Important Information

(The information in this section is required under the Securities Act 1978).

Investment decisions are very important. They often have long-term consequences. Read all documents carefully. Ask questions. Seek advice before committing yourself.

Choosing an investment

When deciding whether to invest, consider carefully the answers to the following questions that can be found on the pages noted below:

- What sort of investment is this? 15
- Who is involved in providing it for me? 16
- How much do I pay? 19
- What are the charges? 21
- What returns will I get? 23
- What are my risks? 27
- Can the investment be altered? 32
- How do I cash in my investment? 33
- Who do I contact with enquiries about my investment? 35
- Is there anyone to whom I can complain if I have problems with the investment? 36
- What other information can I obtain about this investment? 37

In addition to the information in this document, important information can be found in the current registered prospectus for the investment. You are entitled to a copy of that prospectus on request.

The Financial Markets Authority regulates conduct in financial markets

The Financial Markets Authority regulates conduct in New Zealand’s financial markets. The Financial Markets Authority’s main objective is to promote and facilitate the development of fair, efficient, and transparent financial markets.

For more information about investing, go to http://www.fma.govt.nz

Financial advisers can help you make investment decisions.

Using a financial adviser cannot prevent you from losing money, but it should be able to help you make better investment decisions.

Financial advisers are regulated by the Financial Markets Authority to varying levels, depending on the type of adviser and the nature of the services they provide. Some financial advisers are only allowed to provide advice on a limited range of products.

When seeking or receiving financial advice, you should check:

- the type of adviser you are dealing with:
- the services the adviser can provide you with:
- the products the adviser can advise you on.

A financial adviser who provides you with personalised financial adviser services may be required to give you a disclosure statement covering these and other matters. You should ask your adviser about how he or she is paid and any conflicts of interest he or she may have.

Financial advisers must have a complaints process in place and they, or the financial services provider they work for, must belong to a dispute resolution scheme if they provide services to retail clients. So if there is a dispute over an investment, you can ask someone independent to resolve it.

Most financial advisers, or the financial services provider they work for, must also be registered on the financial service providers register. You can search for information about registered financial service providers at http://www.fspr.govt.nz.
You can also complain to the Financial Markets Authority if you have concerns about the behaviour of a financial adviser.

This document is an Investment Statement for the purposes of the Securities Act 1978. It is dated and prepared as at 16 September 2014.

The offer under this Investment Statement is made in New Zealand only. This Investment Statement does not constitute an offer in any jurisdiction in which, or to any person to whom, it would be unlawful to make such an offer.

The securities being offered under this Investment Statement have not been approved for trading on any securities market, and returns are not guaranteed by any person. The offer under this Investment Statement does not take into account your investment objectives, financial situation or particular needs. You should seek professional advice from your accountant, investment adviser, tax adviser, solicitor or other professional adviser prior to deciding whether to invest.

All legislation mentioned in this Investment Statement can be viewed online at [www.legislation.govt.nz](http://www.legislation.govt.nz).

For Investors in Administration and Custodial Services

Many adviser groups and distributors prefer to access the Russell Investment Funds via Administration and Custodial Services platforms. Accordingly, Implemented Investment Solutions Limited ("Implemented Investment Solutions", "we" or "us") is proud to offer the Russell Investment Funds to investors via selected Administration and Custodial Services.

When reading this Investment Statement you should remember that if your investments are purchased through an Administration and Custodial Service they will be held by a custodian on your behalf. In that case, you should refer to the Administration and Custodial Service terms and the relevant marketing information for how you may invest in the Russell Investment Funds.

Please take the time to read this Investment Statement and the other relevant documentation that you have been given before making your investment decisions.

Please note that capitalised terms not given a meaning in the text are defined in the Glossary on page 38.
### Key information about the Russell Investment Funds

This key information section highlights the main aspects of the Russell Investment Funds. Please read the remainder of this Investment Statement and the Prospectus for the Russell Investment Funds for more information.

<table>
<thead>
<tr>
<th>Important information about the offer</th>
<th>Where to find out more</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Nature of the offer</strong></td>
<td></td>
</tr>
<tr>
<td>The following Funds are offered in this Investment Statement:</td>
<td>You should read this Investment Statement along with the Prospectus (available from <a href="http://www.iisolutions.co.nz">www.iisolutions.co.nz</a>).</td>
</tr>
<tr>
<td>- Russell Investments NZ Fixed Interest Fund</td>
<td></td>
</tr>
<tr>
<td>- Russell Investments Global Fixed Interest Fund</td>
<td></td>
</tr>
<tr>
<td>- Russell Investments NZ Shares Fund (formerly the Russell Investments Australasian Shares Fund)</td>
<td></td>
</tr>
<tr>
<td>- Russell Investments Global Shares Fund</td>
<td></td>
</tr>
<tr>
<td>- Russell Investments Hedged Global Shares Fund</td>
<td></td>
</tr>
<tr>
<td><strong>Investment in the Russell Investment Funds</strong></td>
<td>The &quot;Taxation&quot; section on page 24 has more information on PIEs.</td>
</tr>
<tr>
<td>The Russell Investment Funds are:</td>
<td>The section &quot;What sort of investment is this?&quot; on page 15 has more information about unit trusts.</td>
</tr>
<tr>
<td>- PIEs for tax purposes, and</td>
<td></td>
</tr>
<tr>
<td>- Legally structured as unit trusts under the Unit Trusts Act 1960.</td>
<td></td>
</tr>
<tr>
<td><strong>Investment structure</strong></td>
<td></td>
</tr>
<tr>
<td>The following Russell Investment Funds currently invest in underlying offshore managed funds established and managed by Russell Investments:</td>
<td>The Fund descriptions in the &quot;Russell Investment Funds&quot; section on pages 7 to 13.</td>
</tr>
<tr>
<td>- Russell Investments Global Fixed Interest Fund</td>
<td></td>
</tr>
<tr>
<td>- Russell Investments Global Shares Fund</td>
<td></td>
</tr>
<tr>
<td>- Russell Investments Hedged Global Shares Fund</td>
<td></td>
</tr>
<tr>
<td>The following Russell Investment Funds currently invest directly in assets which are managed by specialist managers selected on the advice of Russell Investments:</td>
<td></td>
</tr>
<tr>
<td>- Russell Investments NZ Fixed Interest Fund</td>
<td></td>
</tr>
<tr>
<td>- Russell Investments NZ Shares Fund</td>
<td></td>
</tr>
<tr>
<td><strong>Investment choice</strong></td>
<td></td>
</tr>
<tr>
<td>You should consult a financial adviser before making a decision to invest. You should choose the Russell Investment Fund or Funds that meet your particular investment needs.</td>
<td>The Fund descriptions in the &quot;Russell Investment Funds&quot; section on pages 7 to 13.</td>
</tr>
</tbody>
</table>
## Key financial benefits

In each Russell Investment Fund, your money is pooled together with other investors’ money and invested in accordance with the investment policy and investment strategy of the particular Fund. Pooling investments enables the Funds to invest in a wider range of investment opportunities than is likely to be available to an individual investor.

## Principal risks

Neither your investment nor any return on your investment in a Russell Investment Fund is guaranteed. As with most investments, by investing in a Russell Investment Fund, you take the risk you will receive back less than you invest and/or lower returns than you expect. Your main risk is that the value of the Units in a Russell Investment Fund goes down. There are a number of reasons this might happen. The two main reasons are set out below:

- Investing in a Fund that holds a greater proportion of shares generally poses a higher risk that the value of the Units in that Fund will go down (but also a higher chance the value of the Units will go up). Investing in a Fund that holds more cash and high quality bonds generally has a lower risk that the value of the Units in that Fund will go down (but also a lower chance the value of the Units will go up). The investment risk of each Fund is different and depends on the type of assets it holds.

- If you invest in a Fund that holds assets denominated in a currency other than the New Zealand dollar, a change in the exchange rate between the New Zealand dollar and that other currency could make the New Zealand dollar value of those assets go down or up. There is also a risk we could suspend or defer redemptions from a Russell Investment Fund for a time. This would stop you being able to redeem your Units and be paid out of the Fund. This could happen if, due to deteriorating economic conditions, the assets held by a Fund could not be sold (or could not be sold at a reasonable price) to get cash to pay the value of your Redemption Request.

## No promise of returns or guarantee

No particular level of return is promised.

None of Implemented Investment Solutions, Russell Investments, Public Trust or any other person guarantees the repayment of any investment in the Russell Investment Funds, the performance of the Funds or any particular rate of return.

The value of your investment in any of the Russell Investment Funds (including returns) can go down as well as up.
### Fees and costs
You and the Russell Investment Fund(s) you invest into will pay several fees and costs. These include (but are not limited to) management fees and entry and exit costs.

The "What are the charges?" section on page 21.

### How to apply
Complete the application form at the back of this Investment Statement.

The application form at the back of this Investment Statement.

You should read this Investment Statement along with the Prospectus (available from www.iisolutions.co.nz) in full before completing the application form.

### Making investments
You can make lump sum investments from time to time (subject to certain minimums being met).

The "How much do I pay?" section on page 19.

### Making redemptions
You can generally redeem your Units in a Russell Investment Fund to get your money out by filling out and sending a completed Redemption Request form to Implemented Investment Solutions.

Redemptions can be suspended in certain circumstances.

The "How do I cash in my investment?" section on page 33.
Bringing New Zealanders the best of both worlds

Locally owned boutique investment management firm Implemented Investment Solutions has teamed up with Russell Investments, one of the leading global investment managers and advisers in the world, to make their investment expertise and solutions more accessible to New Zealand investors.

Russell Investments

Russell Investment Group Limited is the investment manager and investment adviser of the Funds and is also a Promoter of the Funds. Russell Investment Group Limited is part of Russell Investments. Russell Investments is a global asset manager with core capabilities that extend across capital markets research, manager research, portfolio construction, portfolio implementation and indexes. With 22 offices worldwide, Russell Investments manages over NZ$300 billion in assets, researches over 6,000 investment products, and advises on NZ$2.6 trillion in assets, including over NZ$9 billion on behalf of a range of large New Zealand clients.

Russell Investments draws on its unique combination of core capabilities to deliver multi-asset solutions to meet investors’ needs. Their analysts seek to identify superior investment manager talent through a proprietary research process based on objective analysis and on-site in-depth face to face interviews. This effort relies on a team of over 50 specialist analysts to rank and classify an initial pool of over 15,000 money manager products across the globe. This includes monitoring and researching more than 4,700 investment manager firms. Russell Investments has spent over 40 years researching and evaluating money managers. The cumulative knowledge gained from this research is the foundation for all of Russell’s products and services. This means that clients get the world’s leading investment ideas contributing to the performance of their investment.∗

Implemented Investment Solutions

Implemented Investment Solutions is the Manager of the Funds.

We are a funds management company focused on providing investors with turn-key investment solutions. Our objective is to provide clients with access to world-class investment solutions, while endeavouring to make these easy to use and understand from an investor’s perspective. Recognition is given to the benefits provided from working with a global organisation, especially in terms of both their investment expertise and global reach. This has been achieved through working with Russell Investments, one of the world’s leading global investment services firms.

The people behind Implemented Investment Solutions have expertise in developing, managing and distributing investment funds to New Zealand clients. This is achieved taking into account factors specific to the New Zealand investment environment, including portfolio construction (from a New Zealand perspective), and the tax and legislative environment. Implemented Investment Solutions believes that the most important key ingredient to make this work on behalf of our clients is having highly skilled people who are empowered to make decisions, based here in New Zealand.

∗ All figures in this section quoted as at 31 March 2014 except for the NZ$2.6 trillion which is as at 30 June 2014.
Russell Investment Funds

The following Russell Investment Funds are available for investment. Each of these Funds is managed using Russell Investments’ multi-manager approach, with one or more underlying specialist investment managers being appointed. The Funds may invest in direct securities (including derivatives) or other investment funds. Russell Investments has been appointed as the lead investment manager and investment adviser for each Fund and is responsible for working with us to identify the most appropriate investment strategy to meet each Fund’s objectives.

<table>
<thead>
<tr>
<th>Fixed Interest</th>
<th>Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Russell Investments NZ Fixed Interest Fund</strong></td>
<td><strong>Russell Investments NZ Shares Fund (formerly the Russell Investments Australasian Shares Fund)</strong></td>
</tr>
<tr>
<td>From 1 December 2014, or earlier if all investors consent, the Fund will have the ability to invest in the Australian fixed income market either through Australian dollar denominated debt securities or derivative instruments.</td>
<td>From 1 December 2014, or earlier if all investors consent, the investment policy and objectives will change to clarify that the fund is to be invested predominantly in New Zealand equity securities, with the ability to invest a portion of the Fund in Australian equity securities. Also the Fund will aim to outperform the Russell NZ Tradeable Gross Index rather than the NZX50 Gross Index.</td>
</tr>
<tr>
<td><strong>Russell Investments Global Fixed Interest Fund</strong></td>
<td><strong>Russell Investments Global Shares Fund</strong></td>
</tr>
<tr>
<td><strong>Russell Investments Hedged Global Shares Fund</strong></td>
<td><strong>Russell Investments Hedged Global Shares Fund</strong></td>
</tr>
</tbody>
</table>
Russell Investments NZ Fixed Interest Fund

The Russell Investments NZ Fixed Interest Fund is an actively managed portfolio of what we consider to be quality New Zealand fixed interest investments designed for those investors who wish to invest in a diversified portfolio of fixed interest securities.

Key features of the Fund are contained in the following table.

<table>
<thead>
<tr>
<th>Russell Investments NZ Fixed Interest Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment Manager</td>
</tr>
<tr>
<td>Administration</td>
</tr>
<tr>
<td>Investment Policy and Objectives</td>
</tr>
<tr>
<td>Investment Strategy</td>
</tr>
<tr>
<td>Delegated Sub-Investment Manager(s)*</td>
</tr>
<tr>
<td>Benchmark</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Currency Hedging</td>
</tr>
<tr>
<td>Minimum Investment Timeframe</td>
</tr>
</tbody>
</table>

* We and Russell Investments are responsible for selecting appropriate funds and/or appointing sub-investment managers and strategies, and these may change without notice. Details of the current underlying specialist managers can be obtained by contacting us.
Russell Investments Global Fixed Interest Fund

The Russell Investments Global Fixed Interest Fund provides Unitholders with exposure to a global fixed interest portfolio managed actively on a multi-manager basis. The Fund’s underlying investment exposure comprises of a diversified range of fixed interest investments, including international government securities, government-related securities, corporate securities, asset-backed securities and hybrid securities in both developed and emerging markets around the globe.

Key features of the Fund are contained in the following table.

<table>
<thead>
<tr>
<th>Russell Investments Global Fixed Interest Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Investment Manager</strong></td>
</tr>
<tr>
<td><strong>Administration</strong></td>
</tr>
<tr>
<td><strong>Investment Policy and Objectives</strong></td>
</tr>
<tr>
<td><strong>Investment Strategy</strong></td>
</tr>
</tbody>
</table>
| **Delegated Sub-Investment Manager(s)*** | The Russell Investments Global Fixed Interest Fund currently invests in the Russell Global Bond Fund (an Australian registered managed investment scheme). New Zealand cash is also held for transactional and administrative purposes. The current underlying specialist managers* are:  
- Colchester Global Investors Limited  
- Brookfield Investment Management Inc.  
- Loomis Sayles & Company L.P.  
- PIMCO Australia Pty Ltd  
- Strategic Fixed Income LLC  
The Russell Global Bond Fund also invests in an Absolute Return Bond Fund managed by Russell. The Russell Global Bond Fund targets a position of being fully hedged to the New Zealand dollar. This hedging policy may change in future. |
| **Benchmark** | Barclays Global Aggregate Index – New Zealand dollar Hedged |
Currency Hedging

As the underlying fund currently targets a position of being fully hedged back to the New Zealand dollar no hedging is currently required for the Fund itself.

Minimum Investment Timeframe

3+ Years

* We and Russell Investments are responsible for selecting appropriate funds and/or appointing sub-investment managers and strategies, and these may change without notice. Details of the current underlying specialist managers can be obtained by contacting us.
Russell Investments NZ Shares Fund

The Russell Investments NZ Shares Fund provides Unitholders with exposure to a diversified portfolio of predominately New Zealand shares, managed actively with the aim of outperforming the broader market. The Fund was formerly the Russell Investments Australasian Shares Fund.

Key features of the Fund are contained in the following table.

<table>
<thead>
<tr>
<th>Russell Investments NZ Shares Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Investment Manager</strong></td>
</tr>
<tr>
<td><strong>Administration</strong></td>
</tr>
<tr>
<td><strong>Investment Policy and Objectives</strong></td>
</tr>
<tr>
<td><strong>Investment Strategy</strong></td>
</tr>
<tr>
<td><strong>Delegated Sub-Investment Manager(s)</strong></td>
</tr>
<tr>
<td><strong>Benchmark</strong></td>
</tr>
<tr>
<td><strong>Currency Hedging</strong></td>
</tr>
<tr>
<td><strong>Minimum Investment Timeframe</strong></td>
</tr>
</tbody>
</table>

* We and Russell Investments are responsible for selecting appropriate funds and/or appointing sub-investment managers and strategies, and these may change without notice. Details of the current underlying specialist managers can be obtained by contacting us.
**Russell Investments Global Shares Fund**

The Russell Investments Global Shares Fund provides Unitholders with exposure to an actively managed global shares portfolio.

Key features of the Fund are contained in the following table.

<table>
<thead>
<tr>
<th>Russell Investments Global Shares Fund</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Investment Manager</strong></td>
<td>Russell Investments</td>
</tr>
<tr>
<td><strong>Administration</strong></td>
<td>Administrative functions, such as processing cashflows, are provided by Implemented Investment Solutions.</td>
</tr>
<tr>
<td><strong>Investment Policy and Objectives</strong></td>
<td>The investment objective of the Fund is to provide a total return, before costs and taxes, higher than the Benchmark over the long term by having an underlying exposure to a diversified portfolio of international shares. The investment policy of the Fund is to be invested with the intent that the Fund's principal investment policy will be investment in equity securities in any country.</td>
</tr>
<tr>
<td><strong>Investment Strategy</strong></td>
<td>The underlying investment exposure is predominantly to a broad range of international shares listed on stock exchanges in developed markets and emerging international markets. Derivatives may be used to obtain or reduce exposure to securities and markets, to implement investment strategies and to manage risk.</td>
</tr>
</tbody>
</table>
| **Delegated Sub-Investment Manager(s)*** | The Russell Investments Global Shares Fund currently invests in the Russell Global Opportunities Fund (an Australian registered managed investment scheme). * The current underlying specialist managers* are:  
  - Sanders Capital, LLC  
  - MFS International U.K. Limited  
  - Numeric Investors, LLC  
  - Harris Associates L.P.  
  - Wellington Management Company, LLP  
  - Russell Implementation Services Inc. |
| **Benchmark**                         | Russell Global Large Cap - Net Index |
| **Currency Hedging**                  | Normally unhedged (to New Zealand dollars) |
| **Minimum Investment Timeframe**      | 5+ years |

* We and Russell Investments are responsible for selecting appropriate funds and/or appointing sub-investment managers and strategies, and these may change without notice. Details of the current underlying specialist managers can be obtained by contacting us.
Russell Investments Hedged Global Shares Fund

The Russell Investments Hedged Global Shares Fund provides Unitholders with exposure to an actively managed global shares portfolio, which is typically hedged to New Zealand dollars.

Key features of the Fund are contained in the following table.

<table>
<thead>
<tr>
<th>Russell Investments Hedged Global Shares Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Investment Manager</strong></td>
</tr>
<tr>
<td>Russell Investments</td>
</tr>
<tr>
<td><strong>Administration</strong></td>
</tr>
<tr>
<td>Administrative functions, such as processing cashflows, are provided by Implemented Investment Solutions.</td>
</tr>
<tr>
<td><strong>Investment Policy and Objectives</strong></td>
</tr>
<tr>
<td>The investment objective of the Fund is to provide a total return, before costs and taxes, higher than the Benchmark over the long term by having an underlying exposure to a diversified portfolio of international shares, targeting a position of being fully hedged back to New Zealand dollars. The investment policy of the Fund is to be invested with the intent that the Fund's principal investment policy will be investment in equity securities in any country.</td>
</tr>
<tr>
<td><strong>Investment Strategy</strong></td>
</tr>
<tr>
<td>The underlying investment exposure is predominantly to a broad range of international shares listed on stock exchanges in developed markets as well as emerging international markets. Derivatives may be used to obtain or reduce exposure to securities and markets, to implement strategies and to manage risk. The Fund targets a position of being fully hedged back to New Zealand dollars.</td>
</tr>
<tr>
<td><strong>Delegated Sub-Investment Manager(s)</strong></td>
</tr>
<tr>
<td>The Russell Investments Hedged Global Shares Fund currently invests in the Russell Global Opportunities Fund – $NZ Hedged. (an Australian registered managed investment scheme).*</td>
</tr>
<tr>
<td>The current underlying specialist managers* are:</td>
</tr>
<tr>
<td>- Sanders Capital, LLC</td>
</tr>
<tr>
<td>- MFS International U.K. Limited</td>
</tr>
<tr>
<td>- Numeric Investors, LLC</td>
</tr>
<tr>
<td>- Harris Associates L.P.</td>
</tr>
<tr>
<td>- Wellington Management Company, LLP</td>
</tr>
<tr>
<td>- Russell Implementation Services Inc.</td>
</tr>
<tr>
<td>The Russell Global Opportunities Fund - $NZ Hedged, targets a position of being fully hedged to the New Zealand dollar. This hedging policy may change in the future.</td>
</tr>
<tr>
<td><strong>Benchmark</strong></td>
</tr>
<tr>
<td>Russell Global Large Cap NZ Hedged Net Index</td>
</tr>
<tr>
<td><strong>Currency Hedging</strong></td>
</tr>
<tr>
<td>As the underlying fund targets a position of being fully hedged to the New Zealand dollar no hedging is currently required for the Fund itself.</td>
</tr>
<tr>
<td><strong>Minimum Investment Timeframe</strong></td>
</tr>
<tr>
<td>5+ years</td>
</tr>
</tbody>
</table>

* We and Russell Investments are responsible for selecting appropriate funds and/or appointing sub-investment managers and strategies, and these may change without notice. Details of the current underlying specialist managers can be obtained by contacting us.
Statutory Information
What sort of investment is this?

The securities being offered are Units in the Russell Investment Funds, which are unit trusts under the Unit Trusts Act 1960.

A unit trust is an investment vehicle that enables investors to pool their funds with those of others. Pooling resources can enable access to a wider variety of assets and provide greater diversity than investors may achieve on their own. It also offers the potential benefits of professional investment management.

The interests of investors in the assets of each Fund are divided into Units, and the investors who hold Units are called Unitholders. Each Unit in a Fund is of equal value, and all Unitholders share equally in the gains and losses, income and expenses of a Fund. Ownership of Units does not give the Unitholder any interest in a particular part of, or any asset of, a Fund, or any right to participate in the management of a Fund.

The Funds are PIEs for tax purposes. Refer to the "Taxation" section on page 24 for further details.

The Funds are managed by Implemented Investment Solutions and Public Trust ("the Trustee") acts as an independent trustee, overseeing the Funds' management and administration. The assets of each Fund are held in the name of the Trustee or a nominee of the Trustee.
Who is involved in providing it for me?

The names of the Funds being offered in this Investment Statement are:

- Russell Investments NZ Fixed Interest Fund
- Russell Investments Global Fixed Interest Fund
- Russell Investments NZ Shares Fund (formerly the Russell Investments Australasian Shares Fund)
- Russell Investments Global Shares Fund
- Russell Investments Hedged Global Shares Fund

Listed below are the details of the organisations involved in providing each of the Funds for you:

**The Manager**

Implemented Investment Solutions
Level 3, Woodward House
1 Woodward Street
PO Box 25003
Wellington 6146

Telephone: (04) 499 9654
Email: contact@iisolutions.co.nz

**Our Directors:**

- Anthony Robert John Edmonds, BCom
  Anthony has over 20 years’ experience in the New Zealand investment management industry. He established Implemented Investment Solutions in 2011. Prior to establishing Implemented Investment Solutions, Anthony provided consultancy services to a range of investment companies, which included RaboPlus, Kiwibank, HSBC, Russell Investments, Fisher Funds, ANZ National Bank and Mint Asset Management. Previously Anthony was the Head of Sales and Marketing at AMP Capital Investors.

- David Stanley Stevens
  David is a retired senior banker. In recent years, through trusteeships, he has been involved in the management and control of several large employment related superannuation schemes. He remains involved with a number of charitable trusts. In his role with these organisations he has developed considerable experience in the requirements of good corporate governance and the management of wholesale investment funds.

- Alister Van der Maas, BMS (Hons), CFA
  Alister is the Managing Director for Russell New Zealand where he is focused on the management and strategy of the New Zealand business. He joined Russell in 2006 as a Consultant and became Head of Consulting in 2008. Prior to joining Russell Alister lived in the United Kingdom where he worked in various roles in the transition management industry. His client base consisted mainly of pension funds in the UK, Europe, Middle East and Australia.

Our directors may change from time to time. The names of our current directors can be obtained by contacting us.

Our address may change from time to time. Our current address can be obtained by contacting us by email or telephone using the contact details above or by searching for our entry on the Companies Office website at www.business.govt.nz/companies.

We may outsource some or all of the functions and tasks associated with administering and managing the Funds.
The Investment Manager
Russell Investment Group Limited
Level 13
PwC Tower
188 Quay Street
PO Box 105 191
Auckland

The Trustee
Public Trust
Level 5
40-42 Queens Drive
PO Box 31543
Lower Hutt

The Custodian
Public Trust RIF Nominees Limited
Level 5
40-42 Queens Drive
PO Box 31543
Lower Hutt

The Administration Manager and Registrar
MMC Limited
Level 13, Citigroup Centre
23 Customs Street East
PO Box 106 039
Auckland

The Promoters
We are a Promoter of the Funds.

As at the date of this Investment Statement, the directors of the Investment Manager are:

- Peter John Gunning - Sydney, Australia
- Alister Van der Maas – Auckland, NZ
- Fiona Alice Lintott - Auckland, NZ
- David Lewis McKenzie - Sydney, Australia
Nature and duration of the Funds

Each Fund is a separate unit trust under the Unit Trusts Act 1960 and is governed under a Unit Trust Establishment Deed dated 15 June 2011 that is supplemental to the Trust Deed for the Implemented Investment Solutions Funds dated 15 June 2011.

The Unit Trust Establishment Deeds for the Russell Investments NZ Fixed Interest Fund and the Russell Investments Global Fixed Interest Fund were amended by Amendment Deeds dated 20 September 2011. The Russell Investments NZ Fixed Interest Fund was further amended by an Amendment Deed dated 3 September 2014.

The Unit Trust Establishment Deed for the Russell Investments NZ Shares Fund was amended by Amendment Deeds dated 8 April 2013, 3 September 2014, and 10 September 2014. Prior to 3 September 2014 the Russell Investments NZ Shares Fund was called the Russell Investments Australasian Shares Fund.
How much do I pay?

The minimum initial investment for each Fund is $100,000. Thereafter, the minimum additional investment is $1,000 per Fund. These minimum amounts may be varied or waived at our discretion.

Making an application

You can apply to invest in the Funds by completing the application form attached to this Investment Statement and sending it with any further information required (as outlined on the application form) and your cheque or payment details to:

The Administration Manager
MMC Limited
Level 13, Citigroup Centre
23 Customs Street East
PO Box 106 039
AUCKLAND 1143

With a copy to:

The Manager
Implemented Investment Solutions
Level 3, Woodward House
1 Woodward Street
PO Box 25003
WELLINGTON 6146

Payments by cheque are to be made payable to: "Public Trust RIF Nominees Limited Applications Account".

We may, in our absolute discretion, refuse any application without giving any reason. If we refuse your application, your application payment will be returned to you in full, without interest.

Issue Price

If we accept your application, you will be issued Units in the Fund at the Issue Price. The Issue Price is the Net Asset Value per Unit in the Fund, plus an amount calculated to reflect the cost of acquiring investments following the issue of Units ("entry cost") and an initial service fee (if any). We have no current intention to charge an initial service fee. The indicative entry costs for each Fund are explained in the section "What are the charges?" on page 21.

The Issue Price of a Unit is generally determined on each Business Day ("Valuation Day"). Some of the Funds invest into underlying funds located outside New Zealand (ie, Australia) - see the description of the Funds on pages 7 to 13 for more detail. In some circumstances (eg, where there is a public holiday in the jurisdiction of the underlying fund) it may not be possible to determine the Issue Price of a Unit for the Fund because there is no valuation data available for the underlying fund. In these cases, the Issue Price may be determined on the next Business Day on which valuation data is available for the underlying fund.

If an application is received and accepted before the cut-off time for a Fund on a Valuation Day, Units will be issued at the Issue Price determined as at the end of that day. If an application is received and accepted at or after the cut-off time on a Valuation Day, Units will be issued at the Issue Price determined as at the end of the following Valuation Day.

The cut-off time for the receipt of applications and cleared funds for all Funds is currently 11 am New Zealand time.

If a payment is dishonoured or reversed, no Units will be issued in respect of that payment or any Units issued based on that payment will be cancelled.

Investing in a Fund through an investment adviser or an Administrative or Custodial Service may give rise to additional fees and costs (which are payable in addition to your investment amount). You should ensure that these fees are agreed in writing.
Cooling off period

There is no set cooling off period. However, if you change your mind once you have invested, you can request to redeem your Units at any time in the normal manner set out under the heading "How do I cash in my investment?" on page 33. However the Units may have changed in value since your subscription and the proceeds of the Units redeemed may be less than the amount invested.
What are the charges?

Entry and Exit Costs

The Issue Price includes an entry cost that provides for the cost of acquiring investments in the Fund. The Redemption Price includes an exit cost that provides for the cost of realising investments in the Fund. We determine the entry and exit cost on each subscription or redemption based on our estimate of the actual cost of acquiring or realising assets in the Fund(s). An indicative list of entry and exit costs as a percentage of Net Asset Value per Unit is set out below:

<table>
<thead>
<tr>
<th>Fund</th>
<th>Entry cost</th>
<th>Exit cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Russell Investments NZ Fixed Interest Fund</td>
<td>0.05%</td>
<td>0.05%</td>
</tr>
<tr>
<td>Russell Investments Global Fixed Interest Fund</td>
<td>0.25%</td>
<td>0.25%</td>
</tr>
<tr>
<td>Russell Investments NZ Shares Fund</td>
<td>0.30%</td>
<td>0.30%</td>
</tr>
<tr>
<td>Russell Investments Global Shares Fund</td>
<td>0.30%</td>
<td>0.30%</td>
</tr>
<tr>
<td>Russell Investments Hedged Global Shares Fund</td>
<td>0.32%</td>
<td>0.32%</td>
</tr>
</tbody>
</table>

Our determination of the actual costs of acquiring or realising assets in the Fund(s) and therefore the entry or exit cost may be higher or lower than as set out above. There is no limit on the amount of this charge. You will be advised of the actual entry and exit costs on subscription or redemption (as the case may be).

Switching Units

If you ask us to switch your investment from one Fund to another Fund and we accept that request, your Units in the first Fund will be redeemed at the applicable Redemption Price and the proceeds applied to issue you with Units in the other Fund at the applicable Issue Price. The entry and exit costs, and the initial service fee (if any), described elsewhere in this section will apply.

Management Fee

Each Fund pays an annual management fee based on that Fund's Gross Asset Value as set out below:

- Russell Investments NZ Fixed Interest Fund: 0.60% p.a.
- Russell Investments Global Fixed Interest Fund: 0.65% p.a.
- Russell Investments NZ Shares Fund: 1.20% p.a.
- Russell Investments Global Shares Fund: 1.30% p.a.
- Russell Investments Hedged Global Shares Fund: 1.30% p.a.

Management fees are calculated daily and paid monthly in arrears. We may waive or decrease a management fee without notice. We may increase a management fee by giving you at least three months' notice. No management fee may be increased above 2.00% p.a. of Gross Asset Value.

As set out at pages 7 to 13, many of the Funds invest into underlying funds some of which are managed by entities associated with the Investment Manager. The management fees in the table above include any investment management fees deducted within an underlying fund or paid to an underlying investment manager but do not include any other fees and charges deducted within an underlying fund. Where investment management fees are deducted from an underlying fund or paid to an underlying investment manager, we adjust our fee to ensure that you are not double charged for investment management services. You do not pay, directly or indirectly, any additional amount for the investment management services provided by entities associated with the Investment Manager in respect of the underlying funds.

Manager's Termination Fees

If a Fund terminates, we may charge the Fund a fee (based on time spent by us) and recover costs
and disbursements from the Fund for matters relating to termination. The fee, costs and disbursements must be approved by the Trustee as reasonable. You may ask us how much that fee was following termination.

If Unitholders of a Fund remove us as Manager by Extraordinary Resolution (other than for breach of trust or negligence), we may charge that Fund a termination fee, being the greater of:

- $150,000; and
- Four times the per annum percentage management fee for the Fund (refer to the table and description on page 21) multiplied by the Gross Asset Value of the Fund on the last Valuation Day before we cease to hold office.

With the approval of the Trustee, a third party may pay an amount to us equivalent to the termination fee, instead of the termination fee being paid from the Fund.

**Cap on Trustee's Fee, Administration Manager's Fee and certain other costs**

Each Fund pays the Trustee for independent trustee and custody services. Each Fund also pays the Administration Manager for unit pricing, fund accounting and registry services. Each Fund will also incur the cost of obtaining professional services such as legal fees and audit costs.

The total of the Trustee's fee, the Administration Manager's fee and the costs of obtaining professional services ("in-fund costs") will be capped at 0.10% per annum (plus GST) of the Gross Asset Value of the Fund. If, in any year, the in-fund costs exceed 0.10% then we will pay the excess. If, in any subsequent year, the in-fund costs are less than 0.10%, then we may recover from the Fund the amount of the excess previously paid, up to that year's 0.10% limit.

**Other Charges**

Each Fund will incur other expenses, including brokerage and taxation charges and there are indirect costs within the underlying funds. These brokerage, taxation, indirect costs and other expenses do not form part of the in-fund costs and are therefore not capped. Some of these expenses may be paid to us or the Administration Manager. There is no limit on these expenses, which (except for the costs charged within the underlying funds) will be shown in each Fund's financial statements. Note that the costs of marketing the Funds will be borne by us.

**Trustee's other Fees**

The Trustee may also charge special fees to a Fund for services of an unusual or onerous nature outside the Trustee's regular services (eg, on termination). This special fee is not subject to the 0.10% cap referred to above.

**Initial Service Fee**

While we have no current intention to do so, we may charge an initial service fee determined by us on the issue of any Unit. Any initial service fee, if it were to be charged, would be in addition to any entry cost.

**Variation to Fees**

We may, in our absolute discretion, rebate the entry and exit cost and/or management fee, by agreement, with a Unitholder, or a group of Unitholders.

**GST on Fees**

Where applicable, and except as set out above, GST will be added to the fees and charges described above. GST is charged at a rate of 15%. As at the date of this Investment Statement, GST will be charged on 10% of the management fee and 75% of the Trustee's fee. The IRD is reviewing the proportion of Manager's fees that are subject to GST. Hence GST on the management fee may increase.
What returns will I get?

The return on your investment reflects:

- the increase or decrease in the Unit price;
- plus
- income distributions (if any).

The total value of your investment at any time is:

\[(\text{the number of Units held } \times \text{the current Redemption Price}) - (\text{any PIE tax liability})\]

You can request to be paid your returns at any time by requesting a redemption (see the section "How do I cash in my investment?" on page 33).

The level of returns that you will receive on making a redemption is primarily influenced by the investment performance of the underlying investments for each Fund. The risk factors affecting the Funds are described in the section "What are my risks?" on page 27 and, if those risks eventuate, they may adversely affect returns.

The level of fees and expenses paid by each Fund (as discussed in the section "What are the charges" on page 21), and applicable taxes (set out on page 24 under the heading "Taxation"), will also affect returns.

There are no reserves or retentions that we expect will affect the returns of the Funds.

The person legally responsible for payment of returns is the Trustee, who acts at our direction.

No amount of returns, quantifiable as at the date of this Investment Statement and enforceable by you is promised. No guarantees of capital or earnings are given, and past performance is not necessarily indicative of future returns. None of the Trustee or its nominee companies, Implemented Investment Solutions, or Russell Investments guarantees the performance of the Funds.

Distributions

At the date of this Investment Statement, we intend to make six monthly distributions from the following Funds:

- Russell Investments NZ Fixed Interest Fund
- Russell Investments Global Fixed Interest Fund

From 31 March 2015 we also intend making six monthly distributions from the following Funds:

- Russell Investments NZ Shares Fund
- Russell Investments Global Shares Fund
- Russell Investments Hedged Global Shares Fund

We expect to make distributions in respect of the periods (Distribution Periods) ending on the last Valuation Days in March and September. However, the Distribution Periods may be varied in accordance with the Distribution Policy agreed by us and the Trustee from time to time.

If all investors in a fund elect for their distribution to be reinvested no distribution will be made for that fund.

The amount available for distribution, if any, will be determined in accordance with the Distribution Policy. Distributions will be expressed in cents per Unit and will therefore be calculated by dividing the distribution amount by the number of Units on issue for the relevant Fund on the last day of a Distribution Period.

Unitholders recorded on the Register on the last day of a Distribution Period will receive their pro-rata share of the distribution amount. The amount payable to each Unitholder is calculated by multiplying their number of Units by the cents per Unit distribution amount. We expect distribution payments to be made within 10 Business Days of the last day of a Distribution Period.

You can elect to have your distributions paid to a nominated bank account or reinvested in the relevant Fund. In the event that you have not
made a distribution election the default option is reinvestment. Additional Units will be issued for amounts reinvested. Distributions reinvested do not incur an entry cost.

Note that immediately following a distribution, the Unit price of a distributing fund will drop by the cents per Unit distribution amount.

We can vary the Distribution Policy for a Fund with the agreement of the Trustee. You will receive three months’ notice of any change to the Distribution Policy for a Fund.

**Taxation**

Taxation is likely to affect returns from the Funds. This section briefly summarises the taxation regime as it applies to the Funds. It is intended as a general guide only. All Unitholders have different taxation positions and you should seek your own tax advice prior to investing.

The Funds are Portfolio Investment Entities (“PIEs”). A Fund’s income is allocated to you in proportion to the number of Units you hold in the Fund. Tax is paid by a Fund on the income allocated to you at your Prescribed Investor Rate (“PIR”).

**Portfolio Investment Entities**

Gains or losses derived by PIEs in relation to New Zealand and most listed Australian companies are not subject to tax. Investments in certain offshore equities are taxed under the Fair Dividend Rate method, with a deemed return of 5% of the market value.

Under the PIE tax regime, a Fund will allocate its taxable income to a Unitholder and, where applicable, pay tax on allocated income on the Unitholder’s behalf for a Unitholder with a PIR of greater than zero. A Fund will undertake any necessary adjustments to a Unitholder’s interest in the Fund to reflect that the Fund pays tax at varying rates on behalf of Unitholders.

**Individuals**

The PIRs for individuals who are New Zealand tax resident are 10.5%, 17.5% and 28%.

You will be eligible for a 10.5% PIR if your taxable income in either of the two immediately prior tax years’ did not exceed both:

- $14,000 (excluding PIE income); and
- $48,000 (including PIE income).

If you do not qualify for the 10.5% rate you will be eligible for the 17.5% PIR if your taxable income in either of the two immediately prior tax years’ did not exceed both:

- $48,000 (excluding PIE income); and
- $70,000 (including PIE income).

If you do not qualify for either the 10.5% PIR or the 17.5% PIR (or do not provide us with a valid IRD number or notify us of your PIR), your PIR will be 28%. The maximum PIR for an individual is 28%.

If you are an individual and have provided your correct PIR, you will not be required to include the allocated taxable income from the Fund in your tax return. If you have provided a PIR that is lower than your correct PIR, you may have to include the allocated taxable income in your tax return. If you have provided a PIR that is higher than your correct PIR, you will not be able to receive a refund of the overpayment of tax.

**Non-individuals**

Non-individual Unitholders (eg, a company or a charity) who are New Zealand tax residents with a valid IRD number and who notify their PIR will have a PIR of 0%. If they do not provide a valid IRD number or notify a PIR the default PIR of 28% will apply. Non-individuals must account for tax on their allocated income from a Fund in their own tax return.

Non-individuals who are New Zealand tax resident trusts will have a PIR of 0% unless their trustees elect to apply a 10.5%, 17.5% or 28% PIR or they do not provide a valid IRD number or notify their PIR to us. If a 0% PIR applies to a trust, then that trust must account for its allocated

* Tax years generally commence on 1 April in any year and end on 31 March in the following year.
income from a Fund within its own tax return (at the appropriate tax rate). If a trust elects a 10.5% or 17.5% PIR the trust includes the allocated income from a Fund within its own tax return (at the appropriate tax rate) and claims a credit for the tax already paid by the Fund. If a trust elects a 28% PIR to be applied against its allocated income from the relevant Fund, we will pay tax at the 28% rate and that will be a final tax. (10.5% PIR is only available to Testamentary Trusts).

Foreign residents
If you are not a New Zealand resident, your allocated income from a Fund will be taxed at 28%. We will account to Inland Revenue directly for tax on a non-resident Unitholder’s allocated income from the relevant Fund.

However, we have elected for:
- the Russell Investments NZ Fixed Interest Fund and
- the Russell Investments NZ Shares Fund to become Foreign Investment PIEs. For these funds lower PIRs will apply to eligible foreign residents who have sufficiently completed and provided to us a notified foreign investor form (available on request). The lower rates are as follows:

<table>
<thead>
<tr>
<th>All non-New Zealand sourced income, fully imputed dividends, income from New Zealand based financial arrangements excluding interest covered below</th>
<th>0%</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Zealand interest income</td>
<td>1.44%</td>
</tr>
<tr>
<td>New Zealand dividend income, to the extent it is un-imputed, is taxed based on whether the investor is resident in a country with which New Zealand hold a double tax agreement (DTA) or not (non-DTA).</td>
<td>15% (DTA); 30% (non-DTA)</td>
</tr>
<tr>
<td>Other New Zealand sourced income (if any)</td>
<td>28%</td>
</tr>
</tbody>
</table>

**General**

You must advise us of your PIR and IRD number when applying to invest in a Fund and if your PIR changes at any time. If you do not provide your PIR to us you will automatically be taxed at the maximum default rate of 28%. If you provide an incorrect PIR you may be liable for any additional income tax.

The Commissioner of Inland Revenue can require us to disregard a PIR notified by you if the Commissioner considers the rate to be incorrect. The rate specified by the Commissioner would then apply to that your attributed income.

Taxable income is attributed annually to 31 March, or at any time you redeem all or part of your investment from the Fund.

If there is a tax loss or there are excess New Zealand tax credits allocated to you for a period, these will generally be available to you if you have a PIR other than 0% in the form of a rebate. The relevant Fund will either re-invest this rebate by purchasing Units in the Fund on your behalf in respect of annual attributions as at 31 March or include it in the net proceeds payable to you or applied on your behalf as a result of a full redemption. For non-individual Unitholders with a 0% PIR, the tax loss or excess New Zealand credits may be available for offset in that Unitholder’s tax return against other income, with any excess available to carry forward.

You will not pay tax on distributions (if any) paid to you from a Fund.

The Russell Investments Global Shares Fund and the Russell Investments Hedged Global Shares Fund currently invest through Australian Unit Trusts. A consequence of this arrangement is that the Russell Investments Global Shares Fund and the Russell Investments Hedged Global Shares Fund do not receive tax credits for any foreign dividend withholding tax deducted from dividends received by the Australian Unit Trusts. The underlying Australian Unit Trusts partially mitigate this through a withholding tax reclaim process.
There may be changes to the taxation legislation and tax rates in the future which may impact each Unitholder differently. You should always seek independent professional taxation advice for your individual circumstances.

Custodial investors

The PIE tax regime makes specific provision for custodians who hold legal title to Units on behalf of underlying investors who have provided the funds for the Units held by the custodian. A custodian that holds units for an underlying investor in a Fund may give a notice to the Fund that the custodian is a proxy for PIE investors (a "Proxy"). If you invest through a custodian who has elected to be a Proxy then the following responsibilities will not be undertaken by us or by the Trustee, but will be undertaken by that custodian:

- calculating and organising payment of the tax liability on income allocated to the Proxy applying the PIRs of the underlying investors;
- making adjustments to the Units held on behalf of underlying investors (by redeeming Units) or the distributions (if any) made to underlying investors or requiring payments to be made by the underlying investors to reflect the tax liability on income allocated to the underlying investors;
- organising the provision of returns and other information to Inland Revenue; and
- providing to the Fund any information concerning the underlying investors that may be relevant to whether the Fund continues to meet the eligibility requirements for a PIE (such as the investor size requirement and the investor spread requirement).

Proxies may be required to enter into contractual arrangements with us regarding compliance by the Proxies with the requirements of tax legislation.

Other

Tax legislation and rates of tax are subject to change. The impact of taxation may vary depending on your individual circumstances.

It is important to seek professional taxation advice before you invest or deal with your investment in any way as the taxation treatment of your investment will be specific to your circumstances and to the nature of your investment.

None of the Trustee or its nominee companies, Implemented Investment Solutions, Russell Investments, or any of their respective related companies or directors, or any other person takes responsibility for your taxation liability.

Switches and redemptions

In the event of a full or partial redemption PIE tax attributable to you will be deducted from the redemption proceeds and paid to Inland Revenue at that time. Switches are regarded as a redemption and application. Therefore PIE tax is attributable and payable at the time of the switch.

Transfers

As the Funds are PIEs we may treat an application for the transfer of Units as a cancellation of the transferor’s Units and the issue of new Units to the transferee (in which case the entry and exit costs, as well as the initial service fee (if any), set out on pages 21 and 22 will be payable). Also, tax at the transferor’s PIR will be payable on income allocated for the transferor for the period up to the date of cancellation of the Units. If a transfer of Units does occur there may be tax consequences for the transferor, depending on the transferor’s tax position.
What are my risks?

Risks

Any investment involves risk, but the nature and extent of that risk varies depending on the returns of the underlying assets of the Fund, which over time go up and down. The Funds each have a different level and variety of risks, due to the different features, investment focus, and objectives of each Fund. See the description of each Fund and its objectives contained on pages 7 to 13 of this Investment Statement.

Your principal risks are:

- you may receive back less than you originally invested;
- you may not receive the returns you are expecting;
- you may not be able to redeem your Units to get your money out of a Fund when you need it.

It is possible that you will not recover the amount paid or receive the returns described above (as discussed in the section "What returns will I get?" on page 23 above). It is also reasonably foreseeable (particularly where an investment is terminated in the short term) that on termination you will receive less than the amount paid for the Units.

You can reduce your risk by diversification over different asset classes and different markets.

Your principal risks are influenced by a number of factors:

Asset class risk

The Russell Investment Funds invest in the following asset classes:

<table>
<thead>
<tr>
<th>Fund</th>
<th>Asset Class</th>
</tr>
</thead>
<tbody>
<tr>
<td>Russell Investments NZ Fixed Interest</td>
<td>NZ Fixed Interest</td>
</tr>
<tr>
<td>Russell Investments Global Fixed Interest</td>
<td>Global Fixed Interest</td>
</tr>
<tr>
<td>Russell Investments NZ Shares</td>
<td>NZ Shares</td>
</tr>
<tr>
<td>Russell Investments Hedged Global Shares</td>
<td>Global Shares</td>
</tr>
</tbody>
</table>

The key risks for each of these asset classes are described below.

NZ Fixed Interest

A key risk for NZ fixed interest securities is interest rate risk. This is the risk that the value of your investment changes due to movements in interest rates. In particular, if interest rates rise the value of fixed interest securities falls, while if interest rates decline the value rises. Interest rates move for a range of factors including (but not limited to) the supply and demand for money, future inflation expectations, monetary policy, or market sentiment.

The Russell Investments NZ Fixed Interest Fund will always be exposed to interest rate risk. However, interest rate risk is actively managed by attempting to position the Fund to take advantage of expected interest rate movements.

Another key risk for NZ fixed interest securities is credit risk which is the risk that a borrower is unable to repay the lender. The ability of the borrower to repay the lender depends on the financial position and financial prospects of the borrower.

Credit risk within the Russell Investments NZ Fixed Interest Fund is actively managed. Key inputs in this process are credit ratings from independent agencies and analysis of corporate financial information by the underlying fund manager.

The Russell Investments NZ Fixed Interest Fund invests primarily in fixed interest securities denominated in New Zealand dollars but from 1 December 2014, or earlier if all investors consent, can also have exposure to the Australian fixed income market. Therefore investors are exposed to the risks associated with having exposure to a limited number of economies, markets and currencies. Individual Unitholders can look to
manage this risk by including other investments in their portfolio.

As an actively managed fund, the Russell Investments NZ Fixed Interest Fund employs the skills of investment specialists. Russell's "manager-of-manager" investment philosophy and process provides us with the flexibility to mitigate the risks associated with key investment specialists, through having the flexibility to employ different specialist investment experts at any time.

**NZ Shares**

The key risk for the Russell Investments NZ Shares Fund is that prices of the underlying shares fluctuate. Price fluctuations are generally attributable to a combination of:

- Market risk, and
- Stock specific risk.

Factors that underpin market risk include expectations for economic growth, investor sentiment, interest rates and inflation. Market factors impact on all shares.

The Russell Investments NZ Shares Fund does not manage market risk by actively increasing or reducing its market exposure. Individual Unitholders can do this themselves by increasing or reducing their holding in the Russell Investments NZ Shares Fund.

Stock specific risk refers to factors that are particular to each stock or security. Examples of stock specific risk include the level of company debt and the demand for a company’s particular products or services. Additionally investor sentiment is one of the factors that will influence stock specific risk.

The Russell Investments NZ Shares Fund mitigates stock specific risk by investing in a well-diversified portfolio of securities.

The Russell Investments NZ Shares Fund invests predominately in shares from New Zealand. Therefore investors are exposed to the risks associated with only having predominant exposure to this economy, market and currency. Individual Unitholders can look to manage this risk by including other investments in their portfolio.

As an actively managed fund, the Russell Investments NZ Shares Fund employs the skills of investment specialists. Russell's "manager-of-manager" investment philosophy and process provides us with the flexibility to mitigate the risks associated with key investment specialists, through having the flexibility to employ different specialist investment experts at any time.

Currency risk, as described below, applies to any foreign currency exposure arising from shares outside of New Zealand being held by the Fund.

**Global Fixed Interest**

The Russell Investments Global Fixed Interest Fund is also exposed to interest rate risk and credit risk as described above. As this is a global fund there is a much larger universe of fixed interest securities that the Fund can invest in, but the principles of credit risk and interest rate risk are the same as for the Russell Investments NZ Fixed Interest Fund.

Investment offshore introduces additional risk factors relating to:

- Country risk,
- Currency risks, and
- Emerging markets risk.

Country, currency and emerging markets risks are described below.

**Global Shares**

The Russell Investments Global Shares and Hedged Global Shares Funds are also exposed to market risk and stock specific risk as described above. As these are global funds there is a much larger universe of securities the funds can invest in but the principles of market risk and stock specific risk are the same as for the Russell Investments NZ Shares Fund.

Investment offshore introduces additional risk factors relating to:

- Country risk,
- Currency risks, and
- Emerging markets risk.

Country, currency and emerging markets risks are described below.
Country risk
The Russell Investments Global Fixed Interest, Global Shares and Hedged Global Shares Fund each invest internationally. While this provides investors with additional diversification benefits beyond just holding New Zealand investments and assets, investing internationally brings with it a range of specific risks. Each country’s market is regulated by different authorities, resulting in different levels of consumer protection. The volatility of economic and political conditions will vary from country to country, creating uncertainty and an increase in unforeseen factors.

Currency risk
Investing internationally also brings with it currency risk, as the value of foreign currencies move differently to the New Zealand dollar. For example, a fall in a Unitholder’s local currency can result in an increase in the value of their international investments. Conversely, a rise in that currency can decrease the value of a Unitholder’s international investments.

The Russell Investments Global Fixed Interest Fund and the Russell Investments Hedged Global Shares Fund target being fully hedged to New Zealand dollars which aims to minimise the effect of currency fluctuations. Some foreign currency exposures can remain unhedged which may affect the investment values of these Funds.

The Russell Investments NZ Fixed Interest Fund may have some Australian dollar exposure. This fund targets fully hedging Australian dollar exposure.

The Russell Investments NZ Shares Fund may have some Australian dollar exposure. This currency exposure may be hedged to the New Zealand dollar.

Emerging markets risk
The Russell Investments Global Fixed Interest, Global Shares and Hedged Global Shares Funds invest in emerging markets. Investments in emerging markets include risks additional to those normally associated with an investment in securities in more developed markets.

These risks may include restrictions on investment and repatriation of investment capital, the ability to exchange currencies for New Zealand dollars, currency and security price volatility, and markets that may be less liquid and less regulated. Political and social unrest together with government involvement in the economy can also increase risk.

Inflation risk
This is the risk that an investment will lose real value because of the rate of inflation. The risk is greater in long term investments due to the difficulty in predicting inflation rates over long periods. All of the Russell Investment Funds are exposed to this risk.

Manager risk
As actively managed funds, each of the Russell Investment Funds employs the skills of investment specialists. Russell’s "manager-of-manager" investment philosophy and process provides us with the flexibility to mitigate the risks associated with key investment specialists and people, through having the flexibility to employ different specialist investment experts at any time.

Liquidity risk
Low liquidity is a risk, as it can reflect the lack of demand for an investment, and make that investment harder to sell in a timely manner. This may affect returns if there is insufficient time to wait for demand to increase and a sale is required to be made at a lower price.

It is a characteristic of markets throughout the world that some assets trade infrequently. Generally, the property market has a greater liquidity risk in comparison to the share market.

Within the share market, smaller companies will be less liquid than larger companies that are traded more frequently.

Some assets are more difficult to realise than others, particularly if market conditions deteriorate. If these assets need to be sold (for instance to fund redemptions) they may need to be sold at a lower price. If a Fund were to experience liquidity problems, the Manager may suspend redemptions from the
Fund for a time. All of the Russell Investment Funds are exposed to this risk.

Legislative risk
Changes to existing law or the introduction of new law could have a significant impact on an investment. Legislative risk generally entails an amendment, introduction or abolition of one or more laws that may directly impact a given investment. In this regard, new financial markets conduct rules, which will substantially replace existing securities laws, are expected to come into effect over a staged transition in the next two to three years. This will necessitate changes being made to the Funds, including requiring new disclosure documents, licensing of the Manager and possible changes to the governing rules. The Manager and the Trustee will work together to ensure an orderly transition to this new regime.

Diversification risk
The Russell Investment Funds invest either directly or indirectly in well diversified portfolios of securities. As the funds are actively managed the composition of the underlying portfolios will vary from the composition of the relevant Fund benchmark. This will result in Fund returns being both above and below relevant benchmark returns.

Administration risk
There will also always be the risk of a technological or other failure or event impacting on the Funds or the financial markets in general that may affect returns.

Also, although the Manager has mechanisms available to manage compliance with the PIE eligibility requirements, there is a risk that a Fund could lose its PIE status if there is a breach of those requirements and the Manager does not become aware of the breach in time to correct it.

How risks can affect an investment
The actual or perceived existence of risk may manifest itself in uncertainty, which in turn increases volatility of investment returns. When the collective sentiment of the market is positive, prices rise; when it is negative, prices fall. If specific risks eventuate (i.e. the collapse of a company or a borrower defaulting on a debenture) a total loss of capital may occur. Each investment will be affected by a different combination of risks.

Because of these risks, it is foreseeable that a Unitholder may receive back less than the capital invested by the Unitholder into the Funds. However, the Unitholder will not be required to pay more money than the amount the Unitholder invested in the Funds (with the exception of any PIE tax liability that may be incurred).

No person, including the Trustee or the Manager or their respective directors and shareholders guarantees the performance of the Funds, any particular rate of return, or the return of a Unitholder’s capital. A Unitholder’s investment is not secured against any assets.

Insolvency or winding up
You will not be liable to pay money to any person as a result of the insolvency or winding up of a Fund (except as described below).

You will be liable to meet any tax liability attributable to you which exceeds the value of your investment in a Fund (in which case you indemnify the Trustee for the difference between the value of the Units and the tax liability). A custodian that holds legal title to Units on behalf of underlying investors and elects to be a proxy for PIE investors (as described on page 26) will, under the terms of the application form attached to this Investment Statement, indemnify us and the Trustee for any losses, liabilities, costs or expenses arising from any breach (in relation to underlying investors that such custodian is responsible for) of the investor interest size requirements under section HM 15 or the investor membership requirements under section HM 14 of the Income Tax Act 2007, including the losses, liabilities, costs or expenses arising from the Fund losing PIE status.

On insolvency or winding up of a Fund, the assets of the Fund are first applied to meet the claims of any creditors of the Fund (whether preferred, secured or unsecured), which includes the Trustee's and
Manager’s claims for fees and expenses. Following this, the remainder of the assets of the Fund will be distributed to Unitholders in proportion to the number of Units held.

At the date of this Investment Statement there are no other claims on the assets of the Scheme that rank ahead of or equally with the claims of Unitholders. In certain circumstances, you may receive assets other than cash (e.g. securities in another investment held by a Fund) as part of a wind up.

Anti-money laundering, countering financing of terrorism and sanctions

We are subject to anti-money laundering, countering financing of terrorism and sanctions laws (“AML Laws”) in New Zealand, Australia and elsewhere.

The AML Laws require us to do a number of things including: verifying your identity and address before we issue you Units in the Funds (and at certain times after that); monitoring your transactions; reporting any suspicious transactions to the Police; and keeping identity, address and transaction records about you.

The AML Laws also prohibit us from doing a number of things, including issuing Units in the Funds to you until your identity and address have been verified. The AML Laws also mean we may have to delay or refuse to process transactions you have requested or suspend operation of your accounts with us.

To help us comply with the AML Laws, we ask you make a number of declarations when completing the application form to purchase Units in the Funds.
Can the investment be altered?

Alterations you can make
You can alter your investments at any time by applying for additional Units in a Fund, requesting a switch of your investment from one Fund to another Fund, or requesting a redemption of your Units subject to entry/exit costs and any initial service fee.

Other alterations
We can agree with the Trustee to change the Trust Deed or the Unit Trust Establishment Deeds in certain circumstances, without consulting you. This ability is, however, subject to certain protections (for your benefit) as set out in the Trust Deed. You can obtain further details of these circumstances in the Prospectus.

We can accept or reject any application for Units at our discretion. No reasons need be given. If we reject an application (in whole or in part), application moneys (or the relevant part thereof) will be returned to the applicant without any interest.

We may alter or introduce minimum application amounts, holding amounts, transfer amounts and redemption amounts for any Fund at any time. We may allow applications, holdings, transfers and redemptions for less than those minimums at our discretion.

We may decrease or waive the management fee for any Fund at any time without notice. We may increase the management fee for any Fund to the 2.00% p.a. limit, but only after giving three months’ notice to Unitholders. Please refer to the section "What are the charges?" on page 21 for more information on the management fee.

We may, subject to the Trustee’s approval, review and revise the investment objectives and/or Authorised Investments of a Fund. You will be notified of any material revision to the investment objectives or Authorised Investments.

Payment of redemption requests may be suspended or deferred. Details of when this may occur are under the heading "How do I cash in my investment?" on page 33.

We may resolve to wind up a Fund. In that case, all assets of the Fund will be realised and the Fund wound up (as explained under the heading "Insolvency or winding up" in the section "What are my risks?" on page 27).

If your holding in a Fund falls below the minimum holding amount fixed by us from time to time (the current minimums are set out under the heading "How do I cash in my investment?" on page 33), or if we determine that an adjustment for PIE tax would reduce your holding to below that minimum holding amount, we may redeem your entire holding and pay the net proceeds into your nominated bank account. We will give you at least one month’s notice of our intention to do this.

We may take all steps necessary to ensure each Fund remains eligible to be a PIE. This includes our ability to compulsorily redeem some or all of your Units and pay the net proceeds to your nominated bank account.
How do I cash in my investment?

Redemption of Units

You may request the redemption of some or all of your Units by completing a Redemption Request Form (or another form agreed with us) and submitting this to us. In normal circumstances, we intend to make payment within 14 days of receiving a Redemption Request Form. However, we reserve the right to delay repayment until a later date, subject to the requirements of the Trust Deed and the relevant Unit Trust Establishment Deed(s).

Minimum Redemption amounts

If a Redemption Request is for an amount less than the minimum redemption amount (as determined by us from time to time), we may refuse to process it unless the Redemption Request is for all your Units in that Fund. As at the date of this Investment Statement, the minimum redemption amount is 500 Units.

If a Redemption Request would cause your holding in a Fund to fall below the minimum holding amount (as determined by us from time to time) we may treat the Redemption Request as a request to redeem all your Units in that Fund. As at the date of this Investment Statement, the minimum holding amount is 500 Units.

If your holding falls below the minimum holding amount or to a level where an adjustment for PIE tax would leave your holding below the minimum holding amount, we may redeem all of your Units and pay the proceeds to your nominated bank account.

Redemption Price

If your Redemption Request is accepted by us, the Units to which the request relates will be redeemed at the then current Redemption Price. The Redemption Price will be the Net Asset Value per Unit, less the exit cost (see under the heading "What are the charges?" on page 21).

The Redemption Price of a Unit is determined on each Valuation Day for the Fund. If a Unitholder's Redemption Request is received prior to the applicable cut-off time on a Valuation Day, the Redemption Price applicable to your Redemption Request will be the Redemption Price determined as at the end of that day. If your Redemption Request is received at or after the applicable cut-off time on a Valuation Day, the applicable Redemption Price will be the Redemption Price determined as at the end of the following Valuation Day. See the section "How much do I pay?" on page 19 above for a detailed explanation of the Valuation Days and applicable cut-off times for each Fund.

Deferral of Redemptions

If a Redemption Request or a series of Redemption Requests in respect of a Fund are received within a period of 60 Business Days that in total comprise more than 10% of the number of Units on issue in that Fund, and we determine it is in the interests of the Fund's Unitholders to defer immediate redemption of the total Units requested, we will determine a basis for redemption that we consider to be in the general interests of all that Fund's Unitholders.

We must notify the Trustee of our intention to defer redemptions as soon as reasonably practicable. A Redemption Request may not be deferred for a period exceeding six months after its receipt (or such other date as is approved by Extraordinary Resolution of Unitholders).

Suspension of Redemptions

We may suspend Redemptions where we in good faith form the opinion that it is not practicable, or would be materially prejudicial to the interests of Unitholders of any of the Funds for the Trustee to realise assets or borrow in order to permit redemption of Units.

If redemptions are suspended, we must give notice to all Unitholders who have made a Redemption
Request. If the suspension is for a period of more than two weeks, we must give notice to all Unitholders in the relevant Fund.

The suspension will continue until:

- we give notice that the suspension is concluded; or
- the expiry of any period stated in the Unit Trust Establishment Deed; or
- six months after the date of the notice; or
- such longer period as may be approved by an Extraordinary Resolution of Unitholders.

**Tax on redemptions**

Where Units are redeemed, the tax liability on income allocated to you up to the redemption date will need to be satisfied either by us cancelling Units or by deduction from any distributions. Generally this will occur by cancellation of Units on redemption.

**Right to sell units**

You may sell and transfer all or any of your Units, (either to an existing Unitholder or another person) by completing a Transfer Request Form, to be signed by the transferor and transferee. The transfer becomes effective when it is entered in the Register.

We may decline to register any transfer if it does not comply with the Trust Deed or the Unit Trust Establishment Deeds, including if:

- The transfer is in respect of less than the minimum transfer amount as determined by us from time to time (currently 500 Units).
- Registration of the transfer would result in the transferor or the transferee holding less than the minimum holding amount for the Fund as determined by us from time to time (currently 500 Units).
- The transfer would result in the Fund losing its PIE status.

No transfer of any Units can be registered unless any sums owed in respect of those Units (including any applicable PIE tax, or other duties or any commissions, fees and charges in respect of the transfer of the Units) have been paid.

In our opinion no established market exists for transferring Units.

**Termination of the Funds**

Each Fund will terminate on the first of the following:

- the date of termination (if any) notified in writing by us and the Trustee to each Unitholder of the Fund which will be at least three months after the date of the notice;
- 80 years less two days from the date of the Unit Trust Establishment Deed for the relevant Fund; or
- the date on which an Extraordinary Resolution is passed by Unitholders of the Fund resolving to terminate the Fund.
Who do I contact with enquiries about my investment?

Enquiries should be directed to us:

Implemented Investment Solutions
Level 3, Woodward House
1 Woodward Street
PO Box 25003
WELLINGTON

Telephone: (04) 499 9654
Email: contact@iisolutions.co.nz

Any advice about whether or not to invest in a Fund should be obtained from a qualified investment adviser.
Is there anyone to whom I can complain if I have problems with the investment?

Any complaints or problems with the investment should be directed to us for resolution through our internal dispute resolution process:

Implemented Investment Solutions
Level 3, Woodward House
1 Woodward Street
PO Box 25003
WELLINGTON

Telephone:  (04) 499 9654
Email:  contact@iisolutions.co.nz

If you are not satisfied with the outcome of your complaint to us, you may refer the matter to the Trustee for resolution through its internal dispute resolution process:

Public Trust
Level 5
40-42 Queens Drive
PO Box 31543
LOWER HUTT

Telephone:  (04) 978 4497
Facsimile:  (04) 978 4480
Email:  enquiry@trustee.co.nz

If your complaint is not able to be resolved through our internal dispute resolution process or that of the Trustee you may refer your complaint to the dispute resolution scheme operated by the Insurance and Savings Ombudsman, an approved dispute resolution scheme under the Financial Service Providers (Registration and Dispute Resolution) Act 2008. We are a registered financial service provider and member of this scheme (as well as the Trustee). The Insurance and Savings Ombudsman’s service is provided at no cost to you. The contact details for the scheme are:

Office of the Insurance and Savings Ombudsman
Level 11, Classic House
15-17 Murphy Street
PO Box 10-845
WELLINGTON 6143

Telephone:  0800 888 202
Facsimile:  (04) 499 7614
Email:  info@iombudsman.org.nz
What other information can I obtain about this investment?

You can find further information about the Funds in the Prospectus, the financial statements of the Funds, and the Trust Deed, the relevant Unit Trust Establishment Deed(s) and amendments to those documents.

You can obtain a copy of the Prospectus, financial statements and Trust Deed (including all amendments) for the Funds upon request from us:

Implemented Investment Solutions
Level 3, Woodward House
1 Woodward Street
PO Box 25003
WELLINGTON

Telephone: (04) 499 9654
Email: contact@iisolutions.co.nz
Website: www.iisolutions.co.nz

You can also obtain a copy of the Prospectus and financial statements and other documents relating to the Funds (including the Trust Deed and the Unit Trust Establishment Deeds) from the online public register maintained by the Companies Office of the Ministry of Business Innovation & Employment on their website:

On request information

You can also ask us in writing for the following information for any Fund in which you invest:

- An annual statement for taxation purposes.
- Further copies of the current Investment Statement.
- A written statement of your Unitholding as detailed in the Register of Unitholders.
- A copy of the most recent financial statements for the Funds, together with any accompanying documents which have been registered under the Financial Reporting Act 1993.
- A copy of the Prospectus, together with copies of any documents registered under the Securities Act 1978 for the purpose of extending the period during which allotment may be made under the Prospectus.
- A copy of the Funds’ annual report.
- A copy of the Trust Deed and the relevant Unit Trust Establishment Deed (which will incorporate or be accompanied by all amendment to those documents).

You can also obtain a copy of the Unitholder Register from us subject to the payment of a fee. Requests for information should be directed to us at the address above.

The information will be provided free of charge, with the exception that a fee may be charged for copies of the Trust Deed and Unit Trust Establishment Deeds and copies of the Unitholder Register.

Periodic information

Once every six months you will receive a statement of your Unitholding.

You will receive, for any Fund in which you invest, an annual report including the audited financial statements for the Funds and any change in investment policies.

This Investment Statement was prepared as at 16 September 2014 for the purpose of the Securities Act 1978 and the Securities Regulations 2009.

None of Implemented Investment Solutions, Russell Investments, Public Trust, their directors, officers, agents, or nominees, nor any other person guarantees the value of the Units, the repayment of the Units, the payment of income or the performance of the Funds.
Glossary

"Act" means the Unit Trusts Act 1960.

"Administration and Custodian Service" means a wrap platform through which your investment in the Fund(s) is held via a nominee. This service may also provide management and reporting services in respect of your investment.

"Administration Manager" and "Registrar" means MMC Limited.

"AML Laws" means laws relating to anti-money laundering, countering financing of terrorism and sanctions in New Zealand, Australia and elsewhere.

"Authorised Investment" means an investment that a Russell Investment Fund is permitted to hold by its Unit Trust Establishment Deed.

"Business Day" means any day on which banks are open for business in both Auckland and Wellington, excluding Saturday and Sunday.

"Distribution" means a payment made to you as a Unitholder in respect of your Unitholding in a Fund that makes a distribution.

"Distribution period" means the period ending on the end on the last Valuation Days in March and September. We can vary these periods by agreement with the Trustee.

"Unit Trust Establishment Deeds" means the Unit Trust Establishment Deeds entered into between Implemented Investment Solutions and Public Trust on 15 June 2011 (as amended from time to time) under which each of the Funds were established.

"Extraordinary Resolution" means a resolution passed at a meeting of Unitholders in a Fund that is carried by ¾ or more of the votes cast.

"Funds" and "Russell Investment Funds" means the funds being offered under this Investment Statement, being the Russell Investments NZ Fixed Interest Fund, Russell Investments Global Fixed Interest Fund, Russell Investments NZ Shares Fund, Russell Investments Global Shares Fund and the Russell Investments Hedged Global Shares Fund.

"Gross Asset Value" and "GAV" means the market value of an investment in a Russell Investment Fund and any accrued income in respect of those investments before the deduction of any fees, expenses or taxes.

"Hedging" means limiting investment risk through the use of financial instruments such as options and futures contracts.

"GST" means goods and services tax payable in accordance with the Goods and Services Tax Act 1985.

"investment grade" means a rating by a credit rating agency that indicates a bond has a relatively low risk of default such as 'BBB' or higher from Standard & Poor's.
"Investment Statement" means this investment statement for the Russell Investment Funds.

"Issue Price" means the price at which you can buy a Unit in a Russell Investment Fund. This is the Net Asset Value per Unit plus the relevant entry cost plus the initial service fee (if any) as described in more detail in the section "Issue Price" on page 19.

"Manager", "Implemented Investment Solutions", "we", "us" and "our" mean Implemented Investment Solutions Limited.

"Net Asset Value" means the net asset value of a Russell Investment Fund as calculated in accordance with the methodology set out in the Trust Deed.

"Net Asset Value per Unit" means the Net Asset Value of the relevant Russell Investment Fund divided by the number of Units on issue in that Fund.

"New Zealand dollar" or "$" means the currency of New Zealand.

"Trust Deed" means the Trust Deed entered into between Implemented Investment Solutions and Public Trust on 15 June 2011.

"NZX50 Gross Index" means the stock market index published by NZX Limited known as the NZX50 Gross Index and includes any successor to that index.

"PIE" means a portfolio investment entity, a type of managed fund for tax purposes where a Fund’s income is allocated to each Unitholder in proportion to the number of Units he or she holds in the Fund and tax is paid by the Fund on the income allocated to each Unitholder at that Unitholder’s PIR.

"PIE income" means, for the purposes of individuals determining their PIR, the income allocated to a person by the PIEs in which the person has invested, less any losses allocated to the person by PIEs, but does not include any distributions or dividends paid to the person by listed PIEs.

"Proxy" means a proxy for PIE investors as that term is defined in section HM 33 of the Income Tax Act 2007.

"PIR" means the prescribed investor rate as that term is defined in the Income Tax Act 2007.

"Promoter" means Implemented Investment Solutions Limited, Russell Investment Group Limited and the directors of Russell Investment Group Limited who are not also directors of Implemented Investment Solutions Limited.

"Prospectus" means the current registered prospectus for the Russell Investment Funds.

"Redemption Price" means the price at which you can redeem your Units in a Russell Investment Fund. This is the Net Asset Value per Unit minus the relevant exit cost as described in more detail in the section "Issue Price" on page 19.

"Redemption Request" means a request to redeem Units in a Russell Investment Fund. The amount you will receive as redemption proceeds will be the relevant Redemption Price multiplied by the number of Units you redeem.
"Russell Investment Group Limited" and "investment manager and investment adviser" means Russell Investment Group Limited, the New Zealand company that is part of the global Russell Investments organisation, and the lead investment manager and investment adviser in respect of the Funds.

"Russell NZ Tradeable Gross Index" means the stock market index published by Russell Investments known as the Russell NZ Tradeable Gross Index and includes any successor to that index.

"Supranational" means an international organisation, or union, whereby member states transcend national boundaries or interests.

"Trustee" means Public Trust.

"Underlying Fund" means an investment fund into which a Russell Investment Fund invests.

"Unit" means an undivided interest in the relevant Fund as defined in the Trust Deed.

"Valuation Day" means, for a Russell Investment Fund, a day on which the Net Asset Value of the Fund is calculated - generally, each Business Day.

"You" and "your" mean you and, where appropriate, other investors in the Russell Investment Funds.
Form of application for units

Please complete the following form. If in completing this form you have any questions, please ring 0800 499 466.

[ATTACH CHEQUE HERE – made out to “Public Trust RIF Nominees Limited”]

### 1. WHAT TYPE OF INVESTOR ARE YOU?

<table>
<thead>
<tr>
<th></th>
<th>Individual</th>
<th>Joint ownership</th>
<th>Company</th>
<th>Unincorporated body/club</th>
<th>Trust</th>
<th>Incorporated society</th>
</tr>
</thead>
</table>

Are you an existing unitholder?

|   | Yes* | No | *If yes please provide unitholder number

Are you a portfolio investor proxy (PIP)? (also known as custodians, nominees or wrap accounts)

|   | Yes | No |

### Investor Details (CAPITAL BLOCK LETTERS PLEASE)

- **Company/ Trust / Joint Name (Individuals complete “Joint Applicant #1” below)**

- **Tax Status**: (For Company / Trust)

- **Prescribed Investor Rate**: (For Company / Trust)

- **IRD Number**: (For Company / Trust)

### Joint applicant #1

<table>
<thead>
<tr>
<th></th>
<th>Title</th>
<th>Surname</th>
<th>Given name(s)</th>
<th>Tax Status</th>
<th>Prescribed Investor Rate*</th>
<th>IRD Number</th>
</tr>
</thead>
</table>

### Joint applicant #2

<table>
<thead>
<tr>
<th></th>
<th>Title</th>
<th>Surname</th>
<th>Given name(s)</th>
<th>Tax Status</th>
<th>Prescribed Investor Rate*</th>
<th>IRD Number</th>
</tr>
</thead>
</table>

*For joint accounts we must use the highest Prescribed Investor Rate (PIR).
If you are unsure how to determine your prescribed investor rate you can determine this at www.ird.govt.nz/toii/pir. If the PIR is invalid the default rate will apply.

### 2. COMPLETE POSTAL ADDRESS AND CONTACT DETAILS

- **Unit no.**
- **Street no.**
- **Street name**

- **Suburb/Town**
- **Postcode**
- **Work phone**

- **Home phone**
- **Email**
- **Cell Phone**

### 3. ADDITIONAL TAX DETAILS

It is mandatory to provide the US taxation status of all applicants, even if they are also a New Zealand taxpayer.

**Individuals and Joint Ownership**

Please indicate if you are a United States (US) citizen or resident for US tax purposes.

<table>
<thead>
<tr>
<th></th>
<th>Applicant 1</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Applicant 2 (if applicable)</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
</table>
If “yes” to the preceding question please provide your US Taxpayer Identification Number (TIN). This is your Social Security Number (SSN).

Applicant 1

SSN (numeric values only)

Applicant 2 (if applicable)

SSN (numeric values only)

If you are an Individual or Joint Investor type, please now go to Section 4, “Amount of units applied for”

Non-individuals (entities)

1. Is the entity a United States (US) company, US partnership or US trust for US tax purposes?  Yes  No

If “yes” to question 1, please provide the US Taxpayer Identification Number (TIN) or exemption code if an exemption from FATCA reporting code applies. For entities, the TIN is the Employer Identification Number (EIN) of the company, partnership or trust.

EIN (numeric values only)  Or Exemption Code

FATCA reporting exemption codes:

A. An organisation exempt from tax under section* 501(a) or any individual retirement plan as defined in section 7701(a)(37)
B. The United States or any of its agencies or instrumentalities
C. A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities
D. A corporation the stock of which is regularly traded on one or more established securities markets, as described in Reg. section 1.1472-1(c)(1)(i)
E. A corporation that is a member of the same expanded affiliated group as a corporation described in Reg. section 1.1472-1(c)(1)(i)
F. A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state
G. A real estate investment trust
H. A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940
I. A common trust fund as defined in section 584(a)
J. A bank as defined in section 581
K. A broker
L. A trust exempt from tax under section 664 or described in section 4947(a)(1)
M. A tax exempt trust under a section 403(b) plan or section 457(g) plan

* all reference to sections under this question are reference to the sections of the US Internal Revenue Code or US Treasury Regulations (as applicable).

(If the entity is either a US company, US partnership or US trust and you have completed this question, Yes, please go to Section 4, “Amount of units applied for”)

2. Is the entity an “exempt beneficial owner” as defined by US Treasury Regulations?  Yes  No

(If the entity is an exempt beneficial owner, i.e, you have answered “Yes” please go to Section 4, “Amount of units applied for”)

3. If the entity is a financial institution, please provide both:
   a. The entity’s Global Intermediary Identification Number (GIIN), if available
   And
   b. The entity’s FATCA status code (see below)

FATCA status codes:

A – New Zealand Financial Institution
B – Other Partner Jurisdiction Financial Institution
C – Participating FFI
D – Deemed-Compliant FFI (other than a New Zealand Financial Institution or other Partner Jurisdiction Financial Institution)
E – Non-Participating FFI

(If the entity is a financial institution, i.e, you have answered “Yes”, please go to Section 4, “Amount of units applied for”)

4. Is the entity an “Active NFFE” as defined in the Intergovernmental Agreement between NZ and the US relating to FATCA?  Yes  No

(If the entity is an “Active NFFE”, i.e, you have answered “Yes” please go to Section 4, “Amