnings reports, demographic trends, catastrophic events and wider market expectations. It is worth noting that the value of equities can fall as well as rise and investors into equities funds may not get back the amount that was originally invested. Potentially a Fund investing in equities could incur significant losses.

Default and liquidity risk of below investment grade debt securities

Below investment grade debt securities are speculative and involve a greater risk of default and price changes due to changes in the issuer's creditworthiness. The market prices of these debt securities fluctuate more than investment grade debt securities and may decline significantly in periods of general economic difficulty. The market for such securities may not be liquid at all times. In a relatively illiquid market a Fund may not be able to acquire or dispose of such securities quickly and as such a Fund may experience adverse price movements upon liquidation of its investments. Settlement of transactions may be subject to delay and administrative uncertainties.

Political Risks

The value of the Company's assets may be affected by uncertainties such as political developments, changes in government policies, taxation, currency repatriation restrictions and restrictions on foreign investment in some of the countries in which the Company may invest.

Currency Risks

The investments of some Funds may be acquired in a wide range of currencies and changes in exchange rates between currencies may cause the value of an investment in such Funds to fluctuate. The Company may use hedging, cross-hedging and other techniques and instruments in such Funds within the limits laid down, from time to time, by the Central Bank.

A Fund may issue Classes where the Class Currency is different to the Base Currency of the relevant Fund. In addition, a Fund may invest in assets that are denominated in a currency other than the Base Currency of that Fund. Accordingly, the value of a Shareholder's investment may be affected favourably or unfavourably by fluctuations in the rates of the different currencies. The Company may create hedged currency Classes to hedge the resulting currency exposure back into the Class Currency of the relevant Class. In addition, the Company may hedge the currency exposure due to investing in assets denominated in a currency other than the Fund's Base Currency. In such cases the relevant Class Currency of the Share Class may be hedged so that the resulting currency exposure will not exceed 105 per cent of the Net Asset Value of the Class provided that if this limit is exceeded the Company shall adopt as a priority objective the managing back of the leverage to within the limit taking due account of the interests of the Shareholders and provided further that the positions will be reviewed on a monthly basis and any over or under hedged positions will not be carried forward. The costs and gains or losses associated with any hedging transactions for hedged currency Classes will accrue solely to the hedged currency Class to which they relate. Where hedged currency Classes have been created the Manager will use instruments such as forward currency contracts to hedge the currency exposures implied by the Fund's relevant or appropriate benchmark to the Class Currency of the relevant Share Class. Whilst these hedging strategies are designed to reduce the losses to a Shareholder's investment if the Class Currency of that Class or the currencies of assets which are denominated in currencies other than the Fund's Base Currency fall against that of the Base Currency of the relevant Fund and/or the currencies of the relevant or appropriate benchmark, the use of Class hedging strategies may substantially limit holders of Shares in the relevant Class from benefiting if the Class Currency of that Class rises against that of the Base Currency of the relevant Fund and/or the currency in which the assets of the relevant Fund are denominated and/or the currencies of the relevant or appropriate benchmark. The same applies where the currency exposure due to holding non-Base Currency investments is carried out by a Fund.

Duration Hedged Classes

The Funds may, from time to time, launch duration hedged Classes. The intention for such Classes will be to predominantly limit the impact of interest rate movements. This hedging of the duration (a measure of interest rate sensitivity) of the net assets of the duration hedged Class is generally intended to be carried out through the use of financial derivative instruments, typically interest rate futures.

It is very important for investors in duration hedged Classes to also note that, the hedging operations of such Classes: (1) are distinct from the various active strategies that may be implemented at a portfolio level to gain and weight exposures to different types of risk in each Fund, including duration risk and (2) will not seek to hedge that active overweight or underweight to duration risk. As a result, even if the hedging operations are totally successful this may mean that the exposure of the duration hedged Classes is greater or less than the duration risk of the relevant Fund, meaning that there may still be active positions resulting in positive or negative duration exposure and risk in these duration hedged Classes. Therefore investors should be aware that duration hedged Classes may still retain significant sensitivity to changes in interest rates which could impact the value of their holdings. Investors should also be aware that such duration hedged Classes may exhibit higher levels of risk than non-duration hedged Classes. Any financial instrument used to implement duration hedging strategies with respect to one or more Classes shall be assets/liabilities of the Fund as a whole but will be attributable to the relevant Class(es) and the gains/losses on, and the costs of, the relevant financial instruments will accrue solely to the relevant Class. However, investors should note that there is no segregation of liability between Classes. Although the costs, gains and losses of the duration hedging transactions will accrue solely to the relevant Class, Shareholders are nonetheless exposed to the risk that hedging transactions undertaken in one Class may impact negatively on the Net Asset Value of another Class.

Where the Company seeks to hedge against interest rate fluctuations, while not intended, this could result in over-hedged or under-hedged positions due to external factors outside the control of the Company. However, over-hedged positions will not exceed 105% of the Net Asset Value and hedged positions will be kept under review to ensure that over-hedged positions do not exceed the permitted level and that positions in excess of 100% of Net Asset Value will not be carried forward from month to month.

Shareholders should be aware that a variety of techniques may be used to hedge such Shares and that such hedging involves additional risks and is not designed to address all of the interest rate risk in the Fund. Shareholders in duration hedged Classes should be aware that, whilst the intention will be to limit the impact of interest rate movements, the duration hedging process may not give a precise hedge. Furthermore, there is no guarantee that the hedging will be totally successful. The duration hedging process may also adversely impact Shareholders in duration hedged Classes if interest rates fall.

The successful execution of a hedging strategy which matches exactly the profile of the investments of any Fund cannot be assured. It may not be possible to hedge against generally anticipated interest rate fluctuations at a price sufficient to protect the assets from the anticipated decline in value of the portfolio positions as a result of such fluctuations.

Foreign Exchange Transaction Risk

The Funds may use foreign exchange contracts to alter the currency exposure characteristics of transferable securities they hold. Consequently there is a possibility that the performance of a Fund may be strongly influenced by movements in foreign exchange rates because the currency position held by the Fund may not correspond with the securities position.

Counterparty and Settlement Risks

The Company will be exposed to a credit risk on parties with whom it trades and will also bear the risk of settlement default.

Custody Risks

As the Company may invest in markets where custodial and/or settlement systems are not fully developed, the assets of the Company which are traded in such markets and which have been entrusted to sub-custodians in circumstances where the use of sub-custodians is necessary may be exposed to risk in circumstances where the Custodian and Trustee will have no liability.

Umbrella structure of the Company and Cross Liability Risk

Each fund will be responsible for paying its fees and expenses regardless of the level of its profitability. The Company is an umbrella fund with segregated liability between funds. Two separate prospectuses have been issued in respect of the certain Funds of the Company. Under Irish law the Company generally will not be liable as a whole to third parties and there generally will not be the potential for cross liability between the funds. Notwithstanding the foregoing, there can be no assurance that, should an action be brought against the Company in the courts of another jurisdiction, the segregated nature of the funds would necessarily be upheld.

Risks associated with Financial Derivative Instruments

While the prudent use of financial derivative instruments (“**FDI**”) can be beneficial, FDIs also involve risks different from, and in certain cases greater than, the risks presented by more traditional investments. Each Fund may enter transactions in OTC markets that expose it to the credit of its counterparties and their ability to satisfy the terms of such contracts. Where the Funds enter into credit default swaps and other swap arrangements and derivative techniques, they will be exposed to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of a bankruptcy or insolvency of a counterparty, the Funds could experience delays in liquidating the position and may incur significant losses. There is also a possibility that ongoing derivative transactions will be terminated unexpectedly as a result of events outside the control of the Company, for instance, bankruptcy, supervening illegality or a change in the tax or accounting laws relative to those transactions at the time the agreement was originated.

Funds will be exposed to a credit risk in relation to the counterparties with whom they transact or place margin or collateral in respect of transactions in derivative instruments. To the extent that a counterparty defaults on its obligation and the Fund is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its position, lose income and incur costs associated with asserting its rights. Regardless of the measures the Fund may implement to reduce counterparty credit risk, however, there can be no assurance that a counterparty will not default or that the Fund will not sustain losses on the transactions as a result.

Collateral or margin may be passed by the Fund to a counterparty or broker in respect of OTC FDI transactions. Assets deposited as collateral or margin with brokers may not be held in segregated accounts by the brokers and may therefore become available to the creditors of such brokers in the event of their insolvency or bankruptcy. Alternatively, possession of posted collateral may be maintained within the Custodian and Trustee's custodial network pursuant to a collateral control arrangement and subject to a security interest in favour of the counterparty whereby, in the event of a default, the collateral is transferred into the possession of the counterparty. Although only the amount of margin required to meet the relevant outstanding obligations should be transferred to the counterparty in the event of a default, there is a risk that this arrangement could result in a default in a single transaction bringing

all the assets that are the subject of the collateral control arrangement into the possession of the counterparty and there could be operational challenges in recovering the portion of the assets that belong to the Fund and this scenario could result in losses for the Fund.

Since many FDIs have a leverage component, adverse changes in the value or level of the underlying asset, rate or index can result in a loss substantially greater than the amount invested in the derivative itself. Certain FDIs have the potential for unlimited loss regardless of the size of the initial investment. If there is a default by the other party to any such transaction, there will be contractual remedies; however, exercising such contractual rights may involve delays or costs which could result in the value of the total assets of the related portfolio being less than if the transaction had not been entered. The swap market has grown substantially in recent years with a large number of banks and investment banking firms acting both as principals and as agents utilising standardised swap documentation. As a result, the swap market has become liquid but there can be no assurance that a liquid secondary market will exist at any specified time for any particular swap. Derivatives do not always perfectly or even highly correlate or track the value of the securities, rates or indices they are designed to track. Consequently, the Company's use of derivative techniques may not always be an effective means of, and sometimes could be counter-productive to, the Company's investment objective. An adverse price movement in a derivative position may require cash payments of variation margin by the Company that might in turn require, if there is insufficient cash available in the portfolio, the sale of the Company's investments under disadvantageous conditions. Also, there are legal risks involved in using FDIs which may result in loss due to the unexpected application of a law or regulation or because contracts are not legally enforceable or documented correctly.

Efficient portfolio management risk

The relevant Money Manager(s) on behalf of a Fund may employ techniques and instruments relating to transferable securities, money market instruments and/or other financial instruments in which they invest for efficient portfolio management purposes. Many of the risks attendant in utilising derivatives, as disclosed in the section entitled "Risks associated with Financial Derivative Instruments" above, will be equally relevant when employing such efficient portfolio management techniques. In particular, attention is drawn to credit, counterparty risks and collateral risks outlined in the section entitled "Risks associated with Financial Derivative Instruments" above. Investors should also be aware that from time to time, a Fund may engage with repurchase/reverse repurchase agreement counterparties and/or stocklending agents that are related parties to the Custodian and Trustee or other service providers of the Company. Such engagement may on occasion cause a conflict of interest with the role of the Custodian and Trustee or other service provider in respect of the Company. Please refer to section entitled "Conflicts of Interest" below for further details on the conditions applicable to any such related party transactions. The identity of any such related parties will be specifically identified in the Company's semi-annual and annual reports.

Risks associated with Futures and Options

The Funds may from time to time use both exchange-traded and over the counter futures and options as part of its investment policy or for hedging purposes. These instruments are highly volatile, involve certain special risks and expose investors to a high risk of loss. The low initial margin deposits normally required to establish a futures position permit a high degree of leverage. As a result, a relatively small movement in the price of a futures contract may result in a profit or a loss which is high in proportion to the amount of funds actually placed as initial margin and may result in unquantifiable further loss exceeding any margin deposited. Further, when used for hedging purposes there may be an imperfect correlation between these instruments and the investments or market sectors being hedged. Transactions in OTC derivatives may involve additional risk as there is no exchange or market on which to close out an open position. It may be impossible to liquidate an existing position, to assess or value a position or to assess the exposure to risk.

Risks associated with investment in other collective investment schemes

Each Fund may invest in one or more collective investment schemes including schemes managed by the Manager and/or affiliates of the Manager (each an Underlying Fund). As a shareholder of an Underlying Fund, a Fund would bear, along with other shareholders, its *pro rata* portion of the expenses of the Underlying Fund, including management and/or other fees. These fees would be in addition to the management fees and other expenses which a Fund bears directly in connection with its own operations.

The Markets and Instruments Traded by the Underlying Funds May Be Illiquid

At various times, the markets for securities purchased or sold by the Underlying Funds may be "thin" or illiquid, making purchases or sales at desired prices or in desired quantities difficult or impossible. This may make it impossible at times for the Underlying Funds to liquidate positions, honour requests for repurchase, or make repurchase payments.

Insolvency Risk

The default or insolvency or other business failure of any issuer of securities held by an Underlying Fund or of any counterparty of an Underlying Fund could have an adverse effect on the relevant Fund's performance and its ability to achieve its investment objectives.

Risks of Global Investing

The Underlying Funds may invest in various securities markets throughout the world. As a result, the Funds will be subject to risks relating to the possible imposition of withholding taxes on income received from or gains with respect to such securities. In addition, certain of these markets involve certain factors not typically associated with investing in established securities markets, including risks relating to: (i) differences between markets, including potential price volatility in and relative liquidity of some foreign securities markets; (ii) the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and less government supervision and regulation; and (iii) certain economic and political risks, including potential exchange control regulations and potential restrictions on foreign investment and repatriation of capital.

Underlying funds may have different settlement cycles than that of the Funds. Thus, there may be mismatch between the two settlement cycles causing the Funds to use borrowing on a temporary basis to meet such obligations. This may result in charges being incurred by the relevant Fund. Any such borrowing will comply with the UCITS guidelines. Further, each underlying fund may not be valued at the same time or on the same day as the relevant Fund and accordingly the net asset value of such underlying fund used in the calculation of the Net Asset Value of the relevant Fund will be the latest available net asset value of such underlying fund (further details on the calculation of the Net Asset Value are set out in the section 'Determination of Net Asset Value').

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

Underlying Funds may be leveraged or unleveraged. The use of leverage creates special risks and may significantly increase the investment risk of the Underlying Funds. Leverage creates an opportunity for greater yield and total return but, at the same time, will increase the Underlying Funds' exposure to capital risk and interest costs.

Emerging Market risk

A portion of the assets of a Fund, particularly Russell Emerging Markets Equity Fund, Russell Global Bond Fund, Russell Global High Yield Fund, Russell Multi-Asset Growth Strategy Euro Fund, Russell World Equity Fund II and Russell Emerging Market Debt Fund may be invested in Emerging Markets.

The risks involved in Emerging Market investment are likely to exceed the risks of investment in more mature markets. Funds that have a significant exposure to Emerging Markets may only be suitable for well-informed investors. The fundamental risks associated with these markets are summarised below:

Accounting Standards:

In Emerging Markets there is an absence of uniform accounting, auditing and financial reporting standards and practices.

Business Risk:

In some Emerging Markets, for example Russia, crime and corruption, including extortion and fraud, pose a risk to businesses. Property and employees of underlying investments may become targets of theft, violence and/or extortion.

Country Risk:

The value of the Fund's assets may be affected by political, legal, economic and fiscal uncertainties. Existing laws and regulations may not be consistently applied.

Currency Risk:

The currencies in which investments are denominated may be unstable, may be subject to significant depreciation and may not be freely convertible.

Custody Risk:

Custodians may not be able to offer the level of service and safe-keeping, settlement and administration of securities that is customary in more developed markets and there is a risk that the Fund will not be recognised as the owner of securities held on its behalf by a sub-custodian.

Disclosure:

Less complete and reliable fiscal and other information may be available to investors.

Political:

Some Emerging Market governments exercise substantial influence over the private economic sector and the political and social uncertainties that exist can be significant. In adverse social and political circumstances, governments have been involved in policies of expropriation, confiscatory taxation, nationalisation, intervention in the securities market and trade settlement, and imposition of foreign investment restrictions and exchange controls. Government actions in the future could have a significant effect on economic conditions in such countries, which could affect private sector companies and the value of securities in a Fund's portfolio.

Tax:

The taxation system in some countries in Emerging Markets is subject to varying interpretations, frequent changes and inconsistent enforcement at the federal, regional and local levels. Tax laws and practices in Eastern Europe are at an initial stage of development and are not as clearly established as in developed nations. In addition to withholding taxes on investment income, some Emerging Markets may impose different capital gains taxes on foreign investors and can even limit foreign ownership of securities.

Economic:

Another risk common to many such countries is that the economy is heavily export oriented and, accordingly, is dependent upon international trade. The existence of overburdened infrastructures and obsolete financial systems also presents risks in certain countries.

Regulatory:

Some Emerging Markets may have a lower level of regulation, enforcement of regulations and monitoring of investors' activities than more developed markets.

Legal:

Risks associated with many Emerging Market legal systems (for example the Russian and Chinese legal system) include (i) the untested nature of the independence of the judiciary and its immunity from economic, political or nationalistic influences; (ii) inconsistencies among laws, Presidential decrees and Government and ministerial orders and resolutions; (iii) the lack of judicial and administrative guidance on interpreting applicable laws; (iv) a high degree of discretion on the part of government authorities; (v) conflicting local, regional and federal laws and regulations; (vi) the relative inexperience of judges and courts in interpreting new legal norms; and (vii) the

unpredictability of enforcement of foreign judgments and foreign arbitration awards. There is no guarantee that further judicial reform aimed at balancing the rights of private and governmental authorities in courts and reducing grounds for re-litigation of decided cases will be implemented and succeed in building a reliable and independent judicial system. Whilst fundamental reforms relating to securities investments and regulations have been initiated in recent years there may still be certain ambiguities in interpretation and inconsistencies in their application. Monitoring and enforcement of applicable regulations remains uncertain.

Market:

The securities markets of developing countries are not as large as the more established securities markets and have considerably less trading volume, which can result in a lack of liquidity and high price volatility. There may potentially be a high concentration of market capitalisation and trading volume in a small number of issuers representing a limited number of industries as well as a high concentration of investors and financial intermediaries. These factors can adversely affect the timing and pricing of a Fund's acquisition or disposal of securities.

Investing in the securities of issuers operating in those Emerging Markets considered to be frontier emerging markets carries a high degree of risk and special considerations not typically associated with investing in more traditional developed markets. In addition, the risks associated with investing in the securities of issuers operating in Emerging Market countries are magnified when investing in such frontier emerging market countries. These types of investments could be affected by factors not usually associated with investments in more traditional developed markets, including risks associated with expropriation and/or nationalisation, political or social instability, pervasiveness of corruption and crime, armed conflict, the impact on the economy of civil war, religious or ethnic unrest and the withdrawal or non-renewal of any licence enabling a Fund to trade in securities of a particular country, confiscatory taxation, restrictions on transfers of assets, lack of uniform accounting, auditing and financial reporting standards, less publicly available financial and other information, diplomatic development which could affect investment in those countries and potential difficulties in enforcing contractual obligations. These risks and special considerations make investments in securities in such frontier emerging market countries highly speculative in nature and, accordingly, an investment in a Fund's shares must be viewed as highly speculative in nature and may not be suitable for an investor who is not able to afford the loss of their entire investment. To the extent that a Fund invests a significant percentage of its assets in a single frontier emerging market country, a Fund will be subject to heightened risk associated with investing in frontier emerging market countries and additional risks associated with that particular country.

Settlement:

Practices in relation to settlement of securities transactions in Emerging Markets involve higher risks than those in established markets, in part because the Company will need to use counterparties which are less well capitalised. In addition, custody and registration of assets in some countries may be unreliable. Delays in settlement could result in investment opportunities being missed if a Fund is unable to acquire or dispose of a security. The Custodian and Trustee is responsible for the proper selection and supervision of its correspondent banks in all relevant markets in accordance with Irish law and regulation. In certain Emerging Markets, registrars are not subject to effective government supervision nor are they always independent from issuers. Investors should therefore be aware that the Funds concerned could suffer loss arising from potential registration problems.

Central and Eastern Europe:

Certain markets in Central and Eastern Europe present specific risks in relation to the settlement and safekeeping of securities. These risks result from the fact that physical securities may not exist in certain countries ; as a consequence, the ownership of securities is evidenced only on the issuer's register of shareholders. Each issuer is responsible for the appointment of its own registrar. In the case of Russia, this results in a broad geographic distribution of several thousand registrars across Russia. Russia's Federal Commission for Securities and Capital Markets (the "Commission") has defined the responsibilities for registrar activities, including what constitutes evidence of ownership and transfer procedures. However, difficulties in enforcing the Commission's regulations mean that the potential for loss or error still remains and there is no guarantee that the registrars will act according to the applicable laws and regulations. Widely accepted industry practices are still in the process of being established. When registration occurs, the registrar produces an extract of the register of shareholders as at that particular point in time. Ownership of shares is evidenced by the records of the registrar, but not by the possession of an extract of the register of shareholders. The extract is only evidence that registration has taken place. It is not negotiable and has no intrinsic value. In addition, a registrar will typically not accept an extract as evidence of ownership of shares and

is not obligated to notify the Custodian and Trustee, or its local agents in Russia, if or when it amends the register of shareholders. As a consequence of this Russian securities are not on physical deposit with the Custodian and Trustee or its local agents in Russia. Therefore, neither the Custodian and Trustee nor its local agents in Russia can be considered as performing a physical safekeeping or custody function in the traditional sense. The registrars are neither agents of, nor responsible to, the Custodian and Trustee or its local agents in Russia. Investments in securities listed or traded in Russia will only be made in equity and/or fixed income securities that are listed or traded on level 1 or level 2 of the RTS stock exchange or MICEX.

The Custodian and Trustee's liability extends to its unjustifiable failure to perform its obligations or its improper performance of them and does not extend to losses due to the liquidation, bankruptcy, negligence or wilful default of any registrar. In the event of such losses the relevant Fund will have to pursue its rights directly against the issuer and/or its appointed registrar. The aforesaid risks in relation to safekeeping of securities in Russia may exist, in a similar manner, in other Central and Eastern European countries in which a Fund may invest.

The political, legal and operational risks of investing in Russia issuers may be particularly pronounced. Certain Russian issuers may also not meet internationally accepted standards of corporate governance. These circumstances may reduce the value of the assets that are acquired or may prevent full or partial access by a Fund to these assets to its detriment.

To the extent that a Fund invests directly in the Russian markets, increased risks are incurred particularly with regard to settlement of transactions and custody of the assets. In Russia the legal claim to securities is asserted by means of entry in a register. Maintenance of this register may, however, diverge significantly from internationally accepted standards. The Fund may lose its entry in the register, in whole or in part, particularly through negligence, lack of care or even fraud. It is also not possible to guarantee at present that the register is maintained independently, with the necessary competence, aptitude and integrity, and in particular without the underlying corporations exerting an influence; registrars are not subject to any result in loss of rights. Moreover, the possibility cannot be excluded that, when investing directly in Russian markets, claims to title of the relevant assets by third parties may already exist, or that acquisition of such assets may be subject to restrictions about which the purchaser has not been informed.

Investing through Stock Connect

If a Fund is permitted by its investment policy to invest on a regulated market in China, there are various means of the Fund creating exposure, including using American depositary receipts and H shares (which are shares of a company incorporated in the Chinese mainland that are listed on the Hong Kong Stock Exchange). A Fund may also invest in certain eligible securities ("Stock Connect Securities") that are listed and traded on the Shanghai Stock Exchange ("SSE") through the Hong Kong – Shanghai Stock Connect program ("Stock Connect"). The Stock Exchange of Hong Kong Limited ("SEHK"), SSE, Hong Kong Securities Clearing Company Limited ("HKSCC") and China Securities Depository and Clearing Corporation Limited developed Stock Connect as a securities trading and clearing program to establish mutual market access between SEHK and SSE. Unlike other means of foreign investment in Chinese securities, investors in Stock Connect Securities are not subject to individual investment quotas or licensing requirements. Additionally, no lock-up periods or restrictions apply to the repatriation of principal and profits.

However, a number of restrictions apply to Stock Connect trading that could affect a Fund's investments and returns. For example, the home market's laws and rules apply to investors in the Stock Connect program. This means that investors in Stock Connect Securities are generally subject to PRC securities regulations and SSE listing rules, among other restrictions. Further, an investor may not sell, purchase or transfer its Stock Connect Securities by any means other than through Stock Connect, in accordance with applicable rules. Although individual investment quotas do not apply, Stock Connect participants are subject to daily and aggregate investment quotas, which could restrict or preclude a Fund's ability to invest in Stock Connect Securities. A purchase order that has been submitted but not yet executed may be rejected, furthermore, it is possible for the purchase order to be subsequently rejected even after it has accepted for execution in the event that the aggregate or daily quotas have been exceeded. Trading in the Stock Connect program is subject to risks relating to applicable trading, clearance and settlement procedures that are untested in the PRC. Finally, the withholding tax treatment of dividends and capital gains payable to overseas investors currently is unsettled.

Where shares are purchased through Stock Connect, a Fund would only have a contractual claim against HKSCC for the rights and interests in such shares. The Fund does not have any proprietary rights. Technically, as the PRC legal system does not recognise the concept of beneficial ownership, the PRC authorities recognise HKSCC as the legal owner of such shares and not the Fund.

Because Stock Connect is in its early stages, additional developments are likely. It is unclear whether or how such developments may affect a Fund's investments or returns. Additionally, the application and interpretation of the laws and regulations of Hong Kong and the PRC are uncertain, as are the rules, policies and guidelines published or applied by relevant regulators and exchanges in respect of the Stock Connect program. These may have a negative impact on a Fund's investments and returns.

Small Cap Companies

The Funds may, invest in small capitalisation stocks and there may be a less liquid market in these stocks than in the case of large and mid capitalisation stocks and the stock market price of these stocks may be more volatile than large capitalisation stocks and somewhat more speculative.

Smaller or newer companies may suffer more significant losses as well as realise more substantial growth than larger or more established issuers because they may lack depth of management, be unable to generate funds necessary for growth or be developing or marketing new products or services for which markets are not established. In addition, such companies may be insignificant in their industries and may become subject to intense competition from larger or more established companies.

Fixed Income Risk

Investment in fixed income securities is subject to interest rate, sector, security and credit risks. Lower-rated securities will usually offer higher yields than higher-rated securities to compensate for the reduced creditworthiness and increased risk of default that these securities carry. Lower-rated securities generally tend to reflect short-term corporate and market developments to a greater extent than higher-rated securities which respond primarily to fluctuations in the general level of interest rates. There are fewer investors in lower-rated securities and it may be harder to buy and sell such securities at an optimum time. The volume of transactions effected in certain international bond markets may be appreciably below that of the world's largest markets, such as the United States. Accordingly, a Fund's investment in such markets may be less liquid and their prices may be more volatile than comparable investments in securities trading in markets with larger trading volumes. Moreover, the settlement periods in certain markets may be longer than in others which may affect portfolio liquidity. Investment grade securities may be subject to the risk of being downgraded to a rating that is below investment grade. Shareholders should note that where investment grade securities are downgraded to a rating that is below investment grade after acquisition, there is no specific requirement to sell such securities. In the event of such downgrading, the Manager or its delegates will promptly re-assess the credit quality of such instruments to determine the action to be taken (i.e. hold, reduce or buy).

Many fixed income securities especially those issued at high interest rates provide that the issuer may repay them early. Issuers often exercise this right when interest rates decline. Accordingly, holders of securities that are pre-paid may not benefit fully from the increase in value that other fixed income securities experience when rates decline. Furthermore, in such a scenario a Fund may re-invest the proceeds of the pay-off at the then current yields, which will be lower than those paid by the security that was paid off. Pre-payments may cause losses on securities purchased at a premium, and unscheduled pre-payments, which will be made at par, will cause a Fund to experience loss equal to any unamortized premium.

An investment in sovereign debt securities, including, but not limited to, those issued by sovereign / government bodies of countries in the Eurozone, may be subject to credit and / or default risks. Particularly high (or increasing) levels of government fiscal deficit and / or high levels of government debts, amongst other factors, may adversely affect the credit rating of such sovereign debt securities and may lead to market concerns of higher default risk. In the unlikely event of downgrading or default, the value of such securities may be adversely affected resulting in the loss of some or all of the sums invested in such securities.

Asset Backed Securities Risk

Asset backed securities are often subject to extension and prepayment risks, which may have a substantial impact on the timing of their cashflows. The average life of each individual security may be affected by a large number of factors such as structural features (including the existence and frequency of exercise of any optional repurchase, mandatory repurchase or prepayment or sinking fund features), the payment or the prepayment rates of the underlying assets, the prevailing level of interest rates, the actual default rate of the underlying assets, the timing of recoveries and the level of rotation in the underlying assets. As a result, no assurance can be made as to the exact timing of cashflows to the relevant Fund. This uncertainty may substantially affect the returns of a Fund.

Risks associated with Performance Fees

Performance fees may be payable in relation to some Funds. For those Funds that are managed using the multi-manager strategy, the investment management of the Fund will be carried out by a number of Money Managers each managing separate portfolios of assets within the Fund. A performance fee is payable only on the performance of that part of the portfolio for which a Money Manager is responsible. It is therefore possible that performance fees in respect of the performance achieved by one or more of those Money Managers may be payable by the Fund to one or more of the Money Managers even though the overall Net Asset Value of the Fund, representing the aggregate performance of all the Money Managers, may not have increased. There is a risk that the accrual of performance fees in the Fund may not be entirely equitable between different Shareholders. It is possible that, for example, a Shareholder may benefit if he or she invests and subsequently one of the Money Managers outperforms the benchmark, but whose performance is below the relevant index. In these circumstances a performance fee would not be accrued for that Money Manager until the Money Manager makes up this underperformance and exceeds the relevant index. In these circumstances the Shareholder may benefit from a period of outperformance during which the Money Manager does not earn a performance fee and hence the Fund does not accrue a performance fee in respect of that Money Manager.

It should be noted that a performance fee is based on net realised and net unrealised gains and losses as at the end of each calculation period. As such, performance fees may be paid on unrealised gains which may subsequently never be realised.

Russell Investments as investment manager (Russell U.K. Equity Fund)

In relation to the Russell U.K. Equity Fund, there are two additional risks of which investors should be aware. First, the trading of the Fund's investments will take place less frequently than is typically the case (usually twice monthly). However, back testing carried out by Russell Investments indicates that less frequent trading will reduce trading costs. Secondly, given that Russell Investments has typically employed investment firms to provide discretionary investment management services the fact that Russell Investments will now seek to engage the firms to provide investment advice may mean that some firms are unwilling to move to an advisory role in which case the Company's access to such firms in the future may be limited.

Eurozone Crisis

As a result of the crisis of confidence in the markets which has caused bond yield spreads (the cost of borrowing in the debt capital markets) and credit default spreads (the cost of purchasing credit protection) to increase, most notably in relation to certain Eurozone countries, certain countries in the EU have had to accept "bailouts" from banks and lines of credit from supra-governmental agencies such as the International Monetary Fund and the recently created European Financial Service Facility. The European Central Bank has also been intervening to purchase Eurozone debt in an attempt to stabilise markets and reduce borrowing costs.

In December 2011, leaders of the countries in the Eurozone, as well as the leaders of certain other countries in the EU, met in Brussels and agreed a "fiscal compact" which includes a commitment to a new fiscal rule, to be introduced into the legal systems of the relevant countries, as well as acceleration of the entry into force of the European Stability Mechanism treaty.

Notwithstanding the measures described above, and future measures which may be introduced, it is possible that a country may leave the Eurozone and return to a national currency, and as a result may leave the EU and/or that the Euro, the European single currency, will cease to exist in its current form and/or lose its legal status in one or more countries in which it currently has such status. The effect of such potential events on the Funds, particularly those which are denominated in Euro or which invest in instruments predominantly tied to Europe, is impossible to predict.

More generally, the liquidity and price of certain assets held by the Funds may continue to be directly or indirectly affected by the Eurozone crisis and this may have a negative impact upon the performance of the Funds.

Stocklending Risk

A Fund may lend its portfolio securities to broker-dealers and banks in order to generate additional income for that Fund. In the event of bankruptcy or other default of a borrower of portfolio securities a Fund could experience both delays in liquidating the loan collateral or recovering the loaned securities and losses. Such losses might include (a) possible declines in the value of the collateral or in the value of the securities loaned during the period which the Fund seeks to enforce its rights thereto, (b) possible diminished levels of income and lack of access to income during this period, and (c) expenses of enforcing its rights. In accordance with the provisions set out in Schedule VI, acceptable collateral may include, but is not limited to, cash, sovereign debt, equities, certificates of deposit and gilts.

The Manager and its agents, in accordance with the requirements of the Central Bank, employ a number of controls in order to manage the risk associated with its stocklending programme. In particular, loans must be collateralised at a minimum of 100 per cent of the market value of the loans - higher collateral amounts may be required depending on the type of collateral received and other loan characteristics, and borrowers must have a minimal credit rating of A-2 or equivalent, or must be deemed by the Company to have an implied rating of A-2. Alternatively, an unrated borrower will be acceptable where the Company is indemnified against losses suffered as a result of a failure by the borrower, by an entity which has and maintains a rating of A-2. The Company's lending agents have also agreed to cover any collateral shortfalls in circumstances where a borrower defaults. The Manager or its agents will also monitor the creditworthiness of the borrowers. Although not a principal investment strategy, there are no limits specified in the Regulations in relation to the total amount of assets that a Fund may commit to securities lending activities.

For the avoidance of doubt, neither the Manager nor the Adviser shall solely or mechanistically rely on credit ratings in determining the credit quality of a borrower.

Charging of Fees and Expenses to Capital rather than Income

Russell Global Bond Fund, Russell Global High Yield Fund, Russell Global Credit Fund, Russell Sterling Bond Fund, Russell Absolute Return Bond Fund and Russell Emerging Market Debt Fund seek to generate income in addition to capital growth and in order to increase the amount of income that can be distributed all of the fees and expenses of these Funds may be charged to the capital of the Funds. Shareholders should note that for these Funds there is an increased risk that on the repurchase of Shares, Shareholders may not receive back the full amount invested. In particular, as these Funds invest predominantly in debt instruments, this expense policy means that there is a greater risk of capital erosion for the Funds given the lack of potential for capital growth and the value of future returns may be diminished as a result of capital erosion. Shareholders should note that the Central Bank considers any distributions made by funds which invest predominately in debt instruments to be a form of capital reimbursement.

Reinvestment of cash collateral risk

As a Fund may reinvest cash collateral received, subject to the conditions and within the limits laid down by the Central Bank. A Fund reinvesting cash collateral will be exposed to the risk associated with such investments, such as failure or default of the issuer of the relevant security or the relevant counterparty on its obligations under the relevant contract. Many of the risks set out above will apply equally to the reinvestment of collateral, including but not limited to, the risks outlined in the sections entitled "Counterparty and Settlement Risks", "Risks associated with investment in other collective investment schemes", "Fixed Income Risk" and "Eurozone Crisis".

Taxation

Potential investors' attention is drawn to the taxation risks associated with investing in the Company as to which see the section entitled "Taxation."

Withholding Tax Risk

The income and gains of each Fund from its securities and assets may suffer withholding tax which may not be reclaimable in the countries where such income and gain arise.

FATCA

The United States and Ireland have entered into an intergovernmental agreement to implement FATCA (the "IGA"). Under the IGA, an entity classified as a Foreign Financial Institution (an "FFI") that is treated as resident in Ireland is expected to provide the Irish tax authorities with certain information in respect of its "account" holders (i.e. Shareholders). The IGA further provides for the automatic reporting and exchange of information between the Irish tax authorities and the U.S. Internal Revenue Service (the "IRS") in relation to accounts held in Irish FFIs by U.S. persons, and the reciprocal exchange of information regarding U.S. financial accounts held by Irish residents. The Company expects to be treated as an FFI and provided it complies with the requirements of the IGA and the Irish legislation, it should not be subject to FATCA withholding on any payments it receives and may not be required to withhold on payments which it makes.

Although the Company will attempt to satisfy any obligations imposed on it to avoid the imposition of the FATCA withholding tax, no assurance can be given that the Company will be able to satisfy these obligations. If the

Company becomes subject to a withholding tax as a result of the FATCA regime, the value of the Shares held by all Shareholders may be materially affected.

All prospective investors / shareholders should consult with their own tax advisors regarding the possible FATCA implications of an investment in the Company.

ADMINISTRATION OF THE FUNDS

Determination of the Net Asset Value

The Manager shall determine the Net Asset Value per Share of each Fund for a Dealing Day (in accordance with the Articles of Association and by reference to the last traded price as at the most recent close of business on the market on which such investments are quoted) by 2.30 pm (Irish time) on the following Dealing Day. In determining the Net Asset Value per Share of a Fund the securities of a Fund which are normally listed, traded or dealt in on a Regulated Market shall be valued at the last traded price as at the close of business on the Regulated Market which in the opinion of the Manager is the principal Regulated Market for such securities. In the case of any security which is not listed, traded or dealt in on a Regulated Market or the market price is unrepresentative or not available the value of such security shall be its probable realisation value as at the close of business which must be estimated with care and in good faith and shall be determined by a competent person appointed by the Manager approved for the purpose by the Custodian and Trustee or such value as the Manager considers in the circumstances to be fair and which value is approved by the Custodian and Trustee. Securities listed or traded on a Regulated Market but acquired or traded at a premium or at a discount outside or off the relevant market may be valued taking into account the level of premium or discount at the date of the valuation. The Custodian and Trustee must ensure that the adoption of such a procedure is justifiable in the context of establishing the probable realisation value of the security.

Investments in collective investment schemes will be valued at the latest available net asset value as published by the collective investment scheme.

Cash and other liquid assets will be valued at their face value with interest accrued, where applicable, to the Dealing Day.

Exchange traded derivative instruments will be valued at the relevant settlement price on the appropriate exchange for such instruments on the relevant Dealing Day. If such market price is not available such value shall be the probable realisation value estimated with care and in good faith by the Administrator or other competent person appointed by the Manager and approved for the purpose by the Custodian and Trustee. The counterparty to derivative instruments not traded on an exchange must be prepared to value the contract and to close out the transaction at the request of the Company at fair value. The Company may choose to value the over-the-counter derivatives using either the counterparty's valuation or an alternative valuation, such as a valuation calculated by the Company or by an independent pricing vendor provided that the Company or other party has adequate human and technical means to perform the valuation. The Company must value over-the-counter derivatives on a daily basis. Where the Company values over-the-counter derivatives using an alternative valuation the Company must follow international best practice and will adhere to the principles on the valuation of over the counter instruments established by bodies such as IOSCO and AIMA. An alternative valuation must be provided by a competent person appointed by the Directors and approved for the purpose by the Custodian and Trustee, or a valuation by any other means provided that the value is approved by the Custodian and Trustee. An alternative valuation will be reconciled to the counterparty valuation on a monthly basis. Where significant differences arise these will be promptly investigated and explained. Where the Company values over-the-counter derivatives using the counterparty valuation the valuation must be approved or verified by a party who is approved for the purpose by the Custodian and Trustee and who is independent of the counterparty. The independent verification must be carried out at least weekly. Alternatively, forward foreign exchange contracts will be valued by reference to the prevailing market maker quotations, namely, the price at which a new forward contract of the same size and maturity could be undertaken. Any liabilities of the Company that are not attributable to any Fund shall be allocated amongst the Funds based on their respective Net Asset Values or on any other basis approved by the Custodian and Trustee having taken into account the nature of the liabilities.

Where a Fund is made up of more than one Class of Shares, the Net Asset Value of each Class shall be determined by calculating the amount of the Net Asset Value of the relevant Fund attributable to each Class. The amount of the Net Asset Value of a Fund attributable to a Class shall be determined by establishing the number of Shares in issue in the Class, by allocating relevant Class Expenses (as defined below) and fees to the Class and making appropriate

adjustments to take account of distributions paid out of the Fund, if applicable, and apportioning the Net Asset Value of the Fund accordingly. The Net Asset Value per Share of a Class shall be calculated by dividing the Net Asset Value of the Class by the number of shares in issue in that Class. Class Expenses or management fees or charges not attributable to a particular Class may be allocated amongst the Classes based on their respective Net Asset Value or any other reasonable basis approved by the Custodian and Trustee and having taken into account the nature of the fees and charges. Class Expenses or management fees relating specifically to a Class will be charged to that Class. In the event that Classes of Shares within a Fund are issued which are priced in a Class Currency other than the Base Currency for that Fund currency conversion costs will be borne by that Class.

“**Class Expenses**” means the expenses of registering a Class in any jurisdiction or with any stock exchange, regulated market or settlement system and such other expenses arising from such registration and such further expenses howsoever arising as may be disclosed in the Prospectus.

In respect of the Russell Euro Liquidity Fund, the Net Asset Value per Share shall be calculated using the amortised cost method of valuation for all investments (including floating rate investments) with a residual maturity of 397 days or less, where the Directors have determined that the investment has a market value that approximates to its amortised cost and the investment has an annual or shorter interval coupon/interest rate re-fix.

Under the amortised cost method, the Fund’s investments are valued at their acquisition cost as adjusted for amortisation of premium or accretion of discount rather than at current market value. The Manager shall continually assess this method of valuation and recommend changes, where necessary, to ensure that the Fund’s investments will be valued at their fair value as determined in good faith by the Manager. The Manager will monitor the use of the amortised cost method of valuation in order to ensure that this method continues to be in the best interests of the Shareholders and to provide a fair valuation of the investments of a Fund. The Administrator shall review each week any discrepancies between the market value of the assets and the value as determined by the amortised cost method of valuation.

Escalation procedures have been put in place by the Company to ensure that material discrepancies between the market value and the amortised cost value of a money market instrument are brought to the attention of the Manager and in particular that; (i) discrepancies in excess of 0.1 per cent between the market value and the amortised cost value of the portfolio will be brought to the attention of the Manager; (ii) discrepancies in excess of 0.2 per cent between the market value and the amortised cost value of the portfolio will be brought to the attention of the Directors, the Manager and the Custodian and Trustee; (iii) if the deviation is greater than 0.3 per cent the Administrator will review the discrepancies on each Business Day until the deviation is less than 0.3 per cent and the Directors will promptly consider the actions necessary to reduce such dilution and will notify the Central Bank with an indication of the action, if any, which will be taken in this regard.

For the avoidance of doubt, any such action will not constitute the provision of financial assistance, either directly or indirectly, to the Russell Euro Liquidity Fund by any of the Directors, the Manager, the Promoter, the Distributor or any of their affiliates nor will they be obliged to do so. None of the Directors, the Manager, the Promoter, the Distributor or any of their affiliates will be liable to any Shareholder or any other party in the event of any direct or indirect loss arising to a Shareholder or any other party resulting from any discrepancies between the market value and the amortised cost value of the portfolio.

Subscription Price

The initial subscription price per Share in each Class is set out in Schedule II.

The Initial Offer Period for all Classes of Shares identified in the column of the table in Schedule II headed “Initial Offer Period Status” as “New” will begin on 22 September 2015 and will continue until 18 March 2016, or such other date or dates as the Directors may determine and notify to the Central Bank. The Central Bank will be notified of any such extension in advance if subscriptions have been received and otherwise shall be notified subsequently on an annual basis.

Following the close of the Initial Offer Period of any Class of Shares, Shares in that Class will be issued at the relevant Net Asset Value per Share as determined on the Dealing Day on which they are deemed to be issued.

A dilution adjustment and/or Sales Charge (the latter in respect of certain Classes of Shares only) may be payable on

subscriptions. Please refer to the sections entitled “Dilution adjustment” and “Sales Charge” below for further details. The Sales Charge may be payable to the Distributor or its agents on the subscription price per Share or the Net Asset Value per Share, as the case may be.

Applications for Shares

Shares of any Class in the respect of any Fund may be purchased by contacting the Manager or its agent and completing a subscription form (which the Manager or agent will transmit to the Administrator). Applicants will be obliged to declare to the Company at the time of their initial subscription for Shares whether they are an Irish Resident and/or a U.S. Person. The Company reserves the right to reject any application for Shares. Subscription applications may be received by facsimile or electronic means in accordance with the Central Bank’s requirements. Where an initial subscription application has been received by facsimile, the original subscription form must be received promptly along with any supporting documentation required to prevent money laundering. Subsequent facsimile subscription requests into a Shareholder’s account may be processed without the need to submit original documentation. Amendments to a Shareholder’s registration details and payment instructions will only be effected upon receipt of original documentation.

For cash purchases of Shares, the applicant can purchase Shares at the Net Asset Value per Share of a Class in a Fund provided the Manager or its agent has received a properly completed subscription form by the Trade Cut-Off Time and subscription monies by the fifth Dealing Day (or, in respect of the Russell Euro Liquidity Fund by the close of business on the relevant Dealing Day) from the date on which the Manager or its agent receives the applicant’s properly completed subscription form or such later time as the Manager in its sole discretion may permit. The applicant will pay from the subscription monies any foreign exchange costs associated with converting the subscription monies into the Class Currency of the Class of the Fund in which the applicant is investing at prevailing exchange rates. The Manager reserves the right, in its sole discretion, to require the applicant to indemnify the Company against any losses arising as a result of the Company’s failure to receive payment as required. All subscription monies should be paid to the Administrator’s account specified in the subscription form. Purchase of Shares may be made *in specie* in the Manager’s sole discretion.

Subscriptions for Shares should be made in accordance with the procedures detailed in the subscription form. Subscriptions for a specific number of Shares in the Russell Euro Liquidity Fund will not generally be accepted by the Administrator unless otherwise instructed to do so by the Manager but will be accepted for all other Funds.

If the Manager or its agent does not receive a properly completed subscription form by the Trade Cut-Off Time, the applicant will receive the Net Asset Value per Share on the first Dealing Day thereafter on which the Manager or its agent has received the properly completed subscription form by the Trade Cut-Off Time. The Manager, on an individual basis and at its sole discretion, as agreed by the Directors, may accept properly completed subscription forms received after the Trade Cut-Off Time but before 5.00 pm (Irish time) if the delay was the result of exceptional circumstances such as electronic or other failure. However, subscription forms may not be accepted after the Net Asset Value is calculated on each Dealing Day.

Investors in Funds other than the Russell Euro Liquidity Fund shall not be entitled to receive or accrue dividends in respect of the Dealing Day on which their subscription is processed and dividends will instead begin to accrue from the next Dealing Day. Investors in the Russell Euro Liquidity Fund shall be entitled to receive or accrue dividends from the Dealing Day on which their subscription is processed.

For subscriptions for a specific number of Shares, the Manager or its agent will accept a subscription where the applicant (1) is required to make payment for the Shares by the fifth Dealing Day from the date on which the Manager or its agent receives the applicant’s properly completed subscription form or such later time as the Manager in its sole discretion may permit and (2) in the sole discretion and upon the request of the Manager, the applicant agrees to indemnify the Company against any losses arising as a result of the Company’s failure to receive payment as required. Any shares subscribed for in this manner will only be provisionally allotted until such time as they are fully paid.

The Articles of Association provide that the Company may issue Shares in a Fund in exchange for investments which the Company may acquire in accordance with the investment objectives, policies and restrictions of the relevant Fund and may hold or sell, dispose or otherwise convert such securities into cash. No Shares shall be issued until the investments are entrusted to the Custodian and Trustee or its nominee. The number of Shares issued in exchange for a subscription *in specie* must not exceed the number of Shares that would have been issued for the cash equivalent.

The Custodian and Trustee must be satisfied that the terms of any such exchange will not be such as are likely to result in any prejudice to the existing Shareholders of the relevant Fund.

The Company will not be registered under the U.S. Investment Company Act of 1940 and the Shares will not be registered under the U.S. Securities Act. Accordingly, the Shares may not be purchased by or for the account of a U.S. Person.

The Manager is not registered as a CPO or as a CTA with respect to a Fund in reliance on CFTC Rules 4.13(a)(3) and 4.14(a)(8). Currently only the Russell World Equity Fund II will trade commodity interests within the meaning of the CEA. Generally, these rules allow the relevant Fund's assets to be invested in commodity interests within the meaning of the CEA without the Manager's registration as a CPO or as a CTA if one or both of the following tests are met with respect to the relevant Fund's futures and commodities positions: (i) the aggregate initial margin and premiums required to establish such positions, determined at the time the most recent position was established, will not exceed 5% of the liquidation value of such Fund's portfolio, after taking into account unrealised profits and unrealised losses on any such positions it has entered into (without regard to the "in-the-money amount" (as defined under the CEA), if any, of an option at the time of purchase); or (ii) the aggregate net notional value of such positions, determined at the time the most recent position was established, does not exceed 100% of the liquidation value of such Fund's portfolio, after taking into account unrealised profits and unrealised losses on any such positions it has entered into. For these purposes, (x) the term "notional value" is calculated for each such futures position by multiplying the number of contracts by the size of the contract, in contract units (taking into account any multiplier specified in the contract), by the current market price per unit, and for each such option position by multiplying the number of contracts by the size of the contract, adjusted by its delta, in contract units (taking into account any multiplier specified in the contract), by the strike price per unit; and (y) such Fund may net contracts with the same underlying commodity across designated contract markets, registered derivatives transaction execution facilities and foreign boards of trade.

As a result of the Manager's reliance on the exemptions from registration described above, the Manager is not required to provide prospective investors with a CFTC compliant disclosure document, nor is the Manager required to provide investors with certified annual reports that satisfy the requirements of CFTC Regulations applicable to registered CPOs. The Company does, however, intend to provide investors with audited annual financial statements.

The Manager reserves the right to reject in whole or in part any application for Shares. Any Class of Shares may be closed for subscription either temporarily or permanently at the discretion of the Manager. Where an application for Shares is rejected, the subscription monies shall be returned to the applicant within fourteen days of the date of such application at the risk of the applicant and without interest.

Each Shareholder must notify the Manager in writing of any change in the information contained in the application form (including as to status as an Irish Resident or a U.S. Person) and furnish the Manager with whatever additional documents relating to such change as it may request. Shareholders are obliged to notify the Company in the event that they become Irish Residents and shall immediately dispose of, or cause to have repurchased, any Shares held by them. Shareholders are further obliged to notify the Company in the event that they become U.S. Persons, in which case they will be obliged to immediately dispose of or cause to have repurchased any Shares held by them.

Measures aimed towards the prevention of money laundering within the jurisdiction of the Administrator may require a detailed verification of an applicant's identity. Depending on the circumstances of each application, a detailed verification may not be required if the application is made through an intermediary that is a regulated entity and the intermediary is listed on the share register of the fund. This exception will only apply if the intermediary referred to above is within a country recognised by Ireland as having equivalent anti-money laundering regulations and specified in Section 31 of the Criminal Justice (Money Laundering and Terrorist Financing) Act 2010, as amended. A non-corporate applicant may be required to produce a copy of a passport or identification card duly certified by a notary public, together with evidence of his/her address such as a utility bill or bank statement and date of birth. Corporate applicants may be required to produce a certified copy of the certificate of incorporation (or equivalent), the names, occupations, dates of birth and residential and business addresses of all directors.

The Administrator reserves the right to request such information as is necessary to verify the identity of an applicant. In the event that the Administrator requires further proof of the identity of any applicant the Administrator or its agent will contact the applicant on receipt of subscription instructions. In the event of delay or failure by the applicant to produce any information required for verification purposes the Administrator may refuse to accept the application and shall return all subscription monies at the risk of the applicant and without interest.

Repurchases of Shares

Shareholders may request the Company or its agent to repurchase any number of Shares held by them at the relevant Net Asset Value per Share, by delivering a completed repurchase request form to the Manager or its agent by the Trade Cut-Off Time. A dilution adjustment may be payable on repurchases of Shares. Please refer to the section entitled “Dilution adjustment” below for further details. Any repurchase request form received by the Manager or its agent after the Trade Cut-Off Time shall be held in abeyance and should be effective on the next succeeding Dealing Day. The Manager on an individual basis and at its sole discretion, as agreed by the Directors, may accept properly completed repurchase request forms after the Trade Cut-Off Time but before 5.00 pm (Irish time) if the delay was the result of exceptional circumstances such as electronic or other failure. However, repurchase request forms may not be accepted after the Net Asset Value is calculated on each Dealing Day. Repurchase proceeds will normally be paid to Shareholders within fourteen days of the acceptance of the repurchase request and any other relevant documentation. Any currency conversion that takes place on repurchase will be carried out at prevailing exchange rates.

Repurchase applications may be received by facsimile or electronic means in accordance with the Central Bank’s requirements. Where a subscription application has been received by facsimile, no repurchase payment may be made from the holding until the original subscription application form has been received from the Shareholder along with all documentation required by the Company, including any documents required in connection with the obligation to prevent money laundering. Repurchases will not be processed on accounts that are not cleared or that are unverified for anti-money laundering purposes. Repurchase orders received by facsimile will only be processed where payment is to be made to the account of record.

If the Company receives requests for the repurchase of Shares representing 10 per cent or more of the Net Asset Value of a Fund in respect of any Dealing Day, the Directors may, in their sole discretion, elect to restrict the total value of Shares to be repurchased to 10 per cent or more of that Fund’s Net Asset Value. If the Directors elect to restrict the repurchase of Shares in this manner then:

1. all relevant repurchase requests will be scaled down pro rata to the value of Shares requested to be repurchased; and
2. subject to the above restriction, any Shares which are not repurchased on a Dealing Day shall be treated as if a request for repurchase has been made in respect of such Shares for the next and each subsequent Dealing Day until all of the Shares to which the original request(s) related have been repurchased.

The Articles of Association also permit the Company, with the approval of the Custodian and Trustee and the applicant Shareholder, to satisfy any application for repurchase of Shares by the transfer of assets of the Company *in specie* to the Shareholder, provided that the nature of the assets to be transferred shall be determined by the Directors on such basis as the Directors in their sole discretion shall deem equitable and not prejudicial to the interests of the remaining Shareholders.

Dilution adjustment

The actual cost of purchasing or selling the underlying investments in a Fund may be higher or lower than the last traded price used in calculating the Net Asset Value per Share. The effects of dealing charges, commissions and dealing at prices other than the last traded price may have a materially disadvantageous effect on the Shareholders’ interests in a Fund. To prevent this effect, known as ‘dilution’ and to protect Shareholders, the Company may charge a dilution adjustment when there are net inflows into a Fund or net outflows from a Fund, so that the price of a Share in the Fund is above or below that which would have resulted from a valuation based on the last traded price. The charging of a dilution adjustment may either reduce the repurchase price or increase the subscription price of the Shares in a Fund. Where a dilution adjustment is made, it will increase the Net Asset Value per Share where the Fund receives net subscriptions and will reduce the Net Asset Value per Share where the Fund receives net repurchases. The charging of a dilution adjustment on the Initial Offer Price will similarly be applied at the launch of any new Class of Shares in a Fund that is already established and will have the effect of reducing the number of Shares issued. The Initial Offer Price will be published in the official price history. Dilution adjustments may apply in the normal manner on the closing of an individual Class but will not be applied at the closure of a Fund where actual closure costs will be reflected instead across all of the Classes of Shares.

The imposition of a dilution adjustment will depend on the value of subscriptions or repurchases of Shares on any

Dealing Day. The Company may make a dilution adjustment:

- (i) if net subscriptions or repurchases (excluding in specie transfers) exceed certain pre-determined percentage thresholds relating to a Fund's Net Asset Value (where such percentage thresholds have been pre-determined for each Fund from time to time by the Directors or a committee nominated by the Directors); or
- (ii) where a Fund is in a continual decline (i.e. is suffering a net outflow of investments); or
- (iii) in any other case where the Manager reasonably believes that it is in the interests of Shareholders to impose a dilution adjustment.

The dilution adjustment for each Fund will be calculated by reference to the typical costs of dealing in the underlying investments of that Fund, including any dealing spreads, market impact, commissions, fees and taxes. These costs can vary over time and as a result the amount of dilution adjustment will also vary over time. The price of each Class of Share in a Fund will be calculated separately but any dilution adjustment will affect the price of Shares of each Class in a Fund in an identical manner. When the dilution adjustment is not made and Shares are bought or sold there may be an adverse impact on the Net Asset Value of a Fund.

Any in specie subscriptions or repurchases will not be taken into account when determining whether there are net inflows or outflows from a Fund. Shareholders subscribing or repurchasing in specie will do so at the prevailing Net Asset Value per Share, without a dilution adjustment applied. However, in the case of a Fund which may suffer stamp duty costs as a result of an in specie subscription a dilution adjustment may be applied sufficient to reflect the cost of the stamp duty charges incurred as a result of the in specie subscription.

Dilution adjustments may be applied on any Dealing Day but the possible amount of such adjustments will be reviewed from time to time by the Manager. The details of the dilution adjustments that have been applied to subscriptions and/or repurchases can be obtained by a Shareholder on request from the Manager.

Transfers of Shares

All transfers of Shares shall be effected by transfer in writing in any usual or common form or in any other form and every form of transfer shall state the full name and address of the transferor and the transferee. The instrument of transfer of a Share shall be signed by or on behalf of the transferor. The transferor shall be deemed to remain the holder of the Share until the name of the transferee is entered in the share register in respect thereof. The registration of transfers may be suspended at such times and for such periods as the Directors from time to time may determine, provided always that such registration shall not be suspended for more than thirty days in any year. The Directors may decline to register any transfer of Shares unless the instrument of transfer is deposited at the registered office of the Company, or at such other place as the Directors may reasonably require, together with such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and a declaration from the transferee confirming whether the transferee is an Irish Resident and/or a U.S. Person. The measures aimed towards the prevention of money laundering, as described above under "Application of Shares", apply equally to transfers of Shares.

Certificates

The Administrator shall be responsible for maintaining the Company's register of Shareholders in which all issues, repurchases, conversions and transfers of Shares will be recorded. No share certificates shall be issued in respect of the Shares, but each Shareholder shall be entitled to receive a written confirmation of ownership in respect of the Shares. A Share may be registered in a single name or in up to four joint names.

Distribution Policy

Each of the Funds may issue Income Class Shares, Accumulation Class Shares or Roll-Up Class Shares. All Share Classes are Accumulation Class Shares unless otherwise indicated in the name of the Share Class.

Income Class Shares are shares that distribute Net Income from time to time, subject to Directors' discretion, on a Distribution Date. Distribution Dates may vary between Classes within a Fund. The amount of any distribution on different Share Classes of Income Class Shares in a Fund may vary to reflect any differing charges and expenses suffered by such Share Classes. Any such distribution shall be made from Net Income. It should be noted that Net Income is calculated differently in relation to Funds which prioritise the generation of income over capital growth

and in such Funds any applicable fees and expenses are charged to the capital of the Fund rather than the income of the Fund. Where the actual expenses incurred cannot be determined, estimated expenses will be used. An investor in Income Class Shares shall have the choice of investing the distribution in additional Income Class Shares or receiving payment by telegraphic transfer in Class Currency of the Income Class Shares in which the investor is invested and the investor will indicate a preference in writing to the Manager or its agent at the time of the investor's application for Income Class Shares. It should be noted that the declaration of distributions in those Funds which charge fees (including management and performance fees) and expenses to capital rather than income could result in the erosion of capital in those Funds and that increased income will be achieved by foregoing some of the potential for future capital growth.

Any currency conversion that takes place on distributions will be done at prevailing exchange rates. Any distribution monies which have not been claimed within six years of the declaration of the distribution shall be forfeited and shall form part of the assets of the relevant Fund. The Company will be obliged and entitled to deduct an amount, as more particularly described in the section entitled "Taxation", in respect of Irish taxation from any dividend payable to an investor holding Income Class Shares of any Fund who is Irish Resident or who is not Irish Resident and has failed to make a true and correct declaration to that effect to the Administrator.

Accumulation Class Shares are shares that declare a distribution but whose Net Income is then reinvested in the capital of the relevant Fund on the Distribution Date, thereby increasing the Net Asset Value per Share for an Accumulation Class Share relative to an Income Class Share.

Roll-Up Class Shares do not declare or distribute Net Income and the Net Asset Value therefore reflects Net Income.

Classes of Shares in issue in the same Fund, for any distribution status, will have all distributable income of a Fund, after deduction of expenses (where such expenses are charged to income rather than capital), allocated by Share Class

in accordance with the value of their respective interests.

U.K. Reporting Fund Status

From and in respect of the accounting period commencing 1 April 2012 it is intended that the Company will conduct its affairs so as to enable U.K. reporting fund status to be obtained.

Amongst other requirements, a reporting fund must report the income returns of the Company on a per-Share basis to each relevant Shareholder for each reporting period.

Shareholders and potential investors who are resident or ordinarily resident in the U.K. for tax purposes are advised to consult their professional advisors concerning possible taxation or other consequences of the U.K. distributor status and U.K. reporting fund status regimes.

Mandatory Repurchase of Shares and Forfeiture of Distributions

Shareholders shall notify the Manager immediately in the event that it becomes a U.S. Person or holds Shares on behalf of a U.S. Person. The Company further reserves the right to repurchase any Shares on thirty days' notice to a Shareholder if the Directors have reason to believe that the Shares are owned directly or beneficially by any person in breach of any law or requirement of any country or governmental authority or by virtue of which such person is not qualified to hold such Shares, or if in the opinion of the Directors the holding might result in the Company or Shareholders incurring any liability to taxation or suffering pecuniary or administrative disadvantages which the Company or the Shareholders might not otherwise suffer or incur, or where any person who is or has acquired such Shares on behalf of or for the benefit of a U.S. Person or where any person does not supply any of the information or declarations required under the Articles of Association within 7 days of a request being sent by the Directors.

The Articles of Association of the Company permit the Company to repurchase the Shares where, during a period of six years, no cheque in respect of any dividend on the Shares has been cashed and no acknowledgement has been received in respect of any Share certificate or other confirmation of ownership of the Shares sent to the Shareholder and the repurchase proceeds will be held in a separate interest bearing account and the Shareholder shall be entitled to claim the amount standing to his credit in such account. Any distribution monies which have not been claimed within six years of the declaration of distribution shall be forfeited and shall form part of the assets of the relevant Fund.

Publication of the Price of the Shares

Except where the determination of the Net Asset Value per Share has been suspended, in the circumstances described below, the latest Net Asset Value per Share in each Fund shall be available at the registered office of the Administrator on each Dealing Day and shall be published (so far as is practicable) daily on the first Business Day after the Dealing Day on Bloomberg (www.bloomberg.com) a public website.

Temporary Suspension of Valuation and of Issues and Repurchases of Shares

The Manager may temporarily suspend the determination of the Net Asset Value and the issue or repurchase of Shares of any Fund during:

- (i) any period (other than ordinary holiday or customary weekend closings) when any Regulated Market is closed which is the main Regulated Market for a significant part of the Fund's assets, or in which trading thereon is restricted or suspended; or
- (ii) any period when an emergency exists as a result of which disposal by the Fund of investments which constitute a substantial portion of the assets of the Fund is not practically feasible; or
- (iii) any period when for any reason the prices of any investments of the Fund cannot be reasonably, promptly or accurately ascertained by the Manager; or
- (iv) any period when remittance of monies which will, or may be, involved in the realisation of, or in the payment for, investments of the Fund cannot, in the opinion of the Manager, be carried out at the normal rate of exchange; or
- (v) any period when the proceeds of any sale or repurchase of the Shares cannot be transmitted to or from the Fund's account.

Any such suspension shall be published by the Manager on Bloomberg (www.bloomberg.com) a public website, if, in the opinion of the Manager, it is likely to exceed fourteen days and shall be notified immediately to the Central Bank. Where possible, all reasonable steps will be taken to bring a period of suspension to an end as soon as possible.

Conversion of Shares

The Articles of Association permit Shareholders with the consent of the Directors to convert their Shares in any Fund to Shares in any other Fund on giving notice to the Manager in such form as the Manager may request. Conversion shall take place in accordance with the following formula:

$$NS = \frac{(S \times R \times F) - X}{P}$$

where:

- NS = the number of Shares which will be issued in the new Fund;
- S = the number of the Shares to be converted;
- R = the repurchase price per Share after deduction of any repurchase charge;
- F = the currency conversion factor (if any) as determined by the Manager;
- P = the price of a Share of the new Fund, after the addition of any Sales Charge (as appropriate);
- X = a handling charge (if any) not exceeding 5 per cent of the Net Asset Value of the Shares to be converted.

If NS is not an integral number of Shares the Manager reserves the right to issue fractional Shares in the new Fund or to return the surplus arising to the Shareholder seeking to convert the Shares. Any currency conversion that takes place on conversion will be done at prevailing exchange rates.

MANAGEMENT AND ADMINISTRATION

Directors and Secretary

The Directors are responsible for managing the business affairs of the Company in accordance with the Articles of Association and may exercise all the powers of the Company to borrow money, subject to the limits and conditions set forth in the Regulations and as may from time to time be laid down by the Central Bank. The Regulations currently provide that the Company may borrow up to 10 per cent of the value of its net assets provided that such borrowing is on a temporary basis and is not for the purpose of making investments and the Company may acquire foreign currencies by means of a “back-to-back loan”. The Directors may delegate certain functions to the Manager, subject to supervision and direction by the Directors.

The Directors are listed below with their principal occupations. The Company has delegated the day-to-day management of the Company to the Manager and, consequently, none of the Directors is an executive director. The address of the Directors is the registered office of the Company.

James Firn

Mr. Firn, American and British, was an employee of Russell Investments from 1988 until his retirement in June 2014. In that time he managed various departments within the Adviser’s EMEA team including Legal, Compliance, Risk Management, Internal Audit, Product Development and Marketing. He also acted as principal liaison with government, regulatory and industry groups in EMEA and advised members of senior management in other regions in which the Russell Group operates on business, product and legal matters. Mr. Firn holds a law degree from Southern Methodist University, Dallas, Texas, and is a member of the Washington State, American and International Bar Associations. He is a director of a number of management companies and collective investment schemes of Russell Investments, authorised by the Central Bank and in the Cayman Islands.

James Beveridge

Mr. Beveridge, British, has been the finance director of the Adviser and Distributor since 1993 where he is primarily responsible for financial budgeting and reporting. From 1990 to 1993 he served successively as assistant group financial and management accountant and worked as an accountant in the securities division and the projects and development group at Prudential Portfolio Managers. From 1986 to 1990 he trained as a chartered accountant with Pannell Kerr Forster (now known as PKF). He is a director of a number of collective investment schemes authorised by the Central Bank and is also a director of other subsidiaries within Russell Investments.

John McMurray

Mr. McMurray, American, is global chief risk officer and chief auditor for Russell Investments. He leads Russell’s global risk management function which provides strategic direction on and assessment of Russell’s risk exposures including investment, credit and operational risks. In addition, he heads Russell’s internal audit function. He serves as a director on the Board of the Company and regularly engages the Board and EMEA management on risk-related topics. Mr. McMurray joined Russell in 2010 and has more than 25 years of risk and investment management experience with large commercial and government sponsored institutions. His experience spans multiple asset classes across several market cycles. John’s risk management experience encompasses consumer, commercial and counterparty market and credit exposures for securities, options, whole loans, derivatives, guarantees and insurance. Prior to joining Russell, Mr. McMurray worked for the Federal Home Loan Bank of Seattle where he led that institution’s risk management activities as chief risk officer. Before that, John was with JP Morgan Chase. He is a director of a number of collective investment schemes authorised by the Central Bank.

William Roberts

Mr. Roberts, British, (and Irish resident) qualified as a solicitor in Scotland in 1983, as a solicitor of the Supreme Court in Hong Kong in 1985, as a barrister and an attorney at law in Bermuda in 1988 and as an attorney at law in the Cayman Islands in 1990. He worked for several law firms in Scotland, Hong Kong, London and Bermuda between 1982 and 1990. During the period from 1990 to 1999 he was a member of W.S. Walker & Company in the Cayman Islands where he became a partner in 1994. Mr. Roberts has experience in international financial services law. He was a director of a number of companies established in Bermuda and was a director of the Cayman Islands Stock Exchange from 1996 to 1999. He is currently a director of a number of collective investment schemes authorised by the Central Bank and a number of collective investment schemes in the Cayman Islands.

David Shubotham

Mr. Shubotham, Irish, was a main board director of J. & E. Davy (an Irish stockbroking firm) from 1975 until 2002.

Following graduate training with Aer Lingus, he joined J. & E. Davy in 1973. Mr. Shubotham became a partner of J. & E. Davy in 1977 with responsibility for the bond desk. In 1991 he became chief executive of Davy International, a company operating in Dublin's International Financial Services Centre. He retired in 2001. He qualified as an accountant in 1971 having graduated with a Bachelor of Commerce degree from University College Dublin in 1970 and became a member of the Society of Investment Analysts in 1975. Mr. Shubotham has served on various state committees in Ireland including the Committee for the Development of Science and Technology Strategy and the Committee for the Development of Bio Strategy. He has served as chairman of the boards of directors of the National Stud of Ireland and the National Digital Park, a joint venture with the Irish Industrial Development Authority. He was chairman of the board of directors of the Hugh Lane Municipal Gallery, Dublin for 6 years. He is a director of a number of collective investment schemes authorised by the Central Bank as well as collective investment schemes established in the Cayman Islands.

Kenneth Willman

Mr. Willman, American and British, is Chief Legal Officer and Secretary of Russell Investments. He joined Frank Russell in August 2008. As Chief Legal Officer he is responsible for the legal, compliance, internal audit, corporate records, government and community relations and risk management functions. He is also a member of Russell's executive committee and council. Prior to joining Russell, Mr. Willman was at Goldman Sachs from 1992 where he held a variety of roles including most recently General Counsel of Asia from 2004 to 2008. From 1987 to 1992 he was an associate in Sullivan & Cromwell's New York and Tokyo offices. Mr. Willman holds a J.D. degree from the University of Pennsylvania, a B.A. in Politics and Government and a B.S. in Economics from the University of Puget Sound. He is admitted to the Bar in Washington State and New York and is currently a member of the Board of Trustees at the University of Puget Sound as well as the board of directors of Covenant House of New York and The 5th Avenue Theatre. He is a director of a number of collective investment schemes authorised by the Central Bank.

Neil Jenkins

Mr. Jenkins, British, is Managing Director, Investments of the Distributor which he joined in October 2006. Mr. Jenkins was educated at Keble College, Oxford, where he received first class honours in Modern Languages (German and Russian). In 1985 Mr. Jenkins joined Morgan Grenfell in London where he worked in export project finance in Eastern Europe. From 1988 to 1990 he was Morgan Grenfell's representative based in Moscow. From 1990 to 2000 Mr. Jenkins worked in various investment roles at Morgan Grenfell (Deutsche) Asset Management Investment Services and also spent five years assigned to Morgan Grenfell Capital Management in the U.S. Mr. Jenkins was Managing Director of AXA Multi Manager, a subsidiary of AXA Investment Managers, from January 2001 until June 2003, after which he joined Rothschild Private Management Limited as Executive Director and Head of Multi-Manager Investment, a position he held until October 2006 when he joined the Distributor. He is portfolio manager of a number of portfolios for the Adviser as well as portfolios managed by other entities affiliated with the Adviser. He is also a director of other collective investment schemes authorised by the Central Bank.

Tom Murray

Mr Murray has worked in investment banking and financial services for over 25 years. He is currently an independent non-executive director of several collective investment vehicles and management companies including funds promoted by Deutsche Bank, Old Mutual, Guggenheim and Barclays. In addition Mr Murray is a non executive director of Skillsoft, the leading e-learning company and Touax, an international leasing operation. He obtained a Bachelor of Commerce Degree from University College Dublin in 1976 and qualified as a Chartered Accountant with Coopers & Lybrand in 1980 where he was a computer audit specialist and systems analyst. He was also a member of the National Futures Association between 1990 and 1992. In 2011, Mr Murray was awarded a Diploma in Directors Duties & Responsibilities by the Institute of Chartered Accountants in Ireland.

Between 2004 and 2008, Mr Murray was a director of Merrion Corporate Finance Ltd where he was involved in several high profile transactions including the initial public offering of Aer Lingus, Eircom and the sale of Reox. Prior to joining Merrion, he was Treasury Director of Investec Bank Ireland where he was responsible for funding, asset and liability management, corporate and proprietary foreign exchange dealing, stock lending and borrowing, equity financing and structured finance activities. In 1987, he was a founder director and early shareholder in Gandon Securities Ltd, the first entity to be licenced to operate in the International Financial Services Centre, Dublin. Initially, Mr Murray served as Finance Director where, inter alia, he was instrumental in the design and implementation of the financial control and risk management systems for the proprietary trading division. In 1990 Mr Murray moved into a business development role where he established the structured finance, managed futures and equity financing units. In 2000, Gandon Securities Ltd was acquired by Investec Bank and Mr Murray was appointed Treasury Director in which role he served for 4 years.

Prior to joining Gandon between 1981 and 1987, Mr Murray was the Chief Financial Officer of Wang International Finance Ltd, the vendor financing division of Wang Computers, where he established the tax, legal and financial reporting structures for computer leasing operations in 14 countries globally.

Peter Gonella

Mr. Gonella, British, is Director of Operations for the Advisor and Distributor, since 2007, where he is responsible for fund services in Europe, Middle East & Africa. His management and operational responsibilities primarily include overseeing the delivery of fund administration, fund accounting and custody services. Mr. Gonella was educated at the University of Hull where he received honours in English Language & Literature. Mr Gonella worked for Deutsche (Morgan Grenfell) Asset Management from 1986 to 2005 and Aberdeen Asset Management from 2005 to 2007, holding a variety of senior management and Operations Director roles including responsibility for fund accounting, client administration and vendor management.

The Company Secretary is MFD Secretaries Limited.

None of the Directors has entered into a service contract with the Company or is an executive of the Company. The Articles of Association do not stipulate a retirement age for Directors and do not provide for retirement of Directors by rotation.

The Articles of Association provide that a Director may be a party to any transaction or arrangement with the Company or in which the Company is interested, provided that he has disclosed to the Directors the nature and extent of any material interest which he may have. A Director may not vote in respect of any contract in which he has a material interest. However, a Director may vote in respect of any proposal concerning any other company in which he is interested, directly or indirectly, whether as an officer or shareholder or otherwise provided that he is not the holder of 5 per cent Or more of the issued shares of any class of such company or of the voting rights available to members of such company. A Director may also vote in respect of any proposal concerning an offer of Shares in which he is interested as a participant in an underwriting or sub-underwriting arrangement and may also vote in respect of the giving of any security, guarantee or indemnity in respect of money lent by the Director to the Company or in respect of the giving of any security, guarantee or indemnity to a third party in respect of a debt obligation of the Company for which the Director has assumed responsibility in whole or in part.

The Promoter

Frank Russell Company of Seattle, Washington, is the Promoter of the Company. The Promoter has assets under management of approximately U.S.\$275 billion and over 1,900 staff in nine principal offices in Seattle, New York, London, Toronto, Sydney, Tokyo, Paris, Singapore and Auckland. Founded in 1936, it was acquired by the London Stock Exchange Group in December 2014. Since 2007 it has used the business name Russell Investments.

The Manager

The Manager was incorporated in Ireland as a limited liability company on 25 February 1994 and is a wholly-owned subsidiary of Frank Russell, which in turn is an indirect subsidiary of the London Stock Exchange Group. The Manager has an authorised share capital of U.S.\$1,000,000 divided into 1,000,000 shares of U.S.\$1 each of which 141,552 have been issued fully paid. The Manager is engaged in the business of providing investment management, investment advisory and administrative services to collective investment undertakings. The directors and secretary of the Manager are the same as the Directors and Secretary of the Company. The Manager is also the manager of a number of other collective investment schemes promoted by the Promoter.

The Manager has appointed the Adviser to advise it, among other things, to make recommendations on the investment programmes and strategies of the Funds, including overseeing the performance of the Money Managers and/or Investment Advisers, making recommendations on the entry into and performance of other agreements and providing reports to the Manager.

The Management and Investment Advisory Agreement provides that the Manager shall administer the Company in accordance with the Regulations, the Articles of Association and the provisions of this Prospectus. The Management and Investment Advisory Agreement shall continue in force until terminated by either party on ninety days' notice in writing to the other party, provided that the Manager shall continue in office until a successor manager or administrator is appointed. The Company may at any time terminate the Management and Investment Advisory Agreement in the event of the appointment of an examiner or receiver to the Manager or on the happening of a like

event or if the tax certificate issued to the Manager under Section 446 of the Taxes Consolidation Act, 1997 is revoked or the Manager receives notice from the Minister for Finance that he intends to revoke the tax certificate. The Company may also terminate the Management and Investment Advisory Agreement if the Central Bank determines that the Manager is no longer permitted to act as manager or money manager to the Company.

The Manager shall not be liable for any loss suffered by the Company or its agents in connection with the performance of the Manager's obligations under the Management and Investment Advisory Agreement, except loss resulting from negligence, wilful misfeasance or bad faith on the part of the Manager in the performance of, or from reckless disregard by the Manager of, its obligations and duties under the Management and Investment Advisory Agreement. The Company shall indemnify the Manager in respect of all liabilities, damages, costs, claims and expenses incurred by the Manager, its servants or agents in the performance of its obligation and duties under the Management and Investment Advisory Agreement and against all taxes on profits or gains of the Company which may be assessed upon or become payable by the Manager or its servants or agents to the extent permitted by law, provided that such indemnity shall not be given where the Manager, its servants or agents, is or are guilty of any negligence or wilful default.

The Management and Investment Advisory Agreement allows the Manager to delegate its management duties to other parties. In addition to appointing the Adviser to advise it on the investments of the Company, the Manager has delegated to the Administrator the administration of the Company.

The Adviser and Distributor

Russell Investments Limited was incorporated in England and Wales on 30 December 1986 as Frank Russell Company Limited and is a wholly owned subsidiary of Frank Russell and changed its name in August 2005. Russell Investments Limited was appointed as Adviser and Distributor with effect from 1 November 2007 in accordance with the Advisory Agreement and the Distribution Agreement respectively. Russell Investments Limited also acts as Investment Manager for the Russell Multi-Asset Growth Strategy Euro Fund.

The Advisory Agreement shall continue in force until terminated by either party on 90 days' notice in writing to the other party, provided that the Manager may at any time terminate the appointment of the Adviser in the event of the appointment of any examiner or receiver to the Adviser or on the happening of a like event or in the event that the Adviser is no longer permitted to perform its functions and duties under applicable law or is in breach of its obligations under the Advisory Agreement. The Advisory Agreement provides that, save in the case of fraud, wilful misfeasance, bad faith, negligence or reckless disregard of its functions and duties, the Adviser shall not be liable to the Manager or the Company or the Shareholders of the Company for any error of judgment or loss suffered by any of them in connection with the performance by the Adviser of its functions and duties thereunder and the Manager shall indemnify the Adviser, out of the Company's assets against all liabilities, damages, costs, claims and expenses incurred by the Adviser, its directors, officers or agents in the performance of its functions and duties and against all taxes on profits or gains of the Company which may be assessed upon or become payable by the Adviser, its directors, officers or agents to the extent permitted by law and the Articles of Association, provided that such indemnity shall not be given where the Adviser, its directors, officers or agents are guilty of any negligence, bad faith, fraud, wilful misfeasance or reckless disregard of its or their duties.

The Distribution Agreement may be terminated by any party, without the payment of any penalty, immediately upon receipt of 90 days' written notice to the other party. The Manager will indemnify the Distributor and its directors, officers or agents against all liabilities, damages, costs and claims and expenses incurred by the Distributor, its directors, officers or agents in the performance of its or their functions and duties and from all taxes on profits or gains of the Company which may be assessed upon or become payable by the Distributor or its directors, officers or agents to the extent permitted by law provided that the indemnity shall not be given where the Distributor, its directors, officers or agents is or are guilty of any bad faith, fraud, negligence, wilful misfeasance or recklessness in the performance of its or their functions or duties.

The Manager has also appointed the Adviser to provide certain operational support services pursuant to a support services agreement dated 28 September 2009 ("**Support Services Agreement**"). These services include assisting the Manager in relation to the registration of the Funds for distribution, attending to compliance matters, organising the preparation of the financial statements and the preparation of materials for meetings of the board of Directors. In the absence of fraud, wilful default or bad faith on the part of the Adviser in the performance or unjustifiable non-performance of its obligations or duties under the Support Services Agreement, neither the Adviser nor any of its directors, officers, employees or agents shall be liable to the Manager for any loss or damage suffered by the

Manager as a result of any act or omission of the Adviser. The Support Services Agreement may be terminated by either party upon 90 days' written notice to the other party (or such lesser period as may be agreed) or immediately in the event of the winding up or the appointment of an examiner or receiver to the other party or upon the happening of a like event at the direction of an appropriate regulatory agency or court of competent jurisdiction, where either party fails to remedy a material breach of the agreement (if capable of remedy) within 30 days after service of notice by the other party requesting it to do so or where either party is no longer permitted to perform its obligations.

The Administrator

The Manager has appointed State Street Fund Services (Ireland) Limited to act as administrator of the Company pursuant to the Administration Agreement. The Administrator is responsible for performing the day to day administration of the Company and for providing fund accounting for the Company, including the calculation of the Net Asset Value and the Net Asset Value per Share, and for providing registration, transfer agency and related services to the Company.

The Administrator was incorporated in Ireland on 23 March 1992 and is ultimately owned by State Street Corporation. The authorised share capital of the Administrator is Stg£5,000,000 with an issued and paid up share capital of Stg£350,000.

State Street Corporation is a leading world-wide specialist in providing sophisticated global investors with investment servicing and investment management. State Street is headquartered in Boston, Massachusetts, U.S.A., and trades on the New York Stock Exchange under the symbol "STT".

The Administration Agreement shall remain in full force and effect for an initial term ending December 31, 2017 (the "Initial Term"). During the Initial Term the Manager or the Company may without cause terminate the Administration Agreement on giving at least six (6) months' prior written notice to the Administrator. Any such termination during the Initial Term will give rise to compensation being payable by the Company to the Administrator. Such compensation amount will be subject to a maximum of 40% of the level of fees paid in the financial year preceding the date that notice of termination is made and will be rateably reduced from 2014 onwards on a scaled basis dependent on the proximity of the proposed effective date of termination to the end of the Initial Term. Following the expiry of the Initial Term, the Administration Agreement shall continue in force until terminated and may be terminated (without the payment of any penalty by the Company) on giving ninety (90) days' prior written notice or by the Administrator on giving one hundred and eighty (180) days' prior written notice or such other period as may be agreed between the parties in writing. The Administration Agreement may be terminated at any time forthwith by any party giving notice in writing to the other parties if at any time; (i) the party notified shall go into liquidation or receivership or an examiner shall be appointed pursuant to the Companies (Amendment) Act, 1990 or be unable to pay its debts as they fall due, (ii) the party notified shall commit any material breach of the provisions of the Administration Agreement and, if such breach is capable of remedy, shall not have remedied that within thirty (30) days after the service of written notice requiring it to be remedied.

The Administration Agreement provides that the Administrator shall exercise its power and discretion under the Administration Agreement using its reasonable endeavours and applying the level of skill and expertise that can be reasonably expected of a professional administrator for hire. The Administrator shall not be liable for any loss of any nature whatsoever suffered by the Manager, the Company or the Shareholders in connection with the performance of its obligations under the Administration Agreement, except where that loss results directly from negligence, bad faith, fraud, wilful default or recklessness on the part of the Administrator. The Administrator shall not be liable for any indirect, special or consequential loss howsoever arising.

The Manager shall indemnify and hold harmless the Administrator out of the assets of the Company on its own behalf and on behalf of its permitted delegates, employees and agents against all actions, proceedings and claims and against all reasonable costs, demands and expenses (including reasonable legal and professional expenses) arising therefrom which may be brought against, suffered or incurred by the Administrator, its permitted delegates, employees or agents in the performance of its obligations and duties under the Administration Agreement and against all taxes on profits or gains of the Company which may be assessed or become payable by the Administrator, its permitted delegates, employees or agents provided that such indemnity shall not be given where the Administrator, its delegates, employees or agents, is or are guilty of negligence, recklessness, wilful default, fraud or bad faith.

The Custodian and Trustee

The Company has appointed State Street Custodial Services (Ireland) Limited to act as custodian and trustee of all the assets of the Company pursuant to the Custodian and Trusteeship Agreement.

The Custodian and Trustee is a private limited company incorporated in Ireland and has its registered office at 78 Sir John Rogerson's Quay, Dublin 2. The principal activity of the Custodian and Trustee is to act as custodian of the assets of collective investment schemes. The Custodian and Trustee is ultimately owned by State Street Company. The Custodian and Trustee is regulated by the Central Bank. The Custodian and Trustee was incorporated to provide trustee and custodial services to collective investment schemes. As at 31 May 2014, the Custodian and Trustee had funds under custody in excess of U.S.\$ 575 billion.

The Custodian and Trustee will be obliged to enquire as to the conduct of the Company in each financial year and to report thereon to the Shareholders. The Custodian and Trustee must also ensure that the Company complies with the Regulations in its investment decisions and in the administration of the issue and repurchase of Shares.

The Custodian and Trustee will be liable to the Company, and the Shareholders for any loss suffered by them as a result of its unjustifiable failure to perform its obligations or its improper performance of its obligations. The Company shall indemnify and hold harmless the Custodian and Trustee against all actions, proceedings, claims, costs, demands and expenses (including legal and professional expenses) which may be brought against, suffered or incurred by the Custodian and Trustee in the performance of its duties under the Custodian and Trusteeship Agreement save where any such actions, proceedings, claims, costs, demands or expenses arise as a result of its unjustifiable failure to perform its obligations or its improper performance of its obligations.

The Custodian and Trusteeship Agreement shall remain in full force and effect for an initial term ending December 31, 2017 (the "Initial Term"). During the Initial Term the Company may without cause terminate the Custodian and Trusteeship Agreement on giving at least six (6) months' prior written notice to the Custodian and Trustee. Any such termination during the Initial Term will give rise to compensation being payable by the Company to the Custodian and Trustee. Such compensation amount will be subject to a maximum of 40% of the level of fees paid in the financial year preceding the date that notice of termination is made and will be rateably reduced from 2014 onwards on a scaled basis dependent on the proximity of the proposed effective date of termination to the end of the Initial Term. Following the expiry of the Initial Term, the Custodian and Trusteeship Agreement shall continue in force until terminated and may be terminated (without the payment of any penalty by the Company) on giving ninety (90) days' prior written notice or by the Custodian and Trustee on giving one hundred and eighty (180) days' prior written notice or such other period as may be agreed between the parties in writing. The Custodian and Trusteeship Agreement may be terminated at any time forthwith by either party giving notice in writing to the other party if at any time; (i) the party notified shall go into liquidation or receivership or an examiner shall be appointed pursuant to the Companies (Amendment) Act, 1990 or be unable to pay its debts as they fall due, (ii) the party notified shall commit any material breach of the provisions of the Custodian and Trusteeship Agreement and, if such breach is capable of remedy, shall not have remedied that within thirty (30) days after the service of written notice requiring it to be remedied, (iii) or certain representations, warranties, covenants or undertakings contained in the Custodian and Trusteeship Agreement cease to be true or accurate in any material respect.

Paying Agents/Representatives/Distributors

Local paying agents and representatives ("paying agents") may be appointed to facilitate the authorisation or registration of the Company and/or the marketing of any of its Shares in various jurisdictions. In addition, local regulations in EEA countries may require the appointment of paying agents and the maintenance of accounts by such agents through which subscriptions and repurchase monies may be paid. Investors who choose or are obliged under local regulations to pay/receive subscription/repurchase monies via an intermediary entity rather than directly to/from the Administrator or the Custodian and Trustee (e.g. a sub-distributor or agent in the local jurisdiction) bear a credit risk against that intermediate entity with respect to (a) subscription monies prior to the transmission of such monies to the Administrator or the Custodian and Trustee for the account of a Fund and (b) repurchase monies payable by such intermediate entity to the relevant investor.

The appointment of a paying agent (including a summary of the agreement appointing such paying agent) may be detailed in a country supplement.

FEES AND EXPENSES

General

Each Fund shall pay all of its expenses and such proportion of the Company's expenses as is allocated to that Fund, other than those expressly assumed by the Manager. The costs and gains/losses of any hedging transactions will be attributable to the Class. To the extent that expenses are attributable to a specific Class of a Fund, that Class shall bear such expenses. These expenses may include the costs of (i) establishing, maintaining and registering the Company and the Funds and the Shares with any governmental or regulatory authority or with any Regulated Market or exchange and the fees of any paying agents and/or local representatives at normal commercial rates; (ii) management, administration, (including compliance) custodial and related services; (iii) preparation, printing, translation and posting of prospectuses, sales literature, reports to Shareholders, the Central Bank and governmental agencies; (iv) taxes, commissions and brokerage fees; (v) auditing, tax and legal fees; (vi) insurance premia and other operating expenses including the disbursements of the Custodian and Trustee and the Manager and of any of their agents.

The legal expenses relating to the establishment of the Russell Global Credit Fund did not exceed EUR 12,000 and will be amortised over a period of 5 years. The legal expenses relating to the establishment of Russell Multi-Asset Conservative Strategy Fund are estimated not to exceed EUR 10,000 and will be amortised over the first 5 accounting years of the Fund's operation (or such other period as may be determined by the Directors at their discretion). The legal expenses relating to the establishment of the Russell Emerging Market Debt Fund are estimated not to exceed EUR 10,000 and will be amortised over a period of 5 years. Otherwise all expenses relating to the establishment of the Funds have been paid.

The Articles of Association provide that the Directors shall be entitled to a fee by way of remuneration at a rate to be determined from time to time by the Directors. The Directors' annual remuneration for the forthcoming year will be disclosed in the Prospectus. The Directors' remuneration will not exceed EUR350,000 for the calendar year ending 31 December 2015. In addition to such fees the Directors shall be entitled to be reimbursed out of the assets of the Company for all travelling, hotel and other reasonable out-of-pocket expenses properly incurred by them in attending and returning from meetings of the Directors or any meetings in connection with the business of the Company. None of the Directors affiliated to Frank Russell, the Manager, the Adviser, the Administrator or the Custodian and Trustee will receive a Director's fee.

Fees and Expenses

The following fees and expenses will be borne by the Company (expressed as a maximum annual percentage of average daily Net Asset Value, except as otherwise noted) which fees shall accrue daily and be paid monthly. In addition to the Share Classes listed below, other Share Classes may be established that may be subject to higher, lower or no fees. Information in relation to the fees applicable to other Share Classes within each Fund will be contained in a revised prospectus or a supplemental prospectus and will be available upon request.

Russell Continental European Equity Fund – Fund denomination – EUR		
Share Class	Management Fee as a percentage of Net Asset Value per Class	Aggregate of Administration, Custodian and Trusteeship Fees as a percentage of Net Asset Value per Fund
Class A	0.80 per cent.	Up to 0.25 per cent.
Class A USD H	0.85 per cent.	
Class B	1.75 per cent.	
Class C	1.50 per cent.	
Class D	0.65 per cent.	
Class E	1.00 per cent.	
Class EH-A	0.85 per cent.	
Class F	1.80 per cent.	
Class G	2.00 per cent.	
Class I	0.80 per cent.	

Russell Continental European Equity Fund – Fund denomination – EUR		
Share Class	Management Fee as a percentage of Net Asset Value per Class	Aggregate of Administration, Custodian and Trusteeship Fees as a percentage of Net Asset Value per Fund
Class I Income	0.80 per cent.	
Class J	1.00 per cent.	
Class K	1.60 per cent.	
Class L	1.80 per cent.	
Class P Income	1.50 per cent.	
Class R	2.50 per cent.	
Class R Roll-Up	1.20 per cent.	
Class S	0.46 per cent.	
Class SH-I	0.85 per cent.	
Class TDA	0.56 per cent.	
Class TDA Income	0.56 per cent.	
Class TDB	0.76 per cent.	
Class TDB Income	0.76 per cent.	
Class TDC	0.46 per cent.	
Class TDC Income	0.46 per cent.	
Class TYA	0.56 per cent.	
Class TYA Income	0.56 per cent.	
Class TYB	0.76 per cent.	
Class TYB Income	0.76 per cent.	
Class TYC	0.46 per cent.	
Class TYC Income	0.46 per cent.	
Class V	1.80 per cent.	

Russell Emerging Markets Equity Fund – Fund denomination – USD		
Share Class	Management Fee as a percentage of Net Asset Value per Class	Aggregate of Administration, Custodian and Trusteeship Fees as a percentage of Net Asset Value per Fund
Class A	1.30 per cent.	Up to 0.40 per cent.
Class B	2.04 per cent.	
Class C	1.75 per cent.	
Class D	0.90 per cent.	
Class E	1.50 per cent.	
Class EH-A	1.35 per cent.	
Class F Income	1.80 per cent.	
Class G	2.30 per cent.	
Class H	0.90 per cent.	
Class I	1.30 per cent.	
Class I Income	1.30 per cent.	
Class J	1.50 per cent.	
Class K	1.70 per cent.	
Class L	2.10 per cent.	

Russell Emerging Markets Equity Fund – Fund denomination – USD		
Share Class	Management Fee as a percentage of Net Asset Value per Class	Aggregate of Administration, Custodian and Trusteeship Fees as a percentage of Net Asset Value per Fund
Class M	2.30 per cent.	
Class NZD-H	1.35 per cent.	
Class P	1.65 per cent.	
Class P Income	1.65 per cent.	
Class Q Income	Up to 1.30 per cent.	
Class R	2.65 per cent.	
Class S	0.73 per cent.	
Class TDA	0.82 per cent.	
Class TDA Income	0.82 per cent.	
Class TDB	1.02 per cent.	
Class TDB Income	1.60 per cent.	
Class TDC	0.72 per cent.	
Class TDC Income	0.72 per cent.	
Class TYA	0.82 per cent.	
Class TYA Income	0.82 per cent.	
Class TYB	1.02 per cent.	
Class TYB Income	1.02 per cent.	
Class TYC	0.72 per cent.	
Class TYC Income	0.72 per cent.	
Class U	2.80 per cent.	
Class USD-NV	0.85 per cent.	
Class V	2.10 per cent.	

Russell Euro Liquidity Fund – Fund denomination – EUR		
Share Class	Management Fee as a percentage of Net Asset Value per Class	Aggregate of Administration, Custodian and Trusteeship Fees as a percentage of Net Asset Value per Fund
Class B Roll-Up	0.20 per cent.	
Class R Roll-Up	0.05 per cent.	

Russell Eurozone Aggressive Equity Fund – Fund denomination – EUR		
Share Class	Management Fee as a percentage of Net Asset Value per Class	Aggregate of Administration, Custodian and Trusteeship Fees as a percentage of Net Asset Value per Fund
Class A Institutional Euro	1.30 per cent.	Up to 0.25 per cent.
Class A Institutional Euro Income	1.30 per cent.	
Class A Institutional SH	1.30 per cent.	
Class A Institutional SH Income	1.30 per cent.	
Class A Institutional USDH	1.30 per cent.	
Class A Institutional USDH Income	1.30 per cent.	
Class A Institutional YH	1.30 per cent.	
Class A Institutional YH Income	1.30 per cent.	
Class B Retail Euro	1.90 per cent.	
Class B Retail Euro Income	1.90 per cent.	
Class B Retail SH	1.90 per cent.	
Class B Retail SH Income	1.90 per cent.	
Class B Retail USDH	1.90 per cent.	
Class B Retail USDH Income	1.90 per cent.	
Class B Retail YH	1.90 per cent.	
Class B Retail YH Income	1.90 per cent.	
Class DC-SH	0.80 per cent.	

Russell Global Bond Fund – Fund denomination – USD		
Share Class	Management Fee as a percentage of Net Asset Value per Class	Aggregate of Administration, Custodian and Trusteeship Fees as a percentage of Net Asset Value per Fund
Class A	0.65 per cent.	Up to 0.20 per cent.
Class A Roll-Up	1.50 per cent.	
Class AUDH DURH	0.65 per cent.	
Class AUDH Income	0.65 per cent.	
Class AUDH DURH Income	0.65 per cent.	
Class B	1.08 per cent.	
Class B Roll-Up	0.90 per cent.	
Class C	1.00 per cent.	
Class D	0.50 per cent.	
Class DH-B	1.08 per cent.	
Class DH-B Income	1.08 per cent.	
Class DH-E	0.90 per cent.	
Class DH-E DURH	1.08 per cent.	
Class DH-E DURH Income	1.08 per cent.	
Class E	0.90 per cent.	
Class EH-A	0.70 per cent.	

Class EH-A DURH	0.70 per cent.	
Class EH-B	1.08 per cent.	
Class EH-B DURH	1.08 per cent.	
Class EH-B DURH Income	1.20 per cent.	
Class EH-B Income	1.20 per cent.	
Class EH-E	0.90 per cent.	
Class EH-N	Up to 1.00 per cent.	
Class EH-U	1.80 per cent.	
Class EH-U DURH	1.80 per cent.	
Class EH-U DURH Income	1.80 per cent.	
Class EH-U Income	1.80 per cent.	
Class GBPH-A	0.65 per cent.	
Class GBPH-A DURH	0.65 per cent.	
Class GBPH-A DURH Income	0.65 per cent.	
Class GBPH-B	1.00 per cent.	
Class I Income	0.65 per cent.	
Class K	1.50 per cent.	
Class L	1.80 per cent.	
Class NZDH-A	0.65 per cent.	
Class NZDH-A DURH	0.65 per cent.	
Class NZDH Income	0.65 per cent.	
Class P	1.00 per cent.	
Class Q Income	0.65 per cent.	
Class R	2.00 per cent.	
Class R Income	2.00 per cent.	
Class S Income	2.00 per cent.	
Class T	1.50 per cent.	
Class TDA	0.41 per cent.	
Class TDA Income	0.41 per cent.	
Class TDB	0.51 per cent.	
Class TDB Income	0.51 per cent.	
Class TWN Income	1.10 per cent.	
Class TYA	0.41 per cent.	
Class TYA Income	0.41 per cent.	
Class TYB	0.51 per cent.	
Class TYB Income	0.51 per cent.	
Class TYHA	0.41 per cent.	
Class TYHA Income	0.41 per cent.	
Class TYHB	0.51 per cent.	
Class TYHB Income	0.51 per cent.	
Class USDH DURH Income	0.65 per cent.	
Class USDH DURH	0.65 per cent.	

Russell Global Credit Fund – Fund denomination – USD		
Share Class	Management Fee as a percentage of Net Asset Value per Class	Aggregate of Administration, Custodian and Trusteeship Fees as a percentage of Net Asset Value per Fund
Class A	0.65 per cent.	Up to 0.20 per cent.
Class A Income	0.65 per cent.	
Class AUDH-A Income	0.65 per cent.	
Class B	1.10 per cent.	
Class B Income	1.10 per cent.	
Class C	1.20 per cent.	
Class GBPH-A	0.65 per cent.	
Class GBPH-A DURH	0.65 per cent.	
Class GBPH-A DURH Income	0.65 per cent.	
Class GBPH-A Income	0.65 per cent.	
Class GBPH-B	1.10 per cent.	
Class GBPH-B Income	1.10 per cent.	
Class GBPH-U Income	1.80 per cent.	
Class EH-A	0.65 per cent.	
Class EH-A DURH	0.65 per cent.	
Class EH-A DURH Income	0.65 per cent.	
Class EH-A Income	0.65 per cent.	
Class EH-B Income	1.10 per cent.	
Class EH-C	1.40 per cent.	
Class EH-U Income	1.80 per cent.	
Class U	1.90 per cent.	
Class U Income	1.80 per cent.	
Class USDH-A	0.65 per cent.	Up to 0.20 per cent.
Class USDH-A DURH	0.65 per cent.	
Class USDH-A Income	0.65 per cent.	Up to 0.20 per cent.
Class USDH-A DURH Income	0.65 per cent.	
Class USD V Accumulation	Up to 2.00 per cent.	Up to 0.20 per cent.

Russell Global Real Estate Securities Fund – Fund denomination – USD		
Share Class	Management Fee as a percentage of Net Asset Value per Class	Aggregate of Administration, Custodian and Trusteeship Fees as a percentage of Net Asset Value per Fund
Class A Institutional EH	0.90 per cent.	Up to 0.25 per cent.
Class A Institutional EH Income	0.90 per cent.	
Class A Institutional SH	0.90 per cent.	

Russell Global Real Estate Securities Fund – Fund denomination – USD		
Share Class	Management Fee as a percentage of Net Asset Value per Class	Aggregate of Administration, Custodian and Trusteeship Fees as a percentage of Net Asset Value per Fund
Class A Institutional SH Income	0.90 per cent.	
Class A Institutional USD	0.90 per cent.	
Class A Institutional USD Income	0.90 per cent.	
Class A Institutional YH Income	0.80 per cent.	
Class B Retail EH	1.50 per cent.	
Class B Retail EH Income	1.50 per cent.	
Class B Retail SH	1.50 per cent.	
Class B Retail SH Income	1.50 per cent.	
Class B Retail USD	1.50 per cent.	
Class B Retail USD Income	1.50 per cent.	
Class B Retail YH	1.50 per cent.	
Class B Retail YH Income	1.50 per cent.	
Class DC-SH	0.75 per cent.	
Class N Institutional YH	0.60 per cent.	

Russell Global High Yield Fund – Fund denomination – EUR		
Share Class	Management Fee as a percentage of Net Asset Value per Class	Aggregate of Administration, Custodian and Trusteeship Fees as a percentage of Net Asset Value per Fund
Class A Roll-Up	1.00 per cent.	Up to 0.20 per cent.
Class A EUR DURH	0.65 per cent.	
Class A EUR DURH Income	0.65 per cent.	
Class AUDH-B	1.00 per cent.	
Class AUDH-B Income	Up to 1.00 per cent.	
Class B Roll-Up	1.60 per cent.	
Class B Income	1.60 per cent.	
Class DH-B Roll-Up	1.50 per cent.	
Class GBPH-A DURH	0.65 per cent.	
Class GBPH-A DURH Income	0.65 per cent.	
Class SH-B	1.00 per cent.	
Class SH-B Income	1.00 per cent.	
Class TWN DH Income	1.50 per cent.	
Class U	2.00 per cent.	
Class U Income	2.00 per cent.	

Russell Japan Equity Fund – Fund denomination – JPY		
Share Class	Management Fee as a percentage of Net Asset Value per Class	Aggregate of Administration, Custodian and Trusteeship Fees as a percentage of the Net Asset Value per Fund
Class A	0.90 per cent.	Up to 0.20 per cent.
Class A USD H	0.90 per cent.	
Class B	1.37 per cent.	
Class C	1.50 per cent.	
Class D	0.65 per cent.	
Class E	1.00 per cent.	
Class EH-A	0.95 per cent.	
Class EH-B	1.05 per cent.	
Class F	1.80 per cent.	
Class G	0.40 per cent.	
Class H	1.00 per cent.	
Class I	0.90 per cent.	
Class I Income	0.90 per cent.	
Class J	1.00 per cent.	
Class K	1.60 per cent.	
Class L	1.80 per cent.	
Class M	2.00 per cent.	
Class P Income	1.50 per cent.	
Class Q	1.60 per cent.	
Class R	2.50 per cent.	
Class SH-I	0.95 per cent.	
Sovereign Class	2.25 per cent.	
Class T	1.00 per cent.	
Class TDA	0.56 per cent.	
Class TDA Income	0.56 per cent.	
Class TDB	0.76 per cent.	
Class TDB Income	0.76 per cent.	
Class TDC	0.46 per cent.	
Class TDC Income	0.46 per cent.	
Class TYA	0.56 per cent.	
Class TYA Income	0.56 per cent.	
Class TYB	0.76 per cent.	
Class TYB Income	0.76 per cent.	
Class TYC	0.46 per cent.	
Class TYC Income	0.46 per cent.	
Class U	1.60 per cent.	

Russell Multi-Asset Growth Strategy Euro Fund – Fund denomination – EUR		
Share Class	Management Fee as a percentage of Net Asset Value per Class	Aggregate of Administration, Custodian and Trusteeship Fees as a percentage of Net Asset Value per Fund
Class A	0.80 per cent.	Up to 0.20 per cent.
Class A Roll-Up	0.80 per cent.	
Class B	1.90 per cent.	
Class C	1.00 per cent.	
Class C Roll-Up	1.00 per cent.	
Class D	2.00 per cent.	
Class RGPNG	2.50 per cent.	
Class U	2.40 per cent.	

Russell Asia Pacific ex Japan Fund – Fund denomination – USD		
Share Class	Management Fee as a percentage of Net Asset Value per Class	Aggregate of Administration, Custodian and Trusteeship Fees as a percentage of Net Asset Value per Fund
Class A	1.00 per cent.	Up to 0.30 per cent.
Class A Roll-Up	2.10 per cent.	
Class B	1.60 per cent.	
Class B Roll-Up	1.50 per cent.	
Class C	1.50 per cent.	
Class C Roll-Up	2.10 per cent.	
Class D	0.65 per cent.	
Class EH-A	1.05 per cent.	
Class F	1.80 per cent.	
Class G	2.00 per cent.	
Class I	1.00 per cent.	
Class I Income	1.00 per cent.	
Class J	1.50 per cent.	
Class L	1.90 per cent.	
Class M	2.10 per cent.	
Class MZ Income	0.40 per cent.	
Class P Income	1.50 per cent.	
Class R	2.50 per cent.	
Class S	0.44 per cent.	
Class SH-I	1.05 per cent.	
Class TDA	0.53 per cent.	
Class TDA Income	0.53 per cent.	
Class TDB	0.73 per cent.	
Class TDB Income	1.60 per cent.	
Class TDC	0.43 per cent.	
Class TDC Income	0.43 per cent.	

Class TYA	0.53 per cent.
Class TYA Income	0.53 per cent.
Class TYB	0.73 per cent.
Class TYB Income	0.73 per cent.
Class TYC	0.43 per cent.
Class TYC Income	0.43 per cent.
Class U	2.80 per cent.

Russell Sterling Bond Fund – Fund denomination – GBP

Share Class	Management Fee as a percentage of Net Asset Value per Class	Aggregate of Administration, Custodian and Trusteeship Fees as a percentage of Net Asset Value per Fund
Class A	0.30 per cent.	Up to 0.20 per cent.
Class D	0.40 per cent.	
Class GBP-U Income	1.80 per cent.	
Class I	0.50 per cent.	
Class I Income	0.50 per cent.	
Class P	1.00 per cent.	
Class P Income	1.00 per cent.	
Class S	0.33 per cent.	

Russell U.K. Equity Fund – Fund denomination – GBP

Share Class	Management Fee as a percentage of Net Asset Value per Class	Aggregate of Administration, Custodian and Trusteeship Fees as a percentage of Net Asset Value per Fund
Class A	0.65 per cent.	Up to 0.15 per cent.
Class D	0.60 per cent.	
Class EH-A	0.70 per cent.	
Class G	2.00 per cent.	
Class I	0.65 per cent.	
Class I Income	0.65 per cent.	
Class J	1.00 per cent.	
Class K	1.60 per cent.	
Class L	1.80 per cent.	
Class M	2.00 per cent.	
Class P	1.25 per cent.	
Class P Income	1.25 per cent.	
Class R	2.25 per cent.	
Class S	0.44 per cent.	
Class TDA	0.54 per cent.	
Class TDA Income	0.54 per cent.	
Class TDB	0.74 per cent.	
Class TDB Income	0.74 per cent.	

Russell U.K. Equity Fund – Fund denomination – GBP		
Share Class	Management Fee as a percentage of Net Asset Value per Class	Aggregate of Administration, Custodian and Trusteeship Fees as a percentage of Net Asset Value per Fund
Class TDC	0.44 per cent.	
Class TDC Income	0.44 per cent.	
Class TYA	0.54 per cent.	
Class TYA Income	0.54 per cent.	
Class TYB	0.74 per cent.	
Class TYB Income	0.74 per cent.	
Class TYC	0.44 per cent.	
Class TYC Income	0.44 per cent.	

Russell U.K. Index Linked Fund – Fund denomination – GBP		
Share Class	Management Fee as a percentage of Net Asset Value per Class	Aggregate of Administration, Custodian and Trusteeship Fees as a percentage of Net Asset Value per Fund
Class A	0.13 per cent.	Up to 0.20 per cent.
Class I	0.13 per cent.	
Class I Income	0.13 per cent.	
Class P	0.50 per cent.	

Russell U.K. Long Dated Gilt Fund – Fund denomination – GBP		
Share Class	Management Fee as a percentage of Net Asset Value per Class	Aggregate of Administration, Custodian and Trusteeship Fees as a percentage of Net Asset Value per Fund
Class A	0.13 per cent.	Up to 0.20 per cent.
Class I	0.13 per cent.	
Class I Income	0.13 per cent.	
Class P	0.50 per cent.	
Class P Income	0.50 per cent.	

Russell U.S. Bond Fund – Fund denomination – USD		
Share Class	Management Fee as a percentage of Net Asset Value per Class	Aggregate of Administration, Custodian and Trusteeship Fees as a percentage of Net Asset Value per Fund
Class A	0.40 per cent.	Up to 0.25 per cent.
Class B	1.00 per cent.	
Class C	1.20 per cent.	
Class E	0.80 per cent.	
Class F	1.40 per cent.	
Class GBPH-I Income	0.55 per cent.	
Class J	0.80 per cent.	
Class K	1.20 per cent.	
Class P	1.00 per cent.	
Class S	0.32 per cent.	
Class TDA	0.32 per cent.	
Class TDA Income	0.32 per cent.	
Class TDB	0.52 per cent.	
Class TDB Income	0.52 per cent.	
Class TWN Income	1.10 per cent.	
Class TYA	0.32 per cent.	
Class TYA Income	0.32 per cent.	
Class TYB	0.52 per cent.	
Class TYB Income	0.52 per cent.	
Class TYHA	0.32 per cent.	
Class TYHA Income	0.32 per cent.	
Class TYHB	0.52 per cent.	
Class TYHB Income	0.52 per cent.	
Class U	1.60 per cent.	

Russell U.S. Equity Fund – Fund denomination – USD		
Share Class	Management Fee as a percentage of Net Asset Value per Class	Aggregate of Administration, Custodian and Trusteeship Fees as a percentage of Net Asset Value per Fund
Class A	0.80 per cent.	Up to 0.20 per cent.
Class B	1.66 per cent.	
Class B Roll-Up	1.00 per cent.	
Class C	1.50 per cent.	
Class C Roll-Up	1.60 per cent.	
Class D	0.65 per cent.	
Class G	2.00 per cent.	
Class GBPH-I	0.85 per cent.	
Class GBPH-I Income	0.85 per cent.	
Class I	0.80 per cent.	
Class I Income	0.80 per cent.	
Class K	1.60 per cent.	
Class L	1.80 per cent.	
Class M	2.00 per cent.	
Class MZ Income	0.40 per cent.	
Class P Income	1.50 per cent.	
Class R	2.50 per cent.	
Class R Roll-Up	1.25 per cent.	
Class TDA	0.53 per cent.	
Class TDA Income	0.53 per cent.	
Class TDB	0.73 per cent.	
Class TDB Income	0.73 per cent.	
Class TDC	0.43 per cent.	
Class TDC Income	0.43 per cent.	
Class TYA	0.53 per cent.	
Class TYA Income	0.53 per cent.	
Class TYB	0.73 per cent.	
Class TYB Income	0.73 per cent.	
Class TYC	0.43 per cent.	
Class TYC Income	0.43 per cent.	

Russell U.S. Small Cap Equity Fund – Fund denomination – USD		
Share Class	Management Fee as a percentage of Net Asset Value per Class	Aggregate of Administration, Custodian and Trusteeship Fees as a percentage of Net Asset Value per Fund
Class A	0.90 per cent.	Up to 0.20 per cent.
Class C	1.50 per cent.	
Class F	1.80 per cent.	
Class G	2.00 per cent.	

Class GBPH-I	0.95 per cent.
Class GBPH-I Income	0.95 per cent.
Class I	0.90 per cent.
Class I Income	0.90 per cent.
Class L	1.90 per cent.
Class M	2.10 per cent.
Class P	1.50 per cent.
Class R	2.50 per cent.
SGAM Retail Series	1.90 per cent.
Sovereign Class	2.25 per cent.
Class TDA	0.70 per cent.
Class TDA Income	0.70 per cent.
Class TDB	0.90 per cent.
Class TDB Income	0.90 per cent.
Class TDC	0.60 per cent.
Class TDC Income	0.60 per cent.
Class TYA	0.70 per cent.
Class TYA Income	0.70 per cent.
Class TYB	0.90 per cent.
Class TYB Income	0.90 per cent.
Class TYC	0.60 per cent.
Class TYC Income	0.60 per cent.
Class V	1.90 per cent.

Russell World Equity Fund II – Fund denomination – USD		
Share Class	Management Fee as a percentage of Net Asset Value per Class	Aggregate of Administration, Custodian and Trusteeship Fees as a percentage of Net Asset Value per Fund
Class A	0.90 per cent.	Up to 0.25 per cent.
Class A Income	0.90 per cent.	
Class B	1.80 per cent.	
Class D	0.75 per cent.	
Class E	1.10 per cent.	
Class EH-U	2.80 per cent.	
Class EH-T	1.15 per cent.	
Class F	1.80 per cent.	
Class G	2.00 per cent.	
Class I	0.90 per cent.	
Class J	1.60 per cent.	
Class K	0.90 per cent.	
Class L	2.00 per cent.	
Class NZD-H	0.90 per cent.	
Class P	1.60 per cent.	
Class PAMWEF	2.40 per cent.	
Class SH-A	0.95 per cent.	
Class TDA	0.68 per cent.	
Class TDA Income	0.68 per cent.	

Class TDB	0.88 per cent.
Class TDB Income	1.60 per cent.
Class TDC	0.58 per cent.
Class TDC Income	0.58 per cent.
Class TYA	0.68 per cent.
Class TYA Income	0.68 per cent.
Class TYB	0.88 per cent.
Class TYB Income	0.88 per cent.
Class TYC Income	0.58 per cent.
Class U	2.80 per cent.
Class USDH-N	1.15 per cent.

Russell Absolute Return Bond Fund – Fund denomination – USD

Share Class	Management Fee as a percentage of Net Asset Value per Class	Aggregate of Administration, Custodian and Trusteeship Fees as a percentage of Net Asset Value per Fund
Class I	0.85 per cent.	Up to 0.30 per cent.
Class J-H	0.85 per cent.	
Class K-H	0.85 per cent.	
Class L-H Income	0.85 per cent.	
Class L-H	0.85 per cent.	
Class M-H	0.85 per cent.	
Class- EH-B	1.50 per cent.	
Class- EH-U	2.00 per cent.	
Class- EH-B Income	1.50 per cent.	
Class- EH-U Income	2.00 per cent.	
Class GBPH-U Accumulation	2.00 per cent.	
Class- B	1.50 per cent.	
Class TYA Income	0.85 per cent.	
Class TYHA Income	0.85 per cent.	
Class TYC	0.65 per cent.	
Class TYHC	0.65 per cent.	
Class TY DS Accumulation	0.55 per cent.	
Class TY HDS Accumulation	0.55 per cent.	

Russell Multi-Asset Conservative Strategy Fund – Fund denomination – EUR

Share Class	Management Fee as a percentage of Net Asset Value per Class	Aggregate of Administration, Custodian and Trusteeship Fees as a percentage of Net Asset Value per Fund
Class B	1.70 per cent.	Up to 0.20 per cent.
Class I	0.80 per cent.	
Class RCPNG	2.40 per cent.	
Class U	2.20 per cent.	

Russell Emerging Market Debt Fund – Fund denomination – USD		
Share Class	Management Fee as a percentage of Net Asset Value per Class	Aggregate of Administration, Custodian and Trusteeship Fees as a percentage of Net Asset Value per Fund
		Up to 0.35 per cent.
Class AUDH B	1.00 per cent.	
Class AUDH B Income	Up to 1.00 per cent.	
Class B Roll Up	1.50 per cent.	
Class EH-A Roll-Up	1.00 per cent.	
Class EH B Income	1.60 per cent.	
Class EH-B Roll-Up	1.60 per cent.	
Class EH-U	2.00 per cent.	
Class EH-U Income	2.00 per cent.	
Class SH B	1.00 per cent.	
Class SH-B Income	1.00 per cent.	
Class TWN Income	1.50 per cent.	

Any increase of the management fee set out above will be subject to the prior approval of the Shareholders of the relevant Fund or Class of Shares.

The Eligible Collective Investment Schemes in which the Russell Multi-Asset Growth Strategy Euro Fund may invest will bear their own fees and expenses, including management and performance fees. Such fees should not typically exceed 2 per cent per annum of the net asset value of the Eligible Collective Investment Schemes. However, the Fund will receive a quarterly rebate of the management fees paid to the Manager in respect of any Eligible Collective Investment Schemes managed by the Manager so that there is no duplication of management fees.

Performance Fees

Each Fund (with the exception of the Russell Euro Liquidity Fund, Russell U.K. Index Linked Fund and Russell U.K. Long Dated Gilt Fund) may also pay the Manager a performance fee (the “**Performance Fee**”) on an annual basis (the “**Performance Period**”) that is equal to the sum of Performance Fees to be paid to the Fund’s Money Managers as described more fully below.

Any Performance Fee shall be paid to the Manager and, in turn, the Manager shall pay the Performance Fee to those Money Managers of any Fund that are entitled to a Performance Fee.

A Performance Fee is payable to a Money Manager only with respect to the value added for that part of a Fund (the “**Portfolio**”) for which that Money Manager is responsible from the time the Manager appoints that Money Manager to manage the Portfolio until such time, if ever, that the Money Manager ceases to manage the Portfolio (the “**Term of Appointment**”). The value added is measured as the value in money weighted terms above the Money Manager’s performance benchmark or an agreed performance benchmark plus a hurdle rate during a Performance Period. (The performance benchmark is an index that is agreed by the Manager and the Money Manager from time to time, provided that at all times the index is relevant to the investment policy of the Fund.) In no event will a Money Manager be paid a performance fee for any Performance Period in which the value added by the Money Manager to the Portfolio is negative. Any negative performance must be clawed back before the Money Manager can accrue a Performance Fee for future value added.

The Performance Fee will be calculated and accrued daily during the Term of Appointment and for each Performance Period. Where a Money Manager is entitled to receive a Performance Fee in a Performance Period, all or part of that Performance Fee, depending upon the arrangements with that Money Manager, will be paid to the Money Manager for that Performance Period. Any unpaid amounts will be carried over into following years and will be available to offset negative value added to the Portfolio. Upon the termination of a Money Manager’s

appointment, any Performance Fees owed will be paid in full. In no event will a Performance Fee calculated and accrued in respect of a Portfolio exceed 20 per cent of the value added during a Performance Period.

The calculation of any Performance Fee must be verified by the Custodian and Trustee.

Because a Performance Fee is calculated and may be payable to a Money Manager with respect to each Portfolio within a Fund (with the exception of the Russell Euro Liquidity Fund, Russell U.K. Index Linked Fund and Russell U.K Long Dated Gilt Fund), it is possible that a Fund could pay a Performance Fee (as the sum of any Performance Fees paid to Money Managers in respect of a Performance Period) to the Manager when the overall value added to such Fund is negative. This would occur where, for example, during a Performance Period one Money Manager adds value in respect of its Portfolio but the other Money Managers add negative value with respect to their respective Portfolios.

Paying Agent fees

The fees and expenses of any paying agents appointed in respect of the Funds, which will be charged at normal commercial rates together with VAT, if any, thereon, will be borne by the Company or the Fund in respect of which a paying agent has been appointed.

Adviser, Money Manager, Administrator and Custodian and Trustee fees

The Manager shall discharge all fees payable to the Adviser and Distributor out of its management fee, other than any fees payable to the Adviser and Distributor under the Support Services Agreement. The Manager shall discharge out of its management fee all fees payable to the Investment Advisers and/or the Money Managers and the fee to Russell Investments Limited as Investment Manager of the Russell Multi-Asset Growth Strategy Euro Fund. All transactions fees payable to the Custodian and Trustee and the sub-custodians (which shall be at normal commercial rates) shall be paid by the Company. The Manager shall approve the payment of the Administrator and Custodian and Trustee fees and out of pocket expenses payable by the Company. The Manager may at any time waive all or part of its fees or reimburse all or part of the Company's expenses, provided that any such waiver may be discontinued by the Manager at any time at its discretion.

Sales Charge

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

Fund	Share Class
Russell Absolute Return Bond Fund	Class EH-B
Russell Continental European Equity Fund	Class F
Russell Emerging Markets Equity Fund	Class B Class U
Russell Global Bond Fund	Class B Class EH-B Class EH-B DURH Class EH-B DURH Income Class EH-B Income Class EH-U Class EH-U Income Class EH-U DURH Class EH-U DURH Income
Russell Global Credit Fund	Class EH-C Class U Class EH-U
Russell Global High Yield Fund	Class B Roll-Up Class B Income Class U Class U Income

Russell Japan Equity Fund	Class F Sovereign Class
Russell Multi-Asset Conservative Strategy Fund	Class B
Russell Multi-Asset Growth Strategy Euro Fund	Class B
Russell Asia Pacific ex Japan Fund	Class F Class U
Russell Sterling Bond Fund	Class P
Russell U.K. Index Linked Fund	Class P Income
Russell U.S. Bond Fund	Class B Class U
Russell U.S. Equity Fund	Class B Class C
Russell U.S. Small Cap Equity Fund	Class F Sovereign Class
Russell World Equity Fund II	Class B Class EH-U
Russell Emerging Market Debt Fund	Class EH B Income Class EH B Roll-Up

Charging fees and expenses to capital

In respect of the Russell Global Bond Fund, Russell Global High Yield Fund, Russell Global Credit Fund, Russell Sterling Bond Fund, Russell Absolute Return Bond Fund and Russell Emerging Market Debt Fund, Shareholders should note that all of the management fees, performance fees, administration and custody fees, operational expenses and borrowing expenses of these Funds will be charged to the capital of these Funds. Thus, there is an increased risk that on repurchase of the Shares, Shareholders may not receive back the full amount invested. The fees and expenses are charged against the capital of these Funds in order to increase the amount of income that can be distributed by these Funds. It should be noted that the distribution of income in a Fund which charges fees and expenses to capital may result in the erosion of capital, thus some of the potential for future capital growth will be lost as a consequence of seeking to increase the amount of income that can be distributed by these Funds.

IRISH TAXATION

The following is a general summary of the main Irish tax considerations applicable to the Company and certain investors in the Company who are the beneficial owners of Shares in the Company. It does not purport to deal with all of the tax consequences applicable to the Company or to all categories of investors, some of whom may be subject to special rules. For instance, it does not address the tax position of Shareholders whose acquisition of Shares in the Company would be regarded as a shareholding in a Personal Portfolio Investment Undertaking (PPIU). Accordingly, its applicability will depend on the particular circumstances of each Shareholder. It does not constitute tax advice and Shareholders and potential investors are advised to consult their professional advisors concerning possible taxation or other consequences of purchasing, holding, selling, converting or otherwise disposing of the Shares under the laws of their country of incorporation, establishment, citizenship, residence or domicile, and in the light of their particular circumstances.

The following statements on taxation are based on advice received by the Directors regarding the law and practice in force in Ireland at the date of this document. Legislative, administrative or judicial changes may modify the tax consequences described below and as is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment is made will endure indefinitely.

Taxation of the Company

The Directors have been advised that, under current Irish law and practice, the Company qualifies as an investment undertaking for the purposes of Section 739B of the Taxes Consolidation Act, 1997, as amended, (“TCA”) so long as the Company is resident in Ireland. Accordingly, it is generally not chargeable to Irish tax on its income and gains.

Chargeable Event

However, Irish tax can arise on the happening of a “**chargeable event**” in the Company. A chargeable event includes any payments or distributions to Shareholders, any encashment, repurchase, cancellation or transfer of Shares and any deemed disposal of Shares as described below for Irish tax purposes arising as a result of holding Shares in the Company for a period of eight years or more. Where a chargeable event occurs, the Company may be required to withhold and account for Irish investment undertaking tax thereon, depending on the location or tax residence status of the Shareholder.

No Irish tax will arise in respect of a chargeable event where:

- (a) the Shareholder is neither resident nor ordinarily resident in Ireland (“**Non-Irish Resident**”) and it (or an intermediary acting on its behalf) has made the necessary declaration to that effect and the Company is not in possession of any information which would reasonably suggest that the information contained in the declaration is not, or is no longer, materially correct; or
- (b) the Shareholder is Non-Irish Resident and has confirmed that to the Company and the Company is in possession of written notice of approval from the Revenue Commissioners to the effect that the requirement to provide the necessary declaration of non-residence has been complied with in respect of the Shareholder and the approval has not been withdrawn; or
- (c) the Shareholder is an Exempt Irish Resident as defined below and it (or an intermediary acting on its behalf) has made the necessary declaration to that effect.

A reference to “**intermediary**” means an intermediary within the meaning of Section 739B(1) of the TCA, being a person who (a) carries on a business which consists of, or includes, the receipt of payments from an investment undertaking on behalf of other persons; or (b) holds units in an investment undertaking on behalf of other persons.

In the absence of a signed and completed declaration or written notice of approval from the Revenue Commissioners, as applicable, being in the possession of the Company at the relevant time there is a presumption that the Shareholder is resident or ordinarily resident in Ireland (“**Irish Resident**”) and is not an Exempt Irish Resident and a charge to tax arises.

A chargeable event does not include:

- any transactions (which might otherwise be a chargeable event) in relation to Shares held in a recognised clearing system as designated by order of the Revenue Commissioners of Ireland; or
- a transfer of Shares between spouses or civil partners and any transfer of Shares between spouses or former spouses and civil partners or formal civil partners on the occasion of judicial separation and/or divorce; or
- an exchange by a Shareholder, effected by way of arm’s length bargain where no payment is made to the Shareholder, of Shares in the Company for other Shares in the Company; or
- an exchange of Shares arising on a qualifying amalgamation or reconstruction (within the meaning of Section 739H of the TCA) of the Company with another investment undertaking; or
- the cancellation of Shares in the Company arising from an exchange in relation to a scheme of amalgamation (as defined in section 739HA).

If the Company becomes liable to account for tax on a chargeable event, the Company shall be entitled to deduct from the payment arising on that chargeable event an amount equal to the appropriate tax and/or, where applicable, to repurchase and cancel such number of Shares held by the Shareholder as is required to meet the amount of tax. The relevant Shareholder shall indemnify and keep the Company indemnified against loss arising to the Company by reason of the Company becoming liable to account for tax on the happening of a chargeable event.

Deemed Disposals

The Company may elect not to account for Irish tax in respect of deemed disposals in certain circumstances. Where the total value of Shares in a Fund held by Shareholders who are Irish Resident (“**Irish Resident Shareholders**”)

and, who are not Exempt Irish Residents as defined below, is 10 per cent or more of the Net Asset Value of the Fund, the Company will be liable to account for the tax arising on a deemed disposal in respect of Shares in that Fund as set out below. However, where the total value of Shares in a Fund held by such Shareholders is less than 10 per cent of the Net Asset Value of the Fund, the Company may, and it is expected that the Company will, elect not to account for tax on the deemed disposal. In this instance, the Company will notify relevant Shareholders that it has made such an election and those Shareholders will be obliged to account for the tax arising under the self-assessment system themselves. Further details of this are set out below under the heading “Taxation of Irish Resident Shareholders”.

Irish Courts Service

Where Shares are held by the Irish Courts Service the Company is not required to account for Irish tax on a chargeable event in respect of those Shares. Rather, where money under the control or subject to the order of any Court is applied to acquire Shares in the Company, the Courts Service assumes, in respect of the Shares acquired, the responsibilities of the Company to, *inter alia*, account for tax in respect of chargeable events and file returns.

Exempt Irish Resident Shareholders

The Company will not be required to deduct tax in respect of the following categories of Irish Resident Shareholders, provided the Company has in its possession the necessary declarations from those persons (or an intermediary acting on their behalf) and the Company is not in possession of any information which would reasonably suggest that the information contained in the declarations is not, or is no longer, materially correct. A Shareholder who comes within any of the categories listed below and who (directly or through an intermediary) has provided the necessary declaration to the Company is referred to herein as an “**Exempt Irish Resident**”:

- (a) a pension scheme which is an exempt approved scheme within the meaning of Section 774 of the TCA, or a retirement annuity contract or a trust scheme to which Section 784 or Section 785 of the TCA, applies;
- (b) a company carrying on life business within the meaning of Section 706 of the TCA;
- (c) an investment undertaking within the meaning of Section 739B(1) of the TCA;
- (d) an investment limited partnership within the meaning of section 739J TCA;
- (e) a special investment scheme within the meaning of Section 737 of the TCA;
- (f) a charity being a person referred to in Section 739D(6)(f)(i) of the TCA;
- (g) a qualifying management company within the meaning of Section 739B(1) of the TCA;
- (h) a unit trust to which Section 731(5)(a) of the TCA applies;
- (i) a qualifying fund manager within the meaning of section 784A TCA or a qualifying savings manager within the meaning of section 848B TCA, in respect of Shares which are assets of a special savings incentive account within the meaning of section 848C TCA;
- (j) a person who is entitled to exemption from income tax and capital gains tax under Section 784A(2) of the TCA where the Shares held are assets of an approved retirement fund or an approved minimum retirement fund;
- (k) a person who is entitled to exemption from income tax and capital gains tax by virtue of Section 787I of the TCA, and the Shares are assets of a PRSA;
- (l) a credit union within the meaning of Section 2 of the Credit Union Act, 1997;
- (m) the National Pensions Reserve Fund Commission;
- (n) the National Asset Management Agency;

- (o) a company within the charge to corporation tax in accordance with Section 110(2) of the TCA (securitisation companies);
- (p) in certain circumstances, a company within the charge to corporation tax under section 739G(2) TCA but only where the fund is a money market fund; or
- (q) any other person who is resident or ordinarily resident in Ireland who may be permitted to own Shares under taxation legislation or by written practice or concession of the Revenue Commissioners without giving rise to a charge to tax in the Company or jeopardising the tax exemptions associated with the Company.

There is no provision for any refund of tax to Shareholders who are Exempt Irish Residents where tax has been deducted in the absence of the necessary declaration. A refund of tax may only be made to corporate Shareholders who are within the charge to Irish corporation tax.

Taxation of Non-Irish Resident Shareholders

Non-Irish Resident Shareholders who (directly or through an intermediary) have made the necessary declaration of non-residence in Ireland, where required, are not liable to Irish tax on the income or gains arising to them from their investment in the Company and no tax will be deducted on distributions from the Company or payments by the Company in respect of a repurchase, cancellation or other disposal of their investment. Such Shareholders are generally not liable to Irish tax in respect of income or gains made from holding or disposing of Shares except where the Shares are attributable to an Irish branch or agency of such Shareholder.

Unless the Company is in possession of written notice of approval from the Revenue Commissioners to the effect that the requirement to provide the necessary declaration of non-residence has been complied with in respect of the Shareholder and the approval has not been withdrawn, in the event that a non-resident Shareholder (or an intermediary acting on its behalf) fails to make the necessary declaration of non-residence, tax will be deducted as described above on the happening of a chargeable event and notwithstanding that the Shareholder is not resident or ordinarily resident in Ireland any such tax deducted will generally not be refundable.

Where a Non-Irish Resident company holds Shares in the Company which are attributable to an Irish branch or agency, it will be liable to Irish corporation tax in respect of income and capital distributions it receives from the Company under the self assessment system.

Taxation of Irish Resident Shareholders

Deduction of Tax

Tax will be deducted and remitted to the Revenue Commissioners by the Company from any distributions made by the Company (other than on a disposal) to an Irish Resident Shareholder who is not an Exempt Irish Resident where the Shareholder is a company, at the rate of 25 per cent, and where the Shareholder is not a company, at the rate of 41 per cent.

Tax will also be deducted by the Company and remitted to the Revenue Commissioners from any gain arising on an encashment, repurchase or other disposal of Shares by such a Shareholder where the Shareholder is a company, at the rate of 25 per cent, and where the Shareholder is not a company, at the rate of 41 per cent. Any gain will be computed as the difference between the value of the Shareholder's investment in the Company at the date of the chargeable event and the original cost of the investment as calculated under special rules.

Deemed Disposals

Tax will also be deducted by the Company and remitted to the Revenue Commissioners in respect of any deemed disposal where the total value of Shares in a Fund held by Irish Resident Shareholders who are not Exempt Irish Residents is 10 per cent or more of the Net Asset Value of the Fund. A deemed disposal will occur on each and every eighth anniversary of the acquisition of Shares in the Fund by such Shareholders. The deemed gain will be calculated as the difference between the value of the Shares held by the Shareholder on the relevant eighth year anniversary or, as described below where the Company so elects, the value of the Shares on the later of the 30 June or 31 December prior to the date of the deemed disposal and the relevant cost of those Shares. The excess arising

will be taxable where the Shareholder is a company, at the rate of 25 per cent, and where the Shareholder is not a company, at the rate of 41 per cent. Tax paid on a deemed disposal should be creditable against the tax liability on an actual disposal of those Shares.

Where the Company is obliged to account for tax on deemed disposals it is expected that the Company will elect to calculate any gain arising for Irish Resident Shareholders who are not Exempt Irish Residents by reference to the Net Asset Value of the relevant Fund on the later of the 30 June or 31 December prior to the date of the deemed disposal, in lieu of the value of the Shares on the relevant eight year anniversary.

The Company may elect not to account for tax arising on a deemed disposal where the total value of Shares in the relevant Fund held by Irish Resident Shareholders who are not Exempt Irish Residents is less than 10 per cent of the Net Asset Value of the Fund. In this case, such Shareholders will be obliged to account for the tax arising on the deemed disposal under the self assessment system themselves. The deemed gain will be calculated as the difference between the value of the Shares held by the Shareholder on the relevant eighth year anniversary and the relevant cost of those Shares. The excess arising will be regarded as an amount taxable under Case IV of Schedule D and will be subject to tax where the Shareholder is a company, at the rate of 25 per cent, and where the Shareholder is not a company, at the rate of 41 per cent. Tax paid on a deemed disposal should be creditable against the tax payable on an actual disposal of those Shares.

Residual Irish Tax Liability

Corporate Shareholders resident in Ireland which receive distributions (where payments are made annually or at more frequent intervals) from which tax has been deducted will be treated as having received an annual payment chargeable to tax under Case IV of Schedule D from which tax at the rate of 41 per cent has been deducted. In practice, a credit of the excess tax deducted from such distributions over the higher corporation tax rate of 25% may be available to corporate Shareholders resident in Ireland. Subject to the comments below concerning tax on a currency gain, in general, such Shareholders will not be subject to further Irish tax on payments received in respect of their holding from which tax has been deducted. A corporate Shareholder resident in Ireland which holds the Shares in connection with a trade will be taxable on any income or gains received from the Company as part of that trade with a set-off against corporation tax payable for any tax deducted from those payments by the Company.

Subject to the comments below concerning tax on a currency gain, in general, non-corporate Irish Resident Shareholders will not be subject to further Irish tax on income arising on the Shares or gains made on disposal of the Shares, where the appropriate tax has been deducted by the Company from distributions paid to them.

Where a currency gain is made by a Shareholder on the disposal of Shares, the Shareholder will be liable to capital gains tax in respect of that gain in the year/s of assessment in which the Shares are disposed of.

Any Irish Resident Shareholder who is not an Exempt Irish Resident and who receives a distribution from which tax has not been deducted (for example, because the Shares are held in a recognised clearing system) will be liable to account for income tax or corporation tax as the case may be on that payment. Where such Shareholder receives a gain on an encashment, repurchase, cancellation or transfer from which tax has not been deducted, (for example, because the Shares are held in a recognised clearing system) the Shareholder will also be liable to account for income tax or corporation tax on the amount of the gain under the self-assessment system and in particular, Part 41 of the TCA. Shareholders who are individuals should also note that failure to comply with these provisions may result in them being subject to tax at their marginal rate (currently up to 41 per cent) on the income and gains together with a surcharge, penalties and interest.

Overseas Dividends

Dividends (if any) and interest which the Company receives with respect to investments (other than securities of Irish issuers) may be subject to taxes, including withholding taxes, in the countries in which the issuers of the investments are located. It is not known whether the Company will be able to benefit from reduced rates of withholding tax under the provisions of the double tax treaties which Ireland has entered into with various countries.

However, in the event that the Company receives any repayment of withholding tax suffered, the Net Asset Value of the relevant Fund will not be restated and the benefit of any repayment will be allocated to the then existing Shareholders rateably at the time of such repayment.

Stamp Duty

On the basis that the Company qualifies as an investment undertaking within the meaning of Section 739B of the TCA, generally, no stamp duty will be payable in Ireland on the issue, transfer or repurchase of Shares in the Company. However, where any subscription for or repurchase of Shares is satisfied by an in-kind or *in specie* transfer of Irish securities or other Irish property, Irish stamp duty might arise on the transfer of such securities or properties.

No Irish stamp duty will be payable by the Company on the conveyance or transfer of stock or marketable securities of a company not registered in Ireland, provided that the conveyance or transfer does not relate to any immovable property situated in Ireland or any right over or interest in such property, or to any stocks or marketable securities of a company (other than a company which is an investment undertaking within the meaning of Section 739B of the TCA) which is registered in Ireland.

FATCA Implementation in Ireland

On 21 December 2012, the governments of Ireland and the U.S. signed the IGA.

The IGA will significantly increase the amount of tax information automatically exchanged between Ireland and the U.S. It provides for the automatic reporting and exchange of information in relation to accounts held in Irish “financial institutions” by U.S. persons and the reciprocal exchange of information regarding U.S. financial accounts held by Irish Residents. The Company will be subject to these rules beginning 1 July 2014. Complying with such requirements will require the Company to request and obtain certain information and documentation from its Shareholders, other account holders and (where applicable) the beneficial owners of its Shareholders and to provide any information and documentation indicating direct or indirect ownership by U.S. Persons to the competent authorities in Ireland. Shareholders and other account holders will be required to comply with these requirements, and non-complying Shareholders may be subject to compulsory redemption and/or U.S. withholding tax of 30% on withholdable payments and/or other monetary penalties.

The IGA provides that Irish financial institutions will report to the Revenue Commissioners in respect of U.S. account-holders and, in exchange, U.S. financial institutions will be required to report to the IRS in respect of any Irish-resident account-holders. The two tax authorities will then automatically exchange this information on an annual basis.

The Company (and/or any of its duly appointed agents) shall be entitled to require Shareholders to provide any information regarding their tax status, identity or residency in order to satisfy any reporting requirements which the Company may have as a result of the IGA or any legislation promulgated in connection with the agreement and Shareholders will be deemed, by their subscription for or holding of Shares to have authorised the automatic disclosure of such information by the Company or any other person to the relevant tax authorities.

Residence

In general, investors in the Company will be either individuals, corporate entities or trusts. Under Irish rules, both individuals and trusts may be resident or ordinarily resident. The concept of ordinary residence does not apply to corporate entities.

Individual Investors

Test of Residence

An individual will be regarded as resident in Ireland for a particular tax year if the individual is present in Ireland: (1) for a period of at least 183 days in any one tax year; or (2) for a period of at least 280 days in any two consecutive tax years, provided that the individual is resident in Ireland for at least 31 days in each tax year. In determining days present in Ireland an individual is deemed to be present if the individual is in the country at the end of the day (midnight).

If an individual is not resident in Ireland in a particular tax year the individual may, in certain circumstances, elect to be treated as resident.

Test of Ordinary Residence

If an individual has been resident for the three previous tax years then the individual will be deemed “ordinarily resident” from the start of the fourth year. An individual will remain ordinarily resident in Ireland until the individual has been non-resident for three consecutive tax years.

Trust Investors

A trust will generally be regarded as resident in Ireland where all of the trustees are resident in Ireland. Trustees are advised to seek specific tax advice if they are in doubt as to whether the trust is resident in Ireland.

Corporate Investors

A company will be resident in Ireland if its central management and control is in Ireland or (in certain circumstances) if it is incorporated in Ireland. For Ireland to be treated as the location of a company’s central management and control this typically means Ireland is the location where all fundamental policy decisions of the company are made.

All companies incorporated in Ireland are resident in Ireland for tax purposes except where:

- (i) the company or a related company carries on a trade in Ireland, and either (a) the company is ultimately controlled by persons resident in a “relevant territory”, being an EU member state (other than Ireland) or a country with which Ireland has a double taxation agreement in force by virtue of Section 826(1) of the TCA or that is signed and which will come into force once all the ratification procedures set out in Section 826(1) of the TCA have been completed, or (b) the principal class of the shares in the company or a related company is substantially and regularly traded on a recognised stock exchange in a relevant territory provided that, in each case, the company is not managed and controlled in a jurisdiction which does not apply a residency test based on central management or control; or
- (ii) the company is regarded as resident in a country other than Ireland and not resident in Ireland under a double taxation agreement between Ireland and that other country.

A company coming within either (i) or (ii) above will not be regarded as resident in Ireland unless its central management and control is in Ireland.

Disposal of Shares and Irish Capital Acquisitions Tax

(U) Persons Domiciled or Ordinarily Resident in Ireland

The disposal of Shares by means of a gift or inheritance made by a disponent domiciled or ordinarily resident in Ireland or received by a beneficiary domiciled or ordinarily resident in Ireland may give rise to a charge to Irish Capital Acquisitions Tax for the beneficiary of such a gift or inheritance with respect to those Shares.

(b) Persons Not Domiciled or Ordinarily Resident in Ireland

On the basis that the Company qualifies as an investment undertaking within the meaning of Section 739B of the TCA, the disposal of Shares will not be within the charge to Irish Capital Acquisitions Tax provided that;

- the Shares are comprised in the gift or inheritance at the date of the gift or inheritance and at the valuation date;
- the donor is not domiciled or ordinarily resident in Ireland at the date of the disposition; and
- the beneficiary is not domiciled or ordinarily resident in Ireland at the date of the gift or inheritance.

European Union Taxation of Savings Income Directive (Directive 2003/48/EC)

Ireland has implemented the EC Council Directive 2003/48/EC on the taxation of savings income into national law. Accordingly, where the Administrator, a paying agent or such other entity as could be considered to be a paying agent for these purposes, makes a payment of interest (which may include an income or capital distribution payment) on behalf of a Fund to an individual or to certain residual entities, resident in another Member State of the European Union (or certain associated and dependent territories of a Member State), it will be obliged to provide details of the payment and certain details relating to the Shareholders (including Shareholders' names and addresses) to the Irish Revenue Commissioners. The Irish Revenue Commissioners in turn are obliged to provide such information to the competent authorities of the state or territory of residence of the individual or residual entity concerned.

The Administrator, a paying agent or such other entity considered to be a paying agent for these purposes shall be entitled to require Shareholders to provide any information regarding tax status, identity or residency in order to satisfy the disclosure requirements in Directive 2003/48/EC and Shareholders will be deemed by their subscription for Shares in the Company to have authorised the automatic disclosure of such information by the Administrator, a paying agent or other relevant person to the relevant tax authorities.

On 24 March 2014, the Council of the European Union adopted an EU Council Directive amending and broadening the scope of the requirements described above. In particular, the changes expand the range of payments covered by the Directive 2003/48/EC to include certain additional types of income, and widen the range of recipients payments to whom are covered by the Directive 2003/48/EC, to include certain other types of entity and legal arrangement. Member States are required to implement national legislation giving effect to these changes by 1 January 2016 (which national legislation must apply from 1 January 2017).

Accordingly, the Administrator, a paying agent or such other entity considered a "paying agent" for the purposes of the Taxation of Savings Income Directive may be required to disclose details of payments of savings interest income to investors in the Company who are individuals or residual entities to the Irish Revenue Commissioners who will pass such details to the member state where the investor resides.

Shareholders and potential investors are advised to consult their professional advisers concerning possible taxation or other consequences of purchasing, holding, selling, converting or otherwise disposing of the Shares under the laws of their country of incorporation, establishment, citizenship, residence or domicile.

GENERAL

Conflicts of Interest

The Directors, the Manager, the Investment Managers, the Custodian and Trustee, the Administrator, the Adviser and Distributor, the Money Managers and the Investment Advisers may from time to time act as directors, manager, custodian and trustee, registrar, administrator, money manager, investment adviser or dealer respectively in relation to, or be otherwise involved in, other collective investment schemes which have similar investment objectives to those of the Funds. It is, therefore, possible that any of them may, in the course of business, have potential conflicts of interests with the Funds. Each will, at all times, have regard in such event to its obligations to the Company and will ensure that such conflicts are resolved fairly. In addition, any of the foregoing may deal, as principal or agent, with the Funds, provided that all such dealings are carried out as if effected on normal commercial terms negotiated on an arm's length basis and transactions must be in the best interests of Shareholders. For example, each Fund may effect portfolio transactions with or through subsidiaries of Frank Russell and, in addition, a Director may from time to time be a director, shareholder, officer, employee or consultant of brokerage firms with or through whom portfolio transactions for the Funds are effected. The Money Managers may be requested by the Manager to direct a target percentage of portfolio transactions to subsidiaries of Frank Russell. The subsidiaries of Frank Russell will refund to the Fund effecting such transactions up to 70 per cent of the commission paid, after reimbursement for research services. Each Money Manager may effect portfolio transactions with an affiliated party, provided that the aggregate of such transactions does not exceed 25 per cent of the total portfolio transactions of the Fund.

In the case of the Russell U.K. Equity Fund (where a Russell Investments entity acts as the investment manager of the Fund and executes all of the Fund's trades) a directed brokerage programme will operate whereby all of the Funds transactions will be directed through Russell Implementation Services Inc. Russell Implementation Services Inc. will allocate the transactions through various brokers and will monitor the brokers to ensure that the brokers provide the highest standards for execution, value added services and investment research. Russell Implementation Services Inc. shall receive a fee for carrying out these functions which fee shall be paid out of the Fund's assets and it shall be

entitled to charge reasonable properly vouched costs and expenses to the Fund in respect of the directed brokerage programme in accordance with the requirements of the Central Bank.

Each of the Money Managers and/or the Investment Managers may enter into transactions on a soft commission basis, i.e., utilise the services and expertise of brokers in return for the execution of trades through such brokers, provided that the transactions are entered into on the principle of best execution, the benefits provided in the transaction will assist in the provision of investment services to the Company, and such transactions are disclosed in the next succeeding annual or half-yearly report of the Company.

Dealings will be deemed to have been effected on normal commercial terms if (1) a certified valuation of a transaction by a person approved by the Custodian and Trustee as independent and competent is obtained; or (2) the transaction is executed on best terms on an organised investment exchange in accordance with the rules of such exchange; or (3), where (1) and (2) are not practical, the transaction is executed on terms which the Custodian and Trustee, or the Directors in the case of a transaction involving the Custodian and Trustee, is satisfied are normal commercial terms negotiated at arm's length. In respect of the valuation of unlisted investments and the difficulty, in obtaining a valuation from other sources, such competent professional may be related to the Manager or a Money Manager. The Adviser may also act as a Money Manager for a Fund and will receive a fee in relation to its appointment in this role.

The Manager has adopted a policy designed to ensure that in all transactions a reasonable effort is made to avoid conflicts of interest and, when they cannot be avoided, such conflicts are managed so that the Funds and their Shareholders are fairly treated.

The Manager has adopted a policy designed to ensure that Money Managers act in a Fund's best interests when executing decisions to deal and placing orders to deal on behalf of the Fund in the context of managing the Fund's portfolios. For these purposes, all reasonable steps must be taken to obtain the best possible result for the Fund, taking into account price, costs, speed, likelihood of execution and settlement, order size and nature, research services provided by the broker to the Adviser or Money Manager, or any other consideration relevant to the execution of the order. Information about the Manager's execution policy and any material change to the policy are available to Shareholders at no charge upon request.

The Manager has developed a strategy for determining when and how voting rights are exercised. Details of the actions taken on the basis of those strategies are available to Shareholders at no charge upon request.

The Share Capital

The share capital of the Company shall at all times equal its Net Asset Value. The Company shall be empowered to issue up to five hundred billion Shares at the Net Asset Value per Share on such terms and in such Classes as they may think fit.

The proceeds from the issue of Shares (excluding the initial share capital) shall be applied in the books of the Company to the relevant Fund and shall be used in the acquisition on behalf of the relevant Fund of transferable securities and ancillary liquid assets.

The Directors are authorised from time to time to re-designate any existing Class of Shares and merge such Class or Classes of Shares provided that Shareholders in such Class or Classes of Shares are first notified by the Company and given the opportunity to have the Shares repurchased.

Each of the Shares entitles the holder to participate equally on a *pro rata* basis in the profits and dividends of the Fund attributable to such Shares and (except in the case of non-voting Shares) to attend and vote at meetings of the Company and of the Fund represented by those Shares. No Class of Shares confers on the holder thereof any preferential or pre-emptive rights or any rights to participate in the profits and dividends of any other Class of Shares or any voting rights in relation to matters relating solely to any other Class of Shares.

Any resolution to alter the Class rights of the Shares (except in the case of non-voting Shares) requires the approval of three-quarters of the holders of the Shares represented or present and voting at a general meeting duly convened in accordance with the Articles of Association. The quorum for any general meeting convened to consider any alteration to the Class rights of the Shares shall be such number of Shareholders whose holdings comprise one-third of the Shares.

The Articles of Association of the Company empower the Directors to issue fractional Shares in the Company. Fractional Shares shall not carry any voting rights at general meetings of the Company or of any Fund and the Net Asset Value of any fractional Share shall be the Net Asset Value per Share adjusted in proportion to the fraction.

The Funds and Segregation of Liability

The Company is an umbrella fund with segregated liability between funds and each fund may comprise one or more Classes of Shares in the Company.

The assets and liabilities of each fund will be allocated in the following manner:

- (a) the proceeds from the issue of Shares representing a Fund shall be applied in the books of the Company to the Fund and the assets and liabilities and income and expenditure attributable thereto shall be applied to such fund subject to the provisions of the Memorandum and Articles of Association;
- (b) where any asset is derived from another asset, such derivative asset shall be applied in the books of the Company to the same fund as the assets from which it was derived and in each valuation of an asset, the increase or diminution in value shall be applied to the relevant fund;
- (c) where the Company incurs a liability which relates to any asset of a particular fund or to any action taken in connection with an asset of a particular fund, such a liability shall be allocated to the relevant fund, as the case may be; and
- (d) where an asset or a liability of the Company cannot be considered as being attributable to a particular fund, such asset or liability, subject to the approval of the Custodian and Trustee, shall be allocated to all the Funds *pro rata* to the Net Asset Value of each Fund.

Any liability incurred on behalf of or attributable to any fund shall be discharged solely out of the assets of that fund, and neither the Company nor any Director, receiver, examiner, liquidator, provisional liquidator or other person shall apply, nor be obliged to apply, the assets of any such fund in satisfaction of any liability incurred on behalf of, or attributable to, any other fund.

There shall be implied in every contract, agreement, arrangement or transaction entered into by the Company the following terms, that:

- (a) the party or parties contracting with the Company shall not seek, whether in any proceedings or by any other means whatsoever or wheresoever, to have recourse to any assets of any fund in the discharge of all or any part of a liability which was not incurred on behalf of that fund;
- (b) if any party contracting with the Company shall succeed by any means whatsoever or wheresoever in having recourse to any assets of any fund in the discharge of all or any part of a liability which was not incurred on behalf of that fund, that party shall be liable to the Company to pay a sum equal to the value of the benefit thereby obtained by it; and
- (c) if any party contracting with the Company shall succeed in seizing or attaching by any means, or otherwise levying execution against, the assets of a fund in respect of a liability which was not incurred on behalf of that fund, that party shall hold those assets or the direct or indirect proceeds of the sale of such assets on trust for the Company and shall keep those assets or proceeds separate and identifiable as such trust property.

All sums recoverable by the Company shall be credited against any concurrent liability pursuant to the implied terms

set out in (i) to (iii) above.

Any asset or sum recovered by the Company shall, after the deduction or payment of any costs of recovery, be applied so as to compensate the fund.

In the event that assets attributable to a fund are taken in execution of a liability not attributable to that fund, and in so far as such assets or compensation in respect thereof cannot otherwise be restored to the fund affected, the Directors, with the consent of the Custodian and Trustee, shall certify or cause to be certified, the value of the assets lost to the fund affected and transfer or pay from the assets of the fund or funds to which the liability was attributable, in priority to all other claims against such fund or funds, assets or sums sufficient to restore to the fund affected, the value of the assets or sums lost to it.

A fund is not a legal person separate from the Company but the Company may sue and be sued in respect of a particular fund and may exercise the same rights of set-off, if any, as between its funds as apply at law in respect of companies and the property of a fund is subject to orders of the court as it would have been if the fund were a separate legal person.

Separate records shall be maintained in respect of each fund.

Meetings and Votes of Shareholders

All general meetings of the Company shall be held in Ireland. In each year the Company shall hold a general meeting as its annual general meeting. Twenty-one days' notice (excluding the day of mailing and the day of the meeting) shall be given in respect of each general meeting of the Company. The notice shall specify the venue and time of the meeting and the business to be transacted at the meeting. A proxy may attend on behalf of any Shareholder. Two shareholders present in person or by proxy shall constitute a quorum, save in the case of a meeting of any one class of Shares where the quorum shall be at least two Shareholders who hold at least one-third of the Shares of the relevant class. An ordinary resolution is a resolution passed by a simple majority of votes cast and a special resolution is a resolution passed by a majority of 75 per cent or more of the votes cast. The Articles of Association provide that matters may be determined by a majority at a meeting of Shareholders on a show of hands unless a poll is requested by Shareholders holding 10 per cent or more of the Shares in number or by value or unless the chairman of the meeting requests a poll.

Save as set out below, each Share gives the holder one vote in relation to any matters relating to the Company which are submitted to Shareholders for a vote by poll. Save as set out below, all Shares of each Class have equal voting rights, except that in matters affecting only a particular Class, only Shares of that Class shall be entitled to vote.

The Articles authorise the Directors to create Classes of Shares with restricted voting rights. The Directors have exercised this authority with respect to Class USD-NV of the Russell World Equity Fund II and Class USD-NV of the Russell Emerging Markets Equity Fund. Accordingly those two Classes of Shares shall have no voting rights in respect of any resolution submitted to the Shareholders of the Company or in respect of those Classes but shall be provided with 14 days' notice of the proposed change the resolution encompasses prior to the date of the resolution becoming effective during which time the holders Shares in these two Classes may have their non-voting Shares repurchased, if they so wish.

Reports

In each year the Directors shall cause to be prepared an annual report and audited annual accounts for the Company which shall be filed with the Central Bank within four months of the financial year-end to which it relates. In addition, the Company shall prepare and file with the Central Bank within two months of the end of the relevant period a half yearly report which shall include unaudited half yearly accounts for the Company. All reports and accounts shall be made available to Shareholders as soon as possible after filing.

Annual accounts shall be made up to 31 March in each year and unaudited half-yearly accounts will be made up to 30 September in each year. Audited annual reports and unaudited half-yearly reports incorporating financial statements and other reports shall be sent via electronic communication subject to Shareholder consent or posted to each Shareholder at his registered address free of charge and will be made available for inspection at the registered office of the Company.

Termination of the Funds

All of the Shares of the Company, the Fund or a Class, as the case may be, may be repurchased by the Company in the following circumstances:

- (a) if 75 per cent of the holders of the Shares in the Company or of a Fund voting at a general meeting of the Company, of which not more than six and not less than four weeks notice has been given, approve the repurchase of the Shares in the Company or the Fund, as appropriate;
- (b) if so determined by the Directors, provided that not less than twenty-one days' notice has been provided to Shareholders of the Company, Fund or relevant Class as appropriate;
- (c) on 31 December 2005 or on any fifth year thereafter, provided that notice of not less than four and not more than six weeks has been given to the holders of the Shares.

Where a repurchase of Shares would result in the number of Shareholders falling below seven or such other minimum number stipulated by statute or where a repurchase of Shares would result in the issued share capital of the Company falling below such minimum amount as the Company may be obliged to maintain pursuant to applicable law, the Company may defer the repurchase of the minimum number of Shares sufficient to ensure compliance with applicable law. The repurchase of such Shares will be deferred until the Company is wound up or until the Company procures the issue of sufficient Shares to ensure that the repurchase can be effected. The Company shall be entitled to select the Shares for deferred repurchase in such manner as it may deem to be fair and reasonable and as may be approved by the Custodian and Trustee.

If all of the Shares are to be repurchased and it is proposed to transfer all or part of the assets of the Company to another company, the Company, with the sanction of a special resolution of Shareholders may exchange the assets of the Company for shares or similar interests in the transferee company for distribution among Shareholders.

If all of the Shares in any fund are to be repurchased, the assets available for distribution (after satisfaction of creditors' claims) shall be applied in the following priority:

- (a) firstly, in the payment to the Shareholders of each Class of each fund of a sum in the Class Currency in which that Class is denominated or in any other currency selected by the liquidator as nearly as possible equal (at a rate of exchange reasonably determined by the liquidator) to the Net Asset Value of the Shares of such Class held by such holders respectively as at the date of commencement of the winding up provided that there are sufficient assets available in the relevant fund to enable such payment to be made. In the event that, as regards any Class of Shares, there are insufficient assets available in the relevant fund to enable such payment to be made, recourse shall be had to the assets of the Company not comprised within any of the funds;
- (b) secondly, in the payment to the holders of the Subscriber Shares of sums up to the amount paid thereon (plus any interest accrued) out of the assets of the Company not comprised within any funds remaining after any recourse thereto under paragraph (a) above. In the event that there are insufficient assets as aforesaid to enable such payment in full to be made, no recourse shall be had to the assets comprised within any of the funds;
- (c) thirdly, in the payment to the Shareholders of any balance then remaining in the relevant fund, such payment being made in proportion to the number of shares held; and
- (d) fourthly, in the payment to the Shareholders of any balance then remaining and not comprised within any of the funds, such payment being made in proportion to the value of each fund and within each fund to the value of each Class and in proportion to the Net Asset Value per Share.

With the approval of Shareholders in general meeting the Company may make distributions *in specie* to Shareholders.

Miscellaneous

- (a) The Company has not been involved in any litigation or arbitration since its incorporation and no litigation or claim is known to the Company to be pending or threatened against the Company or any Fund.
- (b) There are no service contracts in existence between the Company and any of its Directors, nor are any such contracts proposed.
- (c) Each of the Directors is a director of the Manager. Mr. Beveridge, Mr. McMurray, Mr. Jenkins, Mr. Gonella and Mr. Willman are employees of entities within Russell Investments. Save as disclosed herein, none of the Directors is interested in any contract or arrangement subsisting at the date hereof which is significant in relation to the business of the Company.
- (d) At the date of this document, neither the Directors nor any connected person have any interest in the share capital of the Company or any options in respect of such capital.
- (e) No Share or loan capital of the Company is under option or is agreed conditionally or unconditionally to be put under option.
- (f) Save as disclosed in this Prospectus, no commissions, discounts, brokerage or other special terms have been granted by the Company in relation to Shares issued by the Company.
- (g) The Company has the power to appoint distributors and paying agents.

Material Contracts

The Company's material contracts are set out in Schedule III.

Supply and Inspection of Documents

The following documents may be obtained free of charge during normal business hours on weekdays (Saturdays and public holidays excepted) at the registered office of the Company and at the offices of the Manager in Ireland:

- (i) the Articles of Association;
- (ii) once published, the latest annual and half yearly reports of the Company.

An up-to-date version of the key investor information document shall be made available for access in an electronic format on a website designated by the Company for this purpose. On the basis that the Company has registered one or more Funds for public offering in other EU Member States, it shall make the following additional documentation available on such website:

- this Prospectus;
- once published, the latest annual and half yearly reports of the Company;
- the Articles of Association.

Shareholder Complaints

Information regarding the Manager's complaint procedures are available to Shareholders free of charge upon request. Shareholders may file any complaints about the Company or Manager free of charge at the registered office of the Company or by contacting the Manager.

SCHEDULE I

The Regulated Markets

Each Fund may deal through securities and derivative markets which are regulated markets and meet the requirements for Regulated Markets as set out in UCITS Notice 9.5 which includes any market which is regulated, operates regularly, is open to the public and is located in an EEA state (except Malta), the U.S., Australia, Canada, Japan, New Zealand, Hong Kong or Switzerland.

Each Fund may also deal through:

- The market organised by the International Capital Markets Association;
- AIM – the Alternative Investment Market in the UK, regulated and operated by the London Stock Exchange;
- The over-the-counter market in Japan regulated by the Securities Dealers Association of Japan;
- NASDAQ in the United States;
- The market in US government securities conducted by primary dealers regulated by the Federal Reserve Bank of New York and the Securities and Exchange Commission;
- The over-the-counter market in the United States conducted by primary and secondary dealers regulated by the Securities and Exchanges Commission and by the National Association of Securities Dealers (and by banking institutions regulated by the US Comptroller of the Currency, the Federal Reserve System or Federal Deposit Insurance Corporation);
- The French market for “Titres de Creance Negotiable (over-the-counter market in negotiable debt instruments);
- The over-the-counter market in Canadian Government bonds, regulated by the Investment Dealers Association of Canada.
- The South African Futures Exchange.
- The following securities markets established in non-EEA States:

Argentina:	Bolsa de Comercio de Buenos Aires
Bahrain:	Bahrain Bourse
Bangladesh:	Dhaka Stock Exchange
Botswana:	Botswana Stock Exchange
Brazil:	BM&F BOVESPA S.A
Chile:	Bolsa de Comercio de Santiago
China:	Shenzhen Stock Exchange (SZSE), Shanghai Stock Exchange (SSE)
Colombia:	Bolsa de Valores de Colombia
Costa Rica:	Bolsa Nacional de Valores
Egypt:	Egyptian Exchange
Ghana:	Ghana Stock Exchange
India:	Bombay Stock Exchange, Ltd, National Stock Exchange
Indonesia:	Indonesia Stock Exchange
Israel:	Tel Aviv Stock Exchange
Jordan:	Amman Stock Exchange
Kazakhstan:	Kazakhstan Stock Exchange
Kenya:	Nairobi Securities Exchange
Kuwait:	Kuwait Stock Exchange
Malaysia:	Bursa Malaysia Securities Berhad
Mauritius:	Stock Exchange of Mauritius
Mexico:	Bolsa Mexicana de Valores
Morocco:	Exchange Bourse de Casablanca
Namibia:	Namibian Stock Exchange
Nigeria:	Nigeria Stock Exchange
Pakistan:	Karachi Stock Exchange
Peru:	Bolsa de Valores de Lima
The Philippines:	Philippine Stock Exchange
Qatar:	Qatar Exchange
Russia:	MICEX-RTS Main Market

Serbia:	Belgrade Stock Exchange
Singapore:	Singapore Exchange Limited
South Africa:	JSE Limited
South Korea:	Korea Exchange
Sri Lanka:	Colombo Stock Exchange
Taiwan:	Taiwan Stock Exchange, GreTai Securities Market
Tanzania:	Dar es Salaam Stock Exchange
Thailand:	The Stock Exchange of Thailand
Tunisia:	Bourse des Valeurs Mobilieres de Tunis
Turkey:	Istanbul Stock Exchange
Uganda:	Uganda Securities Exchange
Ukraine:	Persha Fondova Torgovelnna Systema
United Arab Emirates:	Abu Dhabi Securities Market, Dubai Financial Market
Uruguay:	Bolsa de Valores de Montevideo
Vietnam:	Ho Chi Minh Stock Exchange
Zambia:	Lusaka Stock Exchange
Zimbabwe:	Zimbabwe Stock Exchange

These exchanges and markets are listed in accordance with the requirements of the Central Bank which does not issue a list of approved exchanges and markets.

SCHEDULE II

Characteristics of Classes of Shares by Fund

The distribution status of each share Class is Accumulation unless otherwise indicated in the name of the Class.

Russell Continental European Equity Fund – Fund Base Currency – EUR					
Share Class	Class Currency	Hedged Currency Class	Duration Hedged Class	Initial Offer Price	Initial Offer Period Status
Class A	EUR	No	No	-	Existing
Class A USD H	U.S.\$	Yes	No	U.S.\$10	New
Class B	EUR	No	No	-	Existing
Class C	EUR	No	No	-	Existing
Class D	Stg£	No	No	-	Existing
Class E	EUR	No	No	EUR1,000	New
Class EH-A	EUR	Yes	No	EUR1,000	New
Class F	EUR	No	No	-	Existing
Class G	EUR	No	No	EUR1,000	New
Class I	Stg£	No	No	-	Existing
Class I Income	Stg£	No	No	-	Existing
Class J	U.S.\$	No	No	-	Existing
Class K	U.S.\$	No	No	U.S.\$10	New
Class L	U.S.\$	No	No	U.S.\$10	New
Class P Income	Stg£	No	No	-	Existing
Class R	Stg£	No	No	-	Existing
Class R Roll-Up	EUR	No	No	-	Existing
Class S	EUR	No	No	EUR100	New
Class SH-I	Stg£	Yes	No	-	Existing
Class TDA	EUR	No	No	EUR10	New
Class TDA Income	EUR	No	No	EUR10	New
Class TDB	EUR	No	No	EUR10	New
Class TDB Income	EUR	No	No	EUR10	New
Class TDC	EUR	No	No	EUR10	New
Class TDC Income	EUR	No	No	EUR10	New
Class TYA	JP¥	No	No	JP¥1,000	New
Class TYA Income	JP¥	No	No	JP¥1,000	New
Class TYB	JP¥	No	No	JP¥1,000	New
Class TYB Income	JP¥	No	No	JP¥1,000	New
Class TYC	JP¥	No	No	JP¥1,000	New
Class TYC Income	JP¥	No	No	JP¥1,000	New
Class V	SGD	No	No	SGD10	New

Russell Emerging Markets Equity Fund – Fund Base Currency – USD					
Share Class	Class Currency	Hedged Currency Class	Duration Hedged Class	Initial Offer Price	Initial Offer Period Status
Class A	U.S.\$	No	No	-	Existing
Class B	U.S.\$	No	No	-	Existing
Class C	EUR	No	No	-	Existing
Class D	Stg£	No	No	-	Existing
Class E	EUR	No	No	EUR1,000	New
Class EH-A	EUR	Yes	No	EUR1,000	New
Class F Income	Stg£	No	No	Stg£100	New
Class G	EUR	No	No	EUR1,000	New
Class H	U.S.\$	No	No	-	Existing
Class I	Stg£	No	No	-	Existing
Class I Income	Stg£	No	No	-	Existing
Class J	U.S.\$	No	No	-	Existing
Class K	U.S.\$	No	No	U.S.\$10	New
Class L	U.S.\$	No	No	U.S.\$10	New
Class M	U.S.\$	No	No	U.S.\$10	New
Class NZD-H	NZD	Yes	No	NZD100	New
Class P	Stg£	No	No	Stg£10	New
Class P Income	Stg£	No	No	-	Existing
Class Q Income	Stg£	No	No	-	Existing
Class R	Stg£	No	No	-	Existing
Class S	EUR	No	No	EUR100	New
Class TDA	U.S.\$	No	No	U.S.\$100	New
Class TDA Income	U.S.\$	No	No	U.S.\$100	New
Class TDB	U.S.\$	No	No	U.S.\$100	New
Class TDB Income	U.S.\$	No	No	-	Existing
Class TDC	U.S.\$	No	No	U.S.\$100	New
Class TDC Income	U.S.\$	No	No	U.S.\$100	New
Class TYA	JP¥	No	No	JP¥10,000	New
Class TYA Income	JP¥	No	No	JP¥10,000	New
Class TYB	JP¥	No	No	JP¥10,000	New
Class TYB Income	JP¥	No	No	JP¥10,000	New
Class TYC	JP¥	No	No	-	Existing
Class TYC Income	JP¥	No	No	JP¥10,000	New
Class U	EUR	No	No	-	Existing
Class USD-NV	U.S.\$	No	No	U.S.\$1,000	New
Class V	SGD	No	No	SGD10	New

Russell Euro Liquidity Fund – Fund Base Currency – EUR					
Share Class	Class Currency	Hedged Currency Class	Duration Hedged Class	Initial Offer Price	Initial Offer Period Status
Class B Roll-Up	EUR	No	No	-	Existing
Class R Roll-Up	EUR	No	No	-	Existing

Russell Eurozone Aggressive Equity Fund – Fund Base Currency – EUR					
Share Class	Class Currency	Hedged Currency Class	Duration Hedged Class	Initial Offer Price	Initial Offer Period Status
Class A Institutional Euro	EUR	No	No	EUR100	New
Class A Institutional Euro Income	EUR	No	No	EUR100	New
Class A Institutional SH	EUR	Yes	No	EUR100	New
Class A Institutional SH Income	EUR	Yes	No	EUR100	New
Class A Institutional USDH	EUR	Yes	No	EUR100	New
Class A Institutional USDH Income	EUR	Yes	No	EUR100	New
Class A Institutional YH	EUR	Yes	No	EUR100	New
Class A Institutional YH Income	EUR	Yes	No	EUR100	New
Class B Retail Euro	EUR	No	No	EUR100	New
Class B Retail Euro Income	EUR	No	No	EUR100	New
Class B Retail SH	EUR	Yes	No	EUR100	New
Class B Retail SH Income	EUR	Yes	No	EUR100	New
Class B Retail USDH	EUR	Yes	No	EUR100	New
Class B Retail USDH Income	EUR	Yes	No	EUR100	New
Class B Retail YH	EUR	Yes	No	EUR100	New
Class B Retail YH Income	EUR	Yes	No	EUR100	New
Class DC-SH	U.S.\$	Yes	No	EUR100	New

Russell Global Bond Fund – Fund Base Currency – USD					
Share Class	Class Currency	Hedged Currency Class	Duration Hedged Class	Initial Offer Price	Initial Offer Period Status
Class A	U.S.\$	No	No	-	Existing
Class A Roll-Up	EUR	No	No	-	Existing
Class AUDH DURH	AUD	Yes	Yes	AUD10	New
Class AUDH Income	AUD	Yes	No	AUD10	New
Class AUDH DURH Income	AUD	Yes	Yes	-	Existing
Class B	U.S.\$	No	No	-	Existing
Class B Roll-Up	EUR	No	No	-	Existing
Class C	EUR	No	No	-	Existing
Class D	Stg£	No	No	-	Existing
Class DH-B	U.S.\$	Yes	No	-	Existing
Class DH-B Income	U.S.\$	Yes	No	U.S.\$1,000	New
Class DH-E	USD	Yes	No	U.S.\$1,000	New
Class DH-E DURH	USD	Yes	Yes	U.S.\$1,000	New
Class DH-E DURH Income	USD	Yes	Yes	U.S.\$1,000	New
Class E	EUR	No	No	EUR1,000	New
Class EH-E	EUR	Yes	No	EUR1,000	New
Class EH-A	EUR	Yes	No	-	Existing
Class EH-A DURH	EUR	Yes	Yes	EUR1,000	New
Class EH-B	EUR	Yes	No	-	Existing
Class EH-N	EUR	Yes	No	-	Existing
Class EH-B DURH	EUR	Yes	Yes	EUR1,000	New
Class EH-B DURH Income	EUR	Yes	Yes	EUR1,000	New
Class EH-B Income	EUR	Yes	No	-	Existing
Class EH-U	EUR	Yes	No	-	Existing
Class EH-U DURH	EUR	Yes	Yes	EUR1,000	New
Class EH-U DURH Income	EUR	Yes	Yes	-	Existing
Class EH-U Income	EUR	Yes	No	-	Existing
Class GBPH-A	Stg£	Yes	No	-	Existing
Class GBPH-A DURH	Stg£	Yes	Yes	Stg£10	New
Class GBPH-A DURH Income	Stg£	Yes	Yes	Stg£10	New
Class GBPH-B	Stg£	Yes	No	-	Existing
Class I Income	Stg£	No	No	-	Existing
Class K	U.S.\$	No	No	U.S.\$10	New
Class L	U.S.\$	No	No	U.S.\$10	New
Class NZDH-A	NZD	Yes	No	-	Existing
Class NZDH-A DURH	NZD	Yes	Yes	NZD10	New
Class NZDH Income	NZD	Yes	No	-	Existing
Class P	Stg£	No	No	Stg£10	New
Class Q Income	EUR	No	No	-	Existing
Class R	Stg£	No	No	-	Existing
Class R Income	Stg£	No	No	-	Existing
Class S Income	EUR	No	No	-	Existing
Class T	EUR	No	No	EUR10	New
Class TDA	U.S.\$	No	No	U.S.\$100	New

Russell Global Bond Fund – Fund Base Currency – USD					
Share Class	Class Currency	Hedged Currency Class	Duration Hedged Class	Initial Offer Price	Initial Offer Period Status
Class TDA Income	U.S.\$	No	No	U.S.\$100	New
Class TDB	U.S.\$	No	No	U.S.\$100	New
Class TDB Income	U.S.\$	No	No	U.S.\$100	New
Class TWN Income	U.S.\$	No	No	-	Existing
Class TYA	JP¥	No	No	JP¥10,000	New
Class TYA Income	JP¥	No	No	JP¥10,000	New
Class TYB	JP¥	No	No	JP¥10,000	New
Class TYB Income	JP¥	No	No	JP¥10,000	New
Class TYHA	JP¥	Yes	No	JP¥10,000	New
Class TYHA Income	JP¥	Yes	No	JP¥10,000	New
Class TYHB	JP¥	Yes	No	JP¥10,000	New
Class TYHB Income	JP¥	Yes	No	JP¥10,000	New
Class USDH DURH Income	U.S.\$	Yes	Yes	U.S.\$1,000	New
Class USDH DURH	U.S.\$	Yes	Yes	U.S.\$1,000	New

Russell Global Credit Fund – Fund Base Currency – USD					
Share Class	Class Currency	Hedged Currency Class	Duration Hedged Class	Initial Offer Price	Initial Offer Period Status
Class A	U.S.\$	No	No	-	Existing
Class A Income	U.S.\$	No	No	U.S.\$10	New
Class AUDH- A	AUD	Yes	No	AUD10	New
Class B	U.S.\$	No	No	U.S.\$10	New
Class B Income	U.S.\$	No	No	U.S.\$10	New
Class C	U.S.\$	No	No	-	Existing
Class GBPH-A	Stg£	Yes	No	-	Existing
Class GBPH-A DURH	Stg£	Yes	Yes	-	Existing
Class GBPH-A DURH Income	Stg£	Yes	Yes	Stg£10	New
Class GBPH-A Income	Stg£	Yes	No	Stg£10	New
Class GBPH-B	Stg£	Yes	No	Stg£10	New
Class GBPH-B Income	Stg£	Yes	No	Stg£10	New
Class GBPH-U Income	Stg£	Yes	No	-	Existing
Class EH-A	EUR	Yes	No	EUR10	New
Class EH-A DURH	EUR	Yes	Yes	EUR1,000	New
Class EH-A DURH Income	EUR	Yes	Yes	EUR1,000	New
Class EH-A Income	EUR	Yes	No	EUR10	New
Class EH-B Income	EUR	Yes	No	EUR10	New
Class EH-C	EUR	Yes	No	-	Existing
Class EH-U Income	EUR	Yes	No	-	Existing
Class U	EUR	No	No	-	Existing
Class U Income	EUR	No	No	-	Existing
Class USDH-A	U.S.\$	Yes	No	-	Existing
Class USDH-A DURH	U.S.\$	Yes	Yes	U.S.\$1,000	New
Class USDH-A Income	U.S.\$	Yes	No	U.S.\$1,000	New

Russell Global Credit Fund – Fund Base Currency – USD					
Share Class	Class Currency	Hedged Currency Class	Duration Hedged Class	Initial Offer Price	Initial Offer Period Status
Class USDH-A DURH Income	U.S.\$	Yes	Yes	U.S.\$1,000	New
Class USD V Accumulation	U.S.\$	No	No	-	Existing

Russell Global Real Estate Securities Fund – Fund Base Currency – USD					
Share Class	Class Currency	Hedged Currency Class	Duration Hedged Class	Initial Offer Price	Initial Offer Period Status
Class A Institutional EH	U.S.\$	Yes	No	U.S.\$100	New
Class A Institutional EH Income	U.S.\$	Yes	No	U.S.\$100	New
Class A Institutional SH	U.S.\$	Yes	No	U.S.\$100	New
Class A Institutional SH Income	U.S.\$	Yes	No	U.S.\$100	New
Class A Institutional USD	U.S.\$	No	No	U.S.\$100	New
Class A Institutional USD Income	U.S.\$	No	No	U.S.\$100	New
Class A Institutional YH Income	U.S.\$	Yes	No	U.S.\$100	New
Class B Retail EH	U.S.\$	Yes	No	U.S.\$100	New
Class B Retail EH Income	U.S.\$	Yes	No	U.S.\$100	New
Class B Retail SH	U.S.\$	Yes	No	U.S.\$100	New
Class B Retail SH Income	U.S.\$	Yes	No	U.S.\$100	New
Class B Retail USD	U.S.\$	No	No	U.S.\$100	New
Class B Retail USD Income	U.S.\$	No	No	U.S.\$100	New
Class B Retail YH	U.S.\$	Yes	No	U.S.\$100	New
Class B Retail YH Income	U.S.\$	Yes	No	U.S.\$100	New
Class DC-SH	U.S.\$	Yes	No	U.S.\$100	New
Class N Institutional YH	U.S.\$	Yes	No	U.S.\$100	New

Russell Global High Yield Fund – Fund Base Currency – EUR					
Share Class	Class Currency	Hedged Currency Class	Duration Hedged Class	Initial Offer Price	Initial Offer Period Status
Class A EUR DURH	EUR	No	Yes	EUR1,000	New
Class A EUR DURH Income	EUR	No	Yes	EUR1,000	New
Class A Roll-Up	EUR	No	No	-	Existing
Class AUDH-B	AUD	Yes	No	-	Existing
Class AUDH-B Income	AUD	Yes	No	-	Existing
Class B Roll-Up	EUR	No	No	-	Existing
Class B Income	EUR	No	No	-	Existing
Class DH-B Roll-Up	U.S.\$	Yes	No	-	Existing
Class GBPH-A DURH	Stg£	Yes	Yes	Stg£10	New
Class GBPH-A DURH Income	Stg£	Yes	Yes	Stg£10	New
Class SH-B	Stg£	Yes	No	-	Existing
Class SH-B Income	Stg£	Yes	No	-	Existing
Class TWN DH Income	U.S.\$	Yes	No	-	Existing

Russell Global High Yield Fund – Fund Base Currency – EUR					
Class U	EUR	No	No	-	Existing
Class U Income	EUR	No	No	-	Existing

Russell Japan Equity Fund – Fund Base Currency – JPY					
Share Class	Class Currency	Hedged Currency Class	Duration Hedged Class	Initial Offer Price	Initial Offer Period Status
Class A	JP¥	No	No	-	Existing
Class A USD H	U.S.\$	Yes	No	U.S.\$10	New
Class B	JP¥	No	No	-	Existing
Class C	EUR	No	No	-	Existing
Class D	Stg£	No	No	-	Existing
Class E	EUR	No	No	-	Existing
Class EH-A	EUR	Yes	No	-	Existing
Class EH-B	EUR	Yes	No	EUR1,000	New
Class F	EUR	No	No	-	Existing
Class G	EUR	No	No	EUR1,000	New
Class H	JP¥	No	No	JP¥10,000	New
Class I	Stg£	No	No	-	Existing
Class I Income	Stg£	No	No	-	Existing
Class J	U.S.\$	No	No	-	Existing
Class K	U.S.\$	No	No	U.S.\$10	New
Class L	U.S.\$	No	No	U.S.\$10	New
Class M	U.S.\$	No	No	U.S.\$10	New
Class P Income	Stg£	No	No	-	Existing
Class Q	JP¥	No	No	JP¥10,000	New
Class R	Stg£	No	No	-	Existing
Class SH-I	Stg£	Yes	No	-	Existing
Sovereign Class	JP¥	No	No	-	Existing
Class T	JP¥	No	No	JP¥1,000	New
Class TDA	U.S.\$	No	No	U.S.\$100	New
Class TDA Income	U.S.\$	No	No	U.S.\$100	New
Class TDB	U.S.\$	No	No	U.S.\$100	New
Class TDB Income	U.S.\$	No	No	U.S.\$100	New
Class TDC	U.S.\$	No	No	U.S.\$100	New
Class TDC Income	U.S.\$	No	No	U.S.\$100	New
Class TYA	JP¥	No	No	JP¥10,000	New
Class TYA Income	JP¥	No	No	JP¥10,000	New
Class TYB	JP¥	No	No	JP¥10,000	New
Class TYB Income	JP¥	No	No	JP¥10,000	New
Class TYC	JP¥	No	No	JP¥10,000	New
Class TYC Income	JP¥	No	No	JP¥10,000	New
Class U	EUR	No	No	EUR1,000	New

Russell Multi-Asset Growth Strategy Euro Fund – Fund Base Currency – EUR					
Share Class	Class Currency	Hedged Currency Class	Duration Hedged Class	Initial Offer Price	Initial Offer Period Status
Class A	EUR	No	No	EUR10	New
Class A Roll-Up	EUR	No	No	-	Existing
Class B	EUR	No	No	-	Existing
Class C	EUR	No	No	EUR 10	New
Class C Roll-Up	EUR	No	No	-	Existing
Class D	EUR	No	No	EUR 10	New
Class RGPNG	EUR	No	No	-	Existing
Class U	EUR	No	No	-	Existing

Russell Asia Pacific ex Japan Fund – Fund Base Currency – USD					
Share Class	Class Currency	Hedged Currency Class	Duration Hedged Class	Initial Offer Price	Initial Offer Period Status
Class A	U.S.\$	No	No	-	Existing
Class A Roll-Up	U.S.\$	No	No	-	Existing
Class B	U.S.\$	No	No	-	Existing
Class B Roll-Up	U.S.\$	No	No	U.S.\$1,000	New
Class C	EUR	No	No	-	Existing
Class C Roll-Up	EUR	No	No	EUR1,000	New
Class D	Stg£	No	No	-	Existing
Class EH-A	EUR	Yes	No	EUR100	New
Class F	EUR	No	No	-	Existing
Class G	EUR	No	No	EUR1,000	New
Class I	Stg£	No	No	-	Existing
Class I Income	Stg£	No	No	-	Existing
Class J	U.S.\$	No	No	-	Existing
Class L	U.S.\$	No	No	U.S.\$10	New
Class M	U.S.\$	No	No	U.S.\$10	New
Class MZ Income	EUR	No	No	EUR1,000	New
Class P Income	Stg£	No	No	-	Existing
Class R	Stg£	No	No	-	Existing
Class S	EUR	No	No	EUR100	New
Class SH-I	Stg£	Yes	No	-	Existing
Class TDA	U.S.\$	No	No	U.S.\$100	New
Class TDA Income	U.S.\$	No	No	U.S.\$100	New
Class TDB	U.S.\$	No	No	U.S.\$100	New
Class TDB Income	U.S.\$	No	No	-	Existing
Class TDC	U.S.\$	No	No	U.S.\$100	New
Class TDC Income	U.S.\$	No	No	U.S.\$100	New
Class TYA	JP¥	No	No	JP¥10,000	New
Class TYA Income	JP¥	No	No	JP¥10,000	New
Class TYB	JP¥	No	No	JP¥10,000	New
Class TYB Income	JP¥	No	No	JP¥10,000	New

Russell Asia Pacific ex Japan Fund – Fund Base Currency – USD					
Share Class	Class Currency	Hedged Currency Class	Duration Hedged Class	Initial Offer Price	Initial Offer Period Status
Class TYC	JP¥	No	No	JP¥10,000	New
Class TYC Income	JP¥	No	No	JP¥10,000	New
Class U	EUR	No	No	-	Existing

Russell Sterling Bond Fund – Fund Base Currency – GBP					
Share Class	Class Currency	Hedged Currency Class	Duration Hedged Class	Initial Offer Price	Initial Offer Period Status
Class A	Stg£	No	No	-	Existing
Class D	Stg£	No	No	-	Existing
Class GBP-U Income	Stg£	No	No	-	Existing
Class I	Stg£	No	No	-	Existing
Class I Income	Stg£	No	No	-	Existing
Class P	Stg£	No	No	-	Existing
Class P Income	Stg£	No	No	-	Existing
Class S	EUR	No	No	EUR100	New

Russell U.K. Equity Fund – Fund Base Currency – GBP					
Share Class	Class Currency	Hedged Currency Class	Duration Hedged Class	Initial Offer Price	Initial Offer Period Status
Class A	Stg£	No	No	-	Existing
Class D	Stg£	No	No	-	Existing
Class EH-A	EUR	Yes	No	EUR100	New
Class G	EUR	No	No	EUR1,000	New
Class I	Stg£	No	No	-	Existing
Class I Income	Stg£	No	No	-	Existing
Class J	U.S.\$	No	No	-	Existing
Class K	U.S.\$	No	No	U.S.\$10	New
Class L	U.S.\$	No	No	U.S.\$10	New
Class M	U.S.\$	No	No	U.S.\$10	New
Class P	Stg£	No	No	-	Existing
Class P Income	Stg£	No	No	-	Existing
Class R	Stg£	No	No	-	Existing
Class S	EUR	No	No	EUR100	New
Class TDA	Stg£	No	No	Stg£10	New
Class TDA Income	Stg£	No	No	Stg£10	New
Class TDB	Stg£	No	No	Stg£10	New
Class TDB Income	Stg£	No	No	Stg£10	New
Class TDC	Stg£	No	No	Stg£10	New
Class TDC Income	Stg£	No	No	Stg£10	New
Class TYA	JP¥	No	No	JP¥1,000	New
Class TYA Income	JP¥	No	No	JP¥1,000	New
Class TYB	JP¥	No	No	JP¥1,000	New

Class TYB Income	JP¥	No	No	JP¥1,000	New
Class TYC	JP¥	No	No	JP¥1,000	New
Class TYC Income	JP¥	No	No	JP¥1,000	New

Russell U.K. Index Linked Fund – Fund Base Currency – GBP

Share Class	Class Currency	Hedged Currency Class	Duration Hedged Class	Initial Offer Price	Initial Offer Period Status
Class A	Stg£	No	No	-	Existing
Class I	Stg£	No	No	-	Existing
Class I Income	Stg£	No	No	Stg£10	New
Class P	Stg£	No	No	Stg£10	New

Russell U.K. Long Dated Gilt Fund – Fund Base Currency – GBP

Share Class	Class Currency	Hedged Currency Class	Duration Hedged Class	Initial Offer Price	Initial Offer Period Status
Class A	Stg£	No	No	-	Existing
Class I	Stg£	No	No	Stg£10	New
Class I Income	Stg£	No	No	Stg£10	New
Class P	Stg£	No	No	Stg£10	New
Class P Income	Stg£	No	No	Stg£10	New

Russell U.S. Bond Fund – Fund Base Currency – USD

Share Class	Class Currency	Hedged Currency Class	Duration Hedged Class	Initial Offer Price	Initial Offer Period Status
Class A	U.S.\$	No	No	-	Existing
Class B	U.S.\$	No	No	-	Existing
Class C	EUR	No	No	EUR1,000	New
Class E	EUR	No	No	EUR1,000	New
Class F	EUR	No	No	EUR1,000	New
Class GBPH-I Income	Stg£	Yes	No	-	Existing
Class J	U.S.\$	No	No	-	Existing
Class K	U.S.\$	No	No	U.S.\$10	New
Class P	Stg£	No	No	Stg£10	New
Class S	EUR	No	No	EUR100	New
Class TDA	U.S.\$	No	No	U.S.\$100	New
Class TDA Income	U.S.\$	No	No	U.S.\$100	New
Class TDB	U.S.\$	No	No	U.S.\$100	New
Class TDB Income	U.S.\$	No	No	U.S.\$100	New
Class TWN Income	U.S.\$	No	No	-	Existing
Class TYA	JP¥	No	No	JP¥10,000	New
Class TYA Income	JP¥	No	No	JP¥10,000	New
Class TYB	JP¥	No	No	JP¥10,000	New
Class TYB Income	JP¥	No	No	JP¥10,000	New
Class TYHA	JP¥	Yes	No	JP¥10,000	New
Class TYHA Income	JP¥	Yes	No	JP¥10,000	New

Russell U.S. Bond Fund – Fund Base Currency – USD					
Share Class	Class Currency	Hedged Currency Class	Duration Hedged Class	Initial Offer Price	Initial Offer Period Status
Class TYHB	JP¥	Yes	No	JP¥10,000	New
Class TYHB Income	JP¥	Yes	No	JP¥10,000	New
Class U	U.S.\$	No	No	-	Existing

Russell U.S. Equity Fund – Fund Base Currency – USD					
Share Class	Class Currency	Hedged Currency Class	Duration Hedged Class	Initial Offer Price	Initial Offer Period Status
Class A	U.S.\$	No	No	-	Existing
Class B	U.S.\$	No	No	-	Existing
Class B Roll-Up	U.S.\$	No	No	U.S.\$1,000	New
Class C	EUR	No	No	-	Existing
Class C Roll-Up	EUR	No	No	EUR1,000	New
Class D	Stg£	No	No	-	Existing
Class G	EUR	No	No	EUR1,000	New
Class GBPH-I	Stg£	Yes	No	-	Existing
Class GBPH-I Income	Stg£	Yes	No	Stg£10	New
Class I	Stg£	No	No	-	Existing
Class I Income	Stg£	No	No	-	Existing
Class K	U.S.\$	No	No	-	Existing
Class L	U.S.\$	No	No	U.S.\$10	New
Class M	U.S.\$	No	No	U.S.\$10	New
Class MZ Income	EUR	No	No	EUR10	New
Class P Income	Stg£	No	No	-	Existing
Class R	Stg£	No	No	-	Existing
Class R Roll-Up	EUR	No	No	-	Existing
Class TDA	U.S.\$	No	No	U.S.\$10	New
Class TDA Income	U.S.\$	No	No	U.S.\$10	New
Class TDB	U.S.\$	No	No	U.S.\$10	New
Class TDB Income	U.S.\$	No	No	U.S.\$10	New
Class TDC	U.S.\$	No	No	U.S.\$10	New
Class TDC Income	U.S.\$	No	No	U.S.\$10	New
Class TYA	JP¥	No	No	JP¥1,000	New
Class TYA Income	JP¥	No	No	JP¥1,000	New
Class TYB	JP¥	No	No	JP¥1,000	New
Class TYB Income	JP¥	No	No	JP¥1,000	New
Class TYC	JP¥	No	No	JP¥1,000	New
Class TYC Income	JP¥	No	No	JP¥1,000	New

Russell U.S. Small Cap Equity Fund – Fund Base Currency - USD					
Share Class	Class Currency	Hedged Currency Class	Duration Hedged Class	Initial Offer Price	Initial Offer Period Status
Class A	U.S.\$	No	No	-	Existing
Class C	EUR	No	No	-	Existing
Class F	EUR	No	No	-	Existing
Class G	EUR	No	No	EUR1,000	New
Class GBPH-I	Stg£	Yes	No	-	Existing
Class GBPH-I Income	Stg£	Yes	No	Stg£10	New
Class I	Stg£	No	No	-	Existing
Class I Income	Stg£	No	No	-	Existing
Class L	U.S.\$	No	No	-	Existing
Class M	U.S.\$	No	No	U.S.\$10	New
Class P	Stg£	No	No	Stg£10	New
Class R	Stg£	No	No	-	Existing
SGAM Retail	U.S.\$	No	No	-	Existing
Sovereign Class	U.S.\$	No	No	-	Existing
Class TDA	U.S.\$	No	No	U.S.\$10	New
Class TDA Income	U.S.\$	No	No	U.S.\$10	New
Class TDB	U.S.\$	No	No	U.S.\$10	New
Class TDB Income	U.S.\$	No	No	U.S.\$10	New
Class TDC	U.S.\$	No	No	U.S.\$10	New
Class TDC Income	U.S.\$	No	No	U.S.\$10	New
Class TYA	JP¥	No	No	JP¥1,000	New
Class TYA Income	JP¥	No	No	JP¥1,000	New
Class TYB	JP¥	No	No	JP¥1,000	New
Class TYB Income	JP¥	No	No	JP¥1,000	New
Class TYC	JP¥	No	No	-	Existing
Class TYC Income	JP¥	No	No	JP¥1,000	New
Class V	SGD	No	No	SGD10	New

Russell World Equity Fund II – Fund Base Currency - USD					
Share Class	Class Currency	Hedged Currency Class	Duration Hedged Class	Initial Offer Price Per Share	Initial Offer Period Status
Class A	U.S.\$	No	No	-	Existing
Class A Income	U.S.\$	No	No	U.S.\$10	New
Class B	U.S.\$	No	No	-	Existing
Class D	Stg£	No	No	Stg£10	New
Class E	EUR	No	No	EUR10	New
Class EH-T	EUR	Yes	No	-	Existing
Class EH-U	EUR	Yes	No	-	Existing
Class F	EUR	No	No	-	Existing
Class G	EUR	No	No	EUR10	New
Class I	Stg£	No	No	-	Existing

Class J	U.S.\$	No	No	-	Existing
Class K	EUR	No	No	-	Existing
Class L	U.S.\$	No	No	U.S.\$10	New
Class NZD-H	NZD	Yes	No	NZD100	New
Class P	Stg£	No	No	Stg£10	New
Class PAMWEF	U.S.\$	No	No	U.S.\$100	New
Class SH-A	Stg£	Yes	No	-	Existing
Class TDA	U.S.\$	No	No	U.S.\$10	New
Class TDA Income	U.S.\$	No	No	U.S.\$10	New
Class TDB	U.S.\$	No	No	U.S.\$10	New
Class TDB Income	U.S.\$	No	No	-	Existing
Class TDC	U.S.\$	No	No	U.S.\$10	New
Class TDC Income	U.S.\$	No	No	U.S.\$10	New
Class TYA	JP¥	No	No	JP¥1,000	New
Class TYA Income	JP¥	No	No	JP¥1,000	New
Class TYB	JP¥	No	No	JP¥1,000	New
Class TYB Income	JP¥	No	No	JP¥1,000	New
Class TYC Income	JP¥	No	No	JP¥1,000	New
Class U	EUR	No	No	EUR1,000	New
Class USDH-N	U.S.\$	Yes	No	-	Existing

Russell Absolute Return Bond Fund – Fund Base Currency – USD					
Share Class	Class Currency	Hedged Currency Class	Duration Hedged Class	Initial Offer Price	Initial Offer Period Status
Class I	US \$	No	No	-	Existing
Class J-H	AUD	Yes	No	-	Existing
Class K-H	EUR	Yes	No	-	Existing
Class L-H Income	Stg£	Yes	No	Stg£1,000	New
Class L-H	Stg£	Yes	No	-	Existing
Class- EH-B	EUR	Yes	No	-	Existing
Class- EH-U	EUR	Yes	No	-	Existing
Class- EH-B Income	EUR	Yes	No	EUR1,000	New
Class- EH-U Income	EUR	Yes	No	EUR1,000	New
Class- B	EUR	No	No	EUR1,000	New
Class TYA Income	JP¥	No	No	JP¥ 1,000	New
Class TYHA Income	JP¥	Yes	No	JP¥ 1,000	New
Class TYC	JP¥	No	No	JP¥ 1,000	New
Class TYHC	JP¥	Yes	No	JP¥ 1,000	New
Class TY DS Accumulation	JP¥	No	No	JP¥100,000	New
Class TY HDS Accumulation	JP¥	Yes	No	JP¥100,000	New
Class GBPH-U Accumulation	Stg£	Yes	No	-	Existing

Russell Multi-Asset Conservative Strategy Fund – Fund Base Currency – EUR

Share Class	Class Currency	Hedged Currency Class	Duration Hedged Class	Initial Offer Price	Initial Offer Period Status
Class B	EUR	No	No	-	Existing
Class I	EUR	No	No	-	Existing
Class RCPNG	EUR	No	No	-	Existing
Class U	EUR	No	No	-	Existing

Russell Emerging Market Debt Fund – Fund Base Currency – USD

Share Class	Class Currency	Hedged Currency Class	Duration Hedged Class	Initial Offer Price	Initial Offer Period Status
Class AUDH B	AUD	Yes	No	AUD1,000	New
Class AUDH B Income	AUD	Yes	No	AUD1,000	New
Class B Roll-Up	U.S.\$	No	No	U.S.\$1,000	New
Class EH A Roll-Up	EUR	Yes	No	EUR1,000	New
Class EH B Income	EUR	Yes	No	EUR1,000	New
Class EH B Roll-Up	EUR	Yes	No	EUR 1,000	New
Class EH U	EUR	Yes	No	EUR1,000	New
Class EH-U Income	EUR	Yes	No	EUR1,000	New
Class SH B	Stg£	Yes	No	Stg£1,000	New
Class SH B Income	Stg£	Yes	No	Stg£100	New
Class TWN Income	USD	No	No	U.S.\$10	New

SCHEDULE III

MATERIAL CONTRACTS

The following contracts, details of which have been sent out in the section entitled “Management and Administration”, have been entered into and are, or may be, material:

- The Custodian and Trusteeship Agreement dated 7 November 2008 between the Company and the Custodian and Trustee as may be amended or supplemented from time to time in accordance with the requirements of the Central Bank, pursuant to which the latter was appointed as custodian and trustee in relation to the Funds.
- The Administration Agreement dated 7 November 2008 between the Company, the Manager and the Administrator as may be amended or supplemented from time to time in accordance with the requirements of the Central Bank, pursuant to which the latter was appointed as administrator, transfer agent and registrar of the Company.
- The Management and Investment Advisory Agreement between the Company and the Manager, pursuant to which the latter was appointed manager in relation to the Funds, as may be amended or supplemented from time to time in accordance with the requirements of the Central Bank.
- The Distribution Agreement between the Manager and Distributor pursuant to which the latter was appointed to distribute the Funds, as may be amended or supplemented from time to time in accordance with the requirements of the Central Bank.
- The Advisory Agreement between the Manager and the Adviser pursuant to which the latter was appointed as Adviser to the Manager, as may be amended or supplemented from time to time in accordance with the requirements of the Central Bank.
- The Support Services Agreement between the Manager and the Adviser and Distributor, as may be amended or supplemented from time to time in accordance with the requirements of the Central Bank.

SCHEDULE IV

DEFINITIONS

In this Prospectus the following words and phrases have the meanings set forth below:

“Accumulation Class Shares”	means Shares of a Class of a Fund that declare a distribution but whose Net Income is then reinvested in the capital of the relevant Fund on the Distribution Date;
“Administration Agreement”	means the administration agreement made on 7 November 2008 between the Company, the Manager and the Administrator as may be amended or supplemented from time to time in accordance with the requirements of the Central Bank;
“Administrator”	means State Street Fund Services (Ireland) Limited;
“Adviser”	means Russell Investments Limited;
“Advisory Agreement”	means the agreement made on 1 November 2007 between the Manager and the Adviser pursuant to which the latter was appointed as adviser to the Manager, as may be amended or supplemented from time to time in accordance with the requirements of the Central Bank;
“AIMA”	means the Alternative Investment Management Association;
“Articles of Association”	means the Articles of Association of the Company;
“AUD”	means Australian dollars, the lawful currency of the Commonwealth of Australia;
“Base Currency”	means in respect of any Fund, the currency set out for that Fund in Schedule II;
“Business Day”	means a day (excluding Saturday and Sunday) on which Irish banks are open for business, provided that the Directors from time to time may, upon advance notice to shareholders, designate as a business day a day on which Irish banks are not open for business as aforesaid, and that in any event 1 May shall not constitute a business day in relation to the Russell Euro Liquidity Fund.
“Central Bank”	means the Central Bank of Ireland and any successor regulatory authority with responsibility for the authorisation and supervision of the Company;
“Class”	means any class of Shares in the Company;
“Class Currency”	means in respect of any Class of Shares, the currency in which Shares are issued;
“Company”	means Russell Investment Company p.l.c. (formerly known as Frank Russell Investment Company p.l.c.), an investment company with variable capital, incorporated in Ireland;
“Custodian and Trustee”	means State Street Custodial Services (Ireland) Limited;
“Custodian and Trusteeship Agreement”	means the custodian and trusteeship agreement made on 7 November 2008 between the Company and the Custodian and Trustee as may be amended or supplemented from time to time in accordance with the requirements of the Central Bank;
“Dealing Day”	means any Business Day or Business Days as the Directors may from time to time determine, provided that there shall, in respect of each Fund, be at least one Dealing Day

per fortnight and unless otherwise determined and notified to the Central Bank, as and from the date of this Prospectus: (i) every Business Day following the Initial Offer Period for each Fund shall be a Dealing Day;

“Directors” means the directors of the Company for the time being and any duly constituted committee thereof;

“Distribution Agreement” means the agreement made on 1 November 2007 between the Manager and the Distributor pursuant to which the latter was appointed to distribute the Funds, as may be amended or supplemented from time to time in accordance with the requirements of the Central Bank;

“Distribution Date” means for any Class of Shares of a Fund a date on which income distributions for the Fund and/or that Class of Shares are to be made;

“Distributor” means Russell Investments Limited (formerly known as Frank Russell Company Limited);

“EEA” means the EU Member States together with Iceland, Liechtenstein and Norway;

“Eligible Collective Investment Schemes” schemes established in Member States which are authorised under the Directive and which may be listed and/or traded on a Regulated Market in the EU and/ or, subject to the completion of the Central Bank's application procedure under its Guidance Note 2/03, any of the following open-ended collective investment schemes:

- (a) schemes established in Guernsey and authorised as Class A schemes;
- (b) schemes established in Jersey as recognised funds;
- (c) schemes established in the Isle of Man as authorised schemes;
- (d) non-UCITS retail schemes authorised by the Central Bank provided such schemes comply in all material respects with the provisions of the UCITS Notices issued by the Central Bank;
- (e) non-UCITS schemes authorised in the EU, the EEA, the U.S., Jersey, Guernsey or the Isle of Man and which comply, in all material respects with the provisions of the UCITS Notices issued by the Central Bank; and
- (f) such other schemes as may be permitted by the Central Bank and set out in this Prospectus;

“Emerging Markets” means markets that are typically those of poorer or less developed countries which exhibit lower levels of economic and/or capital market development, and higher levels of share price and currency volatility;

“Equities” means equity securities issued by companies including ordinary shares, preference shares and common stock;

“Equity-Related Instruments” (for all funds except Russell Multi-Asset Growth Strategy Euro Fund) means American depository receipts, global depository receipts, rights issues, equity-linked notes, equity-linked securities (being hybrid securities such as certificates or bonds, the return on which is linked to equities) and participatory notes (which instruments are securitised, capable of free sale and transfer and which provide the Fund with unleveraged exposure to equities in markets where there may be local regulatory or operational restrictions that prevent the Fund investing directly in equities), but shall not include convertible debt;

		securities; or
		for the Russell Multi-Asset Growth Strategy Euro Fund means means American depository receipts, global depository receipts, rights issues, equity-linked notes, equity-linked securities and participatory notes, but shall not include convertible debt securities;
“EU”		means the European Union;
“EUR”, “€” or “Euro”		means euro, the European single currency;
“Exchange Traded Funds”		means an exchange traded fund, the units of which may, depending on the circumstances, be classified as units in an Eligible Collective Investment Scheme or transferable securities (where the Exchange Traded Fund is a closed-ended fund)
“Exchange Traded Commodities”		means transferable securities (including secured debt securities issued by corporations) which are specifically designed to reflect the performance of an underlying commodity or basket of commodities (such as but not limited to precious metals and oil). For the avoidance of doubt, investment in Exchange Traded Commodities will result in the Fund having an indirect exposure to commodities. As commodities are not eligible investments for UCITS, the Fund may not invest directly in commodities;
“FATCA”		means: <ul style="list-style-type: none"> (a) sections 1471 to 1474 of the U.S. Internal Revenue Code or any associated regulations or other official guidance; (b) any intergovernmental agreement, treaty, regulation, guidance or other agreement between the Government of Ireland (or any Irish government body) and the US, UK or any other jurisdiction (including any government bodies in such jurisdiction), entered into in order to comply with, facilitate, supplement, implement or give effect to: (a) the legislation, regulations or guidance described in paragraph (i) above; or (b) any similar regime, including any automatic exchange of information regime arising from or in connection with the OECD Common Reporting Standard; and (c) any legislation, regulations or guidance in Ireland that give effect to the matters outlined in the preceding paragraphs (a) and (b);
“Fixed Securities Instruments”	Income and	means transferable debt securities and instruments of varying durations that are denominated in a variety of currencies and issued by a number of different types of issuer, such as governments and companies, including but not limited to, municipal and government bonds, agency debt instruments (being that issued by local authorities or public international bodies of which one or more Member States is a member), zero coupon bonds, discount bonds, freely transferable and unleveraged structured notes, mortgage-backed debt securities, asset-backed debt instruments and corporate debt securities (including corporate bonds) that are listed, traded or dealt in on a Regulated Market, that may have fixed or floating interest rates and that may be unrated, rated investment grade or below investment grade, but shall not include convertible debt securities, financial derivative instruments and money-market instruments;
“Frank Russell”		means Frank Russell Company, the ultimate holding company of the Manager, the Investment Managers and the Adviser;
“Fund” or “Funds”		means any fund or funds from time to time established by the Company that is or are described in this Prospectus;

“FTSE Actuaries Government Securities U.K. Gilts Over 15 Years Index”	means a market capitalisation weighted index comprising all fixed maturity U.K. government bond issues with remaining terms to maturity of at least 15 years that satisfy minimum issue requirements, but excludes index-linked stocks;
“FTSE-A Government Index Linked All Stocks Index”	means a market capitalisation weighted index comprising approximately 12 all index-linked stocks;
“FTSE EPRA/NAREIT Global Real Estate Index”	means a market capitalisation weighted index of companies the majority of whose earnings or the entirety of whose assets are engaged in relevant real estate activities, based on the last trade prices where the market capitalisation of each constituent is adjusted for free float and designed to track the performance of listed real estate companies and REITs worldwide;
“GBP”, “Stg£” or “Sterling”	means pounds sterling, the lawful currency of the U.K.;
“Income Class Shares”	means Shares of a Class of a Fund that distribute Net Income from time to time, subject to Directors’ discretion;
“Investment Adviser”	means the person or persons from time to time appointed by an Investment Manager to act as an investment adviser which may include affiliates of the Manager;
“Investment Manager”	means a person appointed by the Manager to act as an Investment Manager of a fund which may include affiliates of the Manager;
“Initial Offer Period”	means, in the case of any Class of Shares of any Fund which have not yet been launched, 4 December 2015 to 4 June 2016 or such date or period as the Directors may determine and notify to the Central Bank. The Central Bank will be notified of any such extension in advance if subscriptions have been received and otherwise shall be notified subsequently on an annual basis.
“IOSCO”	means the International Organisation of Securities Commissions;
“Irish Resident”	means, any person resident in Ireland or ordinarily resident in Ireland other than an Exempt Irish Resident (as defined in the Taxation section of the Prospectus);
“JPY”, “JP¥” or “Japanese Yen”	means Japanese yen, the lawful currency of Japan;
“Manager”	means Russell Investments Ireland Limited (formerly known as Frank Russell Investments (Ireland) Limited);
“Management and Investment Advisory Agreement”	means the agreement made on 11 April 1994 between the Company and the Manager as amended by supplemental agreements dated 29 September 2006 and 27 October 2010, as may be further amended from time to time in accordance with the requirements of the Central Bank;
“Member State”	means a member state of the EU;
“Money Manager”	means the person or persons from time to time appointed by the Manager to act as a money manager which may include affiliates of the Manager;
“Money Manager	means an agreement between the Manager and a Money Manager, as may be amended or supplemented from time to time in accordance with the requirements of the Central Bank;

Agreement”

“Money Market Rates” means the rates obtained by investing in high quality money market instruments including government bonds;

“Moody’s” means Moody’s Investors Service, Inc., the rating agency;

“Net Asset Value”
or **“NAV”** means the net asset value of the Company or of a Fund or of a Class calculated as described herein;

“Net Asset Value per Share” means the Net Asset Value of each Class of a Fund divided by the number of Shares issued in respect of such Class;

“Net Income”: in relation to the Russell Global Bond Fund, Russell Global High Yield Fund, Russell Global Credit Fund, Russell Sterling Bond Fund, Russell Absolute Return Bond Fund and Russell Emerging Market Debt Fund (which charge fees and expenses to capital rather than income): all interest, dividends and other amounts deemed by the Manager to be in the nature of income;

in relation to all other Funds: all interest, dividends and other amounts deemed by the Manager to be in the nature of income less the relevant estimated Fund expenses applicable to that dividend period;

“NZD” means New Zealand dollars, the lawful currency of New Zealand;

“OECD” means the Organisation for Economic Co-operation and Development, the current members of which, as at the date of this Prospectus, are Australia, Austria, Belgium, Canada, Chile, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Poland, Portugal, the Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey, the United Kingdom and the U.S.;

typically considered to mean securities of issuers whose registered office is in an EEA country, provided that other applicable criteria (e.g. in relation to relevant international taxation agreements) are met. There is no guarantee the eligibility criteria for the PEA will not be amended;

Securities”

“Prospectus” means the prospectus for the Funds as amended from time to time and approved by the Central Bank;

“Regulated Market” means any stock exchange or regulated market in the European Union or a stock exchange or regulated market which is provided for in the Articles of Association, details of which are set out in Schedule I hereto;

“Regulations” means the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011, as amended as such may be further amended, supplemented or replaced from time to time and any rules made by the Central Bank

pursuant to them;

“Relevant Institution”	means (i) a credit institution authorised in the EEA; (ii) a credit institution authorised within a signatory state, other than a Member State of the EEA, to the Basle Capital Convergence Agreement of July 1988 (Canada, Japan, Switzerland and the U.S.); or (iii) a credit institution authorised in Australia, Guernsey, the Isle of Man, Jersey or New Zealand;
“Roll-Up Class Shares”	means Shares of a Class of a Fund that do not declare or distribute Net Income and whose Net Asset Value reflects Net Income;
“Russell 2000 Index”	means the index which measures the performance of the small cap segment of the U.S. equity universe. The Russell 2000 Index is a subset of the Russell 3000 Index representing approximately 10 per cent of the total market capitalisation of that Index;
“Russell Investments”	means Frank Russell and any affiliate of Frank Russell being any company or other legal entity in which Frank Russell owns more than 50 per cent of the outstanding voting shares, and includes the Manager, the Investment Managers and the Adviser and Distributor;
“Sales Charge”	means a charge on a subscription in a Class of Shares of up to 5 per cent of the subscription price which is to be paid to the Distributor and/or any of its agents or appointed sub-distributors;
“SGAM”	means Société Générale Asset Management;
“SGD”	means Singapore dollars, the lawful currency of Singapore;
“Share” or “Shares”	means a share or shares in the capital of the Company;
“Shareholder”	means a holder of Shares in the Company;
“Short-Term Instruments”	means short-term debt instruments issued by a number of different types of issuer such as governments and companies that have a maturity of less than one year, including without limitation, certificates of deposit, bankers’ acceptances, commercial paper, treasury bills and agency discount paper. The duration of floating rate instruments will be recognised as the duration of the reset period.
“Short-Term Money Market Fund”	means a Short-Term Money Market Fund as defined in accordance with the requirements of the UCITS Notices on money market funds, as amended;
“S&P”	means Standard & Poor’s Corporation, the rating agency;
“Trade Cut-Off Time”	means in the case of subscriptions and repurchases: in respect of the Russell Multi-Asset Growth Strategy Euro Fund and the Russell Multi-Asset Conservative Strategy Fund, 1.00 pm (Irish time) on a Dealing Day; in respect of the Russell Euro Liquidity Fund, 12 noon (Irish time) on a Dealing Day; or in respect of all other Funds, 2.00 pm (Irish time) on a Dealing Day;
“UCITS”	means an undertaking for collective investment in transferable securities established pursuant to the Regulations;

“UCITS Directive”	means Directive 2009/65/EC of the European Parliament and the Council of 13 July 2009 on the co-ordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS);
“U.K.”	means the United Kingdom of Great Britain and Northern Ireland;
“U.S.”	means the United States of America (including the States and the District of Columbia), its territories, possessions and all other areas subject to its jurisdiction;
“USD”, “U.S.\$” or “U.S. Dollars”	means U.S. dollars, the lawful currency of the U.S.;
“US\$ 3-month Libor”	means the average interest rate at which a selection of banks in London are prepared to lend to one another in U.S. dollars with a maturity of 3 months;
“U.S. Person”	means, unless otherwise determined by the Directors, (i) a citizen or resident of the U.S.; (ii) a corporation, partnership, or other entity organised in or under the laws of the U.S. or any state, (iii) an estate or trust the executor, administrator or trustee of which is a U.S. person as defined above, the income or beneficiaries of which are subject to U.S. federal income tax; and (iv) certain accounts held by a dealer or other fiduciary where the person exercising discretion over the account is a U.S. Person. U.S. Person shall not include corporations, partnerships or other entities which are organised or incorporated under the laws of any non U.S. jurisdiction that are controlled, directly or indirectly, by a U.S. Person as described above, unless such corporation, partnership or other entity was formed by such U.S. Person principally for the purpose of investing in securities not registered under the U.S. Securities Act.

SCHEDULE V

Investment Restrictions

1 Permitted Investments

Investments of a UCITS are confined to:

- 1.1 Transferable securities and money market instruments, as prescribed in the UCITS Notices, which are either admitted to official listing on a stock exchange in a Member State or non-Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in a Member State or non-Member State.
- 1.2 Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.
- 1.3 Money market instruments, as defined in the UCITS Notices, other than those dealt on a regulated market.
- 1.4 Units of UCITS.
- 1.5 Units of non-UCITS as set out in the Central Bank's Guidance Note 2/03.
- 1.6 Deposits with credit institutions as prescribed in the UCITS Notices.
- 1.7 Financial derivative instruments as prescribed in the UCITS Notices.

2 Investment Restrictions

- 2.1 A UCITS may invest no more than 10 per cent of net assets in transferable securities and money market instruments other than those referred to in paragraph 1.
- 2.2 A UCITS may invest no more than 10 per cent of net assets in recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described in paragraph 1.1) within a year. This restriction will not apply in relation to investment by the UCITS in certain US securities known as Rule 144A securities provided that:
 - the securities are issued with an undertaking to register with the US Securities and Exchanges Commission within one year of issue; and
 - the securities are not illiquid securities i.e. they may be realised by the UCITS within seven days at the price, or approximately at the price, at which they are valued by the UCITS.
- 2.3 A UCITS may invest no more than 10 per cent of net assets in transferable securities or money market instruments issued by the same body provided that the total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5 per cent is less than 40 per cent.
- 2.4 The limit of 10 per cent (in 2.3) is raised to 25 per cent in the case of bonds that are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bond-holders. If a UCITS invests more than 5 per cent of its net assets in these bonds issued by one issuer, the total value of these investments may not exceed 80 per cent of the net asset value of the UCITS. **This restriction need not be included unless it is intended to avail of this provision and reference must be made to the fact that this requires the prior approval of the Central Bank.**
- 2.5 The limit of 10 per cent (in 2.3) is raised to 35 per cent if the transferable securities or money market instruments are issued or guaranteed by a Member State or its local authorities or by a non-Member State or public international body of which one or more Member States are members.
- 2.6 The transferable securities and money market instruments referred to in 2.4. and 2.5 shall not be taken into account for the purpose of applying the limit of 40 per cent referred to in 2.3.

- 2.7** A UCITS may not invest more than 20 per cent of net assets in deposits made with the same credit institution.

Deposits with any one credit institution, other than

- a credit institution authorised in the EEA (European Union Member States, Norway, Iceland, Liechtenstein);
- a credit institution authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988 (Switzerland, Canada, Japan, United States); or
- a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand held as ancillary liquidity, must not exceed 10 per cent of net assets.

This limit may be raised to 20 per cent in the case of deposits made with the trustee/custodian.

- 2.8** The risk exposure of a UCITS to a counterparty to an OTC derivative may not exceed 5 per cent of net assets.

This limit is raised to 10 per cent in the case of a credit institution authorised in the EEA; a credit institution authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988; or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand

- 2.9** Notwithstanding paragraphs 2.3, 2.7 and 2.8 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20 per cent of net assets:

- investments in transferable securities or money market instruments;
- deposits, and/or
- counterparty risk exposures arising from OTC derivatives transactions.

- 2.10** The limits referred to in 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9 above may not be combined, so that exposure to a single body shall not exceed 35 per cent of net assets.

- 2.11** Group companies are regarded as a single issuer for the purposes of 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9. However, a limit of 20 per cent of net assets may be applied to investment in transferable securities and money market instruments within the same group.

- 2.12** A UCITS may invest up to 100 per cent of net assets in different transferable securities and money market instruments issued or guaranteed by any Member State, its local authorities, non-Member States or public international body of which one or more Member States are members.

The individual issuers must be listed in the prospectus and may be drawn from the following list: OECD Governments (provided the relevant issues are investment grade), European Investment Bank, European Bank for Reconstruction and Development, International Finance Corporation, International Monetary Fund, Euratom, The Asian Development Bank, European Central Bank, Council of Europe, Eurofima, African Development Bank, International Bank for Reconstruction and Development (The World Bank), The Inter American Development Bank, European Union, Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), Government National Mortgage Association (Ginnie Mae), Student Loan Marketing Association (Sallie Mae), Federal Home Loan Bank, Federal Farm Credit Bank and Tennessee Valley Authority.

The UCITS must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30 per cent of net assets.

3 Investment in Collective Investment Schemes ("CIS")

- 3.1** A UCITS may not invest more than 20 per cent of net assets in any one CIS.

- 3.2** Investment in non-UCITS may not, in aggregate, exceed 30 per cent of net assets.

- 3.3** The CIS are prohibited from investing more than 10 per cent of net assets in other open-ended CIS.
- 3.4** When a UCITS invests in the units of other CIS that are managed, directly or by delegation, by the UCITS management company or by any other company with which the UCITS management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription, conversion or repurchase fees on account of the UCITS investment in the units of such other CIS.
- 3.5** Where a commission (including a rebated commission) is received by the UCITS manager/investment manager/investment adviser by virtue of an investment in the units of another CIS, this commission must be paid into the property of the UCITS.

4 Index Tracking UCITS

- 4.1** A UCITS may invest up to 20 per cent of net assets in shares and/or debt securities issued by the same body where the investment policy of the UCITS is to replicate an index which satisfies the criteria set out in the UCITS Notices and is recognised by the Central Bank
- 4.2** The limit in 4.1 may be raised to 35 per cent, and applied to a single issuer, where this is justified by exceptional market conditions.

5 General Provisions

- 5.1** An investment company, or management company acting in connection with all of the CIS it manages, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.
- 5.2** A UCITS may acquire no more than:
- (i) 10 per cent of the non-voting shares of any single issuing body;
 - (ii) 10 per cent of the debt securities of any single issuing body;
 - (iii) 25 per cent of the units of any single CIS;
 - (iv) 10 per cent of the money market instruments of any single issuing body.

NOTE: The limits laid down in (ii), (iii) and (iv) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the money market instruments, or the net amount of the securities in issue cannot be calculated.

- 5.3** 5.1 and 5.2 shall not be applicable to:
- (i) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;
 - (ii) transferable securities and money market instruments issued or guaranteed by a non-Member State;
 - (iii) transferable securities and money market instruments issued by public international bodies of which one or more Member States are members;
 - (iv) shares held by a UCITS in the capital of a company incorporated in a non-member State which invests its assets mainly in the securities of issuing bodies having their registered offices in that State, where under the legislation of that State such a holding represents the only way in which the UCITS can invest in the securities of issuing bodies of that State. This waiver is applicable only if in its investment policies the company from the non-Member State complies with the limits laid down in 2.3 to 2.11, 3.1, 3.2, 5.1, 5.2, 5.4, 5.5 and 5.6, and provided that where these limits are exceeded, paragraphs 5.5 and 5.6 below are observed.
 - (v) Shares held by an investment company or investment companies in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of units at unit-holders' request exclusively on their behalf.
- 5.4** UCITS need not comply with the investment restrictions herein when exercising subscription rights attaching to transferable securities or money market instruments which form part of their assets.

- 5.5** The Central Bank may allow recently authorised UCITS to derogate from the provisions of 2.3 to 2.12, 3.1, 3.2, 4.1 and 4.2 for six months following the date of their authorisation, provided they observe the principle of risk spreading.
- 5.6** If the limits laid down herein are exceeded for reasons beyond the control of a UCITS, or as a result of the exercise of subscription rights, the UCITS must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its unitholders.
- 5.7** Neither an investment company, nor a management company or a trustee acting on behalf of a unit trust or a management company of a common contractual fund, may carry out uncovered sales of:
- transferable securities;
 - money market instruments*;
 - units of CIS; or
 - financial derivative instruments.
- 5.8** A UCITS may hold ancillary liquid assets.
- 6 Financial Derivative Instruments (“FDIs”)**
- 6.1** The UCITS global exposure (as prescribed in the UCITS Notices) relating to FDI must not exceed its total net asset value.
- 6.2** Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the UCITS Notices. (This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in the UCITS Notices.)
- 6.3** UCITS may invest in FDIs dealt in over-the-counter (OTC) provided that:
- The counterparties to over-the-counter transactions (OTCs) are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.
- 6.4** Investment in FDIs are subject to the conditions and limits laid down by the Central Bank.

**Any short selling of money market instruments by UCITS is prohibited*

SCHEDULE VI
Investment Techniques and Financial Derivative Instruments

Financial Derivative Instruments

Permitted FDI

1. A UCITS may invest in FDI provided that:

- (i) the relevant reference items or indices, consist of one or more of the following ¹:
 - instruments referred to in paragraph 1 (i) - (vi) of Notice UCITS 9 including financial instruments having one or several characteristics of those assets;
 - financial indices;
 - interest rates;
 - foreign exchange rates;
 - currencies; and
- (ii) the FDI do not expose the UCITS to risks which it could not otherwise assume (e.g. gain exposure to an instrument/issuer/currency to which the UCITS cannot have a direct exposure);
- (iii) the FDI do not cause the UCITS to diverge from its investment objectives; and
- (iv) the reference in 1(i) above to financial indices shall be understood as a reference to indices which fulfil the following criteria and the provisions of Guidance Note 2/07:
 - (a) they are sufficiently diversified, in that the following criteria are fulfilled:
 - (i) the index is composed in such a way that price movements or trading activities regarding one component do not unduly influence the performance of the whole index;
 - (ii) where the index is composed of assets referred to in Regulation 68(1), its composition is at least diversified in accordance with Regulation 71;
 - (iii) where the index is composed of assets other than those referred to in Regulation 68(1), it is diversified in a way which is equivalent to that provided for in Regulation 71;
 - (b) they represent an adequate benchmark for the market to which they refer, in that the following criteria are fulfilled:
 - (i) the index measures the performance of a representative group of underlyings in a relevant and appropriate way;
 - (ii) the index is revised or rebalanced periodically to ensure that it continues to reflect the markets to which it refers following criteria which are publicly available;
 - (iii) the underlyings are sufficiently liquid, which allows users to replicate the index, if necessary;
 - (c) they are published in an appropriate manner, in that the following criteria are fulfilled:
 - (i) their publication process relies on sound procedures to collect prices and to calculate and to subsequently publish the index value, including pricing procedures for components where a market price is not available;
 - (ii) material information on matters such as index calculation, rebalancing methodologies, index changes or any operational difficulties in providing timely or accurate information is provided on a wide and

¹ FDI on commodities are excluded.

timely basis.

Where the composition of assets which are used as underlyings by FDI does not fulfil the criteria set out in (a), (b) or (c) above, those FDI shall, where they comply with the criteria set out in Regulation 68(1)(g), be regarded as financial derivatives on a combination of the assets referred to in Regulation 68(1)(g)(i), excluding financial indices.

2. Credit Derivatives

Credit derivatives are permitted where:

- (i) they allow the transfer of the credit risk of an asset as referred to in paragraph 1(i) above, independently from the other risks associated with that asset;
- (ii) they do not result in the delivery or in the transfer, including in the form of cash, of assets other than those referred to in Regulations 68(1) and 68(2);
- (iii) they comply with the criteria for OTC derivatives set out in paragraph 4 below;
- (iv) their risks are adequately captured by the risk management process of the UCITS, and by its internal control mechanisms in the case of risks of asymmetry of information between the UCITS and the counterparty to the credit derivative resulting from potential access of the counterparty to non-public information on firms the assets of which are used as underlyings by credit derivatives. The UCITS must undertake the risk assessment with the highest care when the counterparty to the FDI is a related party of the UCITS or the credit risk issuer.

3. FDI must be dealt in on a Regulated Market. Restrictions in respect of individual stock exchanges and markets may be imposed by the Central Bank on a case by case basis.

4. Notwithstanding paragraph 3, a UCITS may invest in FDI dealt in over-the-counter, “**OTC derivatives**” provided that:

- (i) the counterparty is a credit institution listed in sub-paragraphs 1.4 (i), (ii) or (iii) of Notice UCITS 9 or an investment firm, authorised in accordance with the Markets in Financial Instruments Directive in an EEA Member State, or is an entity subject to regulation as a Consolidated Supervised Entity (“**CSE**”) by the US Securities and Exchange Commission;
- (ii) In the case of a counterparty which is not a credit institution, the counterparty has a minimum credit rating of A-2 or equivalent, or is deemed by the UCITS to have an implied rating of A-2. Alternatively, an unrated counterparty will be acceptable where the UCITS is indemnified or guaranteed against losses suffered as a result of a failure by the counterparty, by an entity which has and maintains a rating of A-2 or equivalent;
- (iii) risk exposure to the counterparty does not exceed the limits set out in Regulation 70(1)(c). The Fund shall calculate the counterparty exposure using the positive mark-to-market value of the OTC derivative contract with that counterparty. The UCITS may net its derivatives positions with the same counterparty, provided that the UCITS is able to legally enforce netting arrangements with the counterparty. Netting is only permissible with respect to OTC derivative instruments with the same counterparty and not in relation to any other exposures the UCITS may have to that counterparty;
- (iv) the UCITS is satisfied that (a) the counterparty will value the OTC derivative with reasonable accuracy and on a reliable basis at least daily; (b) the OTC derivative can be sold, liquidated or closed by an offsetting transaction at fair value, at any time at the UCITS’ initiative;
- (v) the UCITS must subject its OTC derivatives to reliable and verifiable valuation on a

daily basis and ensure that it has appropriate systems, controls and processes in place to achieve this. The valuation arrangements and procedures must be adequate and proportionate to the nature and complexity of the OTC derivative concerned and shall be adequately documented; and

- (vi) Reliable and verifiable valuation shall be understood as a reference to a valuation, by the UCITS, corresponding to fair value which does not rely only on market quotations by the counterparty and which fulfils the following criteria:
 - (a) the basis for the valuation is either a reliable up-to-date market value of the instrument, or, if such a value is not available, a pricing model using an adequate recognised methodology;
 - (b) verification of the valuation is carried out by one of the following:
 - (i) an appropriate third party which is independent from the counterparty of the OTC-derivative, at an adequate frequency and in such a way that the UCITS is able to check it;
 - (ii) a unit within the UCITS which is independent from the department in charge of managing the assets and which is adequately equipped for such purpose.

- 5. Risk exposure to an OTC derivative counterparty may be reduced where the counterparty will provide the UCITS with collateral. The UCITS may disregard the counterparty risk in circumstances where the value of the collateral, valued at market price and taking into account appropriate discounts, exceeds the value of the amount exposed to risk at any given time.

Collateral received must at all times meet with the following criteria:

- (i) **Liquidity:** Collateral received other than cash should be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation. Collateral received should comply with the provisions of Regulation 74;
- (ii) **Valuation:** Collateral received should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place;
- (iii) **Issuer credit quality:** Collateral received should be of high quality;
- (iv) **Correlation:** Collateral received should be issued by an entity that is independent from the counterparty and is not expected to display a high correlation with the performance of the counterparty;
- (v) **Diversification (asset concentration):** Collateral should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer of 20% of the UCITS net asset value. When UCITS are exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer;
- (vi) **Immediately available:** Collateral received should be capable of being fully enforced by the UCITS at any time without reference to or approval from the counterparty.
- (vii) Non-cash collateral cannot be sold pledged or re-invested.
- (viii) Cash collateral may not be invested other than in the following:
 - deposits with relevant institutions;
 - high-quality government bonds;
 - reverse repurchase agreements provided the transactions are with credit institutions subject to prudential supervision and the UCITS is able to recall at any time the full amount of cash on an accrued basis;

- short-term money market funds as defined in the ESMA Guidelines on a Common Definition of European Money Market Funds (*ref CESR/10-049*).

Collateral passed to an OTC derivative counterparty by or on behalf of a UCITS must be taken into account in calculating exposure of the UCITS to counterparty risk as referred to in Regulation 70(1)(c) of the Regulations. Collateral passed may be taken into account on a net basis only if the UCITS is able to legally enforce netting arrangements with this counterparty.

Calculation of issuer concentration risk and counterparty exposure risk

Each UCITS must calculate issuer concentration limits as referred to in Regulation 70 of the Regulations on the basis of the underlying exposure created through the use of FDI pursuant to the commitment approach. The calculation of exposure arising from OTC derivative transactions must include any exposure to OTC derivative counterparty risk. A UCITS must calculate exposure arising from initial margin posted to and variation margin receivable from a broker relating to exchange-traded or OTC derivatives, which is not protected by client money rules or other similar arrangements to protect the UCITS against the insolvency of the broker, and that exposure cannot exceed the OTC counterparty limit referred to in Regulation 70(1)(c) of the Regulations.

The calculation of issuer concentration limits as referred to in Regulation 70 of the Regulations must take account of any net exposure to a counterparty generated through a stocklending or repurchase agreement. Net exposure refers to the amount receivable by a UCITS less any collateral provided by the UCITS. Exposures created through the reinvestment of collateral must also be taken into account in the issuer concentration calculations. When calculating exposures for the purposes of Regulation 70 of the Regulations, a UCITS must establish whether its exposure is to an OTC counterparty, a broker or a clearing house.

6. Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities, money market instruments or collective investment schemes, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in Regulations 70 and 73. When calculating issuer-concentration risk, the FDI (including embedded FDI) must be looked through in determining the resultant position exposure. This position exposure must be taken into account in the issuer concentration calculations. Issuer concentration must be calculated using the commitment approach when appropriate or the maximum potential loss as a result of default by the issuer if more conservative. It must also be calculated by all UCITS, regardless of whether they use VaR for global exposure purposes. This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in Regulation 71(1) of the Regulations.
7. A transferable security or money market instrument embedding a FDI shall be understood as a reference to financial instruments which fulfil the criteria for transferable securities or money market instruments set out in UCITS 9 and which contain a component which fulfils the following criteria:
 - (a) by virtue of that component some or all of the cash flows that otherwise would be required by the transferable security or money market instrument which functions as host contract can be modified according to a specified interest rate, financial instrument price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, and therefore vary in a way similar to a stand-alone derivative;
 - (b) its economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract;
 - (c) it has a significant impact on the risk profile and pricing of the transferable security or money market instrument.
8. A transferable security or a money market instrument shall not be regarded as embedding a FDI where it contains a component which is contractually transferable independently of the transferable security or the money market instrument. Such a component shall be deemed to be a separate financial instrument.

Cover requirements

9. A UCITS must ensure that its global exposure (as prescribed in the Central Bank Notices) relating to FDI

does not exceed its total net asset value. A UCITS may not therefore be leveraged, including any short positions, in excess of 100 per cent of net asset value. To the extent permitted under the relevant rules, the UCITS may take account of netting and hedging arrangements when calculating global exposure. The commitment approach is detailed in the UCITS risk management procedures for FDI, which are described below under “Risk Management Process and Reporting”.

A UCITS using the VaR approach must employ back testing and stress testing and comply with other regulatory requirements regarding the use of VaR. The VaR method is detailed in the relevant UCITS’ risk management procedures for FDI, which are described below under “Risk Management Process and Reporting”.

A UCITS must, at any given time, be capable of meeting all its payment and delivery obligations incurred by transactions involving FDI. Monitoring of FDI transactions to ensure they are adequately covered must form part of the risk management process of the UCITS.

10. A transaction in FDI which gives rise, or may give rise, to a future commitment on behalf of a UCITS must be covered as follows:
 - (i) in the case of FDI which automatically, or at the discretion of the UCITS, are cash settled a UCITS must hold, at all times, liquid assets which are sufficient to cover the exposure.
 - (ii) in the case of FDI which require physical delivery of the underlying asset, the asset must be held at all times by a UCITS. Alternatively a UCITS may cover the exposure with sufficient liquid assets where:
 - the underlying assets consists of highly liquid fixed income securities; and/or
 - the UCITS considers that the exposure can be adequately covered without the need to hold the underlying assets, the specific FDI are addressed in the Risk Management Process, which is described in paragraph 11 below, and details are provided in the Prospectus.

Risk management process and reporting

11. (i) A UCITS must employ a risk management process to accurately monitor, measure and manage the risks attached to FDI positions and their contribution to the overall risk profile of the portfolio.
- (ii) A UCITS must provide the Central Bank with details of its proposed Risk Management Process in respect of its FDI activity. The initial filing is required to include information in relation to:
 - Permitted types of FDI, including embedded derivatives in transferable securities and money market instruments;
 - Details of the underlying risks;
 - Relevant quantitative limits and how these will be monitored and enforced;
 - Methods for estimating risks.
- (ii) Material amendments to the initial filing must be notified to the Central Bank in advance. The Central Bank may object to the amendments notified to it and amendments and/or associated activities objected to by the Central Bank may not be made.
12. The Company must submit a report to the Central Bank on its FDI positions on an annual basis. The report, which must contain information which reflects a true and fair value of the types of FDI used by the UCITS, the underlying risks, the quantitative limits and the methods used to estimate those risks, must be submitted with the annual report of the UCITS. The Company must, at the request of the Central Bank, provide this report at any time.

13. Repurchase Agreements, Reverse Repurchase Agreements and Stocklending Agreements

- I Repurchase/reverse repurchase agreements, and securities lending (together “**efficient portfolio**”

management techniques”) may only be effected in accordance with normal market practice. All assets received in the context of efficient portfolio management techniques should be considered as collateral and should comply with the criteria set down in paragraph II below.

II Collateral must, at all times, meet with the following criteria:

- (i) **Liquidity:** Collateral received other than cash should be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation. Collateral received should comply with the provisions of Regulation 74;
- (ii) **Valuation:** Collateral received should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place;
- (iii) **Issuer credit quality:** Collateral received should be of high quality;
- (iv) **Correlation:** Collateral received should be issued by an entity that is independent from the counterparty and is not expected to display a high correlation with the performance of the counterparty;
- (v) **Diversification (asset concentration):** Collateral should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer of 20% of the UCITS net asset value. When UCITS are exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer;
- (vi) **Immediately available:** Collateral received should be capable of being fully enforced by the UCITS at any time without reference to or approval from the counterparty.

III Risks linked to the management of collateral, such as operational and legal risks, should be identified, managed and mitigated by the risk management process.

IV Collateral received on a title transfer basis should be held by the trustee. For other types of collateral arrangement, the collateral can be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of collateral.

V Non-cash collateral cannot be sold pledged or re-invested.

VI Cash collateral may not be invested other than in the following:

- (i) deposits with relevant institutions;
- (ii) high-quality government bonds;
- (iii) reverse repurchase agreements provided the transactions are with credit institutions subject to prudential supervision and the UCITS is able to recall at any time the full amount of cash on an accrued basis;
- (iv) short-term money market funds as defined in the ESMA Guidelines on a Common Definition of European Money Market Funds (*ref CESR/10-049*).

VII In accordance with the requirement that efficient portfolio management techniques cannot result in a change to the UCITS declared investment objective or add substantial supplementary risks, invested cash collateral should be diversified in accordance with the diversification requirement applicable to non-cash collateral. Invested cash collateral may not be placed on deposit with the counterparty or a related entity.

VIII A UCITS receiving collateral for at least 30% of its assets should have an appropriate stress testing policy in place to ensure regular stress tests are carried out under normal and exceptional liquidity conditions to enable the UCITS to assess the liquidity risk attached to the collateral. The liquidity stress testing should at least prescribe the following:

- (i) design of stress test scenario analysis including calibration, certification and sensitivity analysis;
- (ii) empirical approach to impact assessment, including back-testing of liquidity risk estimates;
- (iii) reporting frequency and limit/loss tolerance threshold/s; and
- (iv) mitigation actions to reduce loss including haircut policy and gap risk protection.

- IX** A UCITS should have in place a clear haircut policy adapted for each class of assets received as collateral. When devising the haircut policy, a UCITS should take into account the characteristics of the assets such as the credit standing or the price volatility, as well as the outcome of the stress tests performed in accordance with paragraph VIII. This policy should be documented and should justify each decision to apply a specific haircut, or to refrain from applying any haircut, to a certain class of assets.
- X** The counterparty to a repurchase/reverse repurchase agreement or stocklending agreement must have a minimum credit rating of A-2 or equivalent, or must be deemed by the UCITS to have an implied rating of A-2 or equivalent. Alternatively, an unrated counterparty will be acceptable where the UCITS is indemnified or guaranteed against losses suffered as a result of a failure by the counterparty, by an entity which has and maintains a rating of A-2 or equivalent.
- XI** A UCITS should ensure that it is able at any time to recall any security that has been lent out or terminate any securities lending agreement into which it has entered.
- XII** A UCITS that enters into a reverse repurchase agreement should ensure that it is able at any time to recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued basis or a mark-to-market basis. When the cash is recallable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement should be used for the calculation of the net asset value of the UCITS.
- XIII** A UCITS that enters into a repurchase agreement should ensure that it is able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered (fixed-term repurchase and reverse repurchase agreements that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by the UCITS).
- XIV** Efficient portfolio management techniques do not constitute borrowing or lending for the purpose of Regulation 103 and Regulation 111 respectively.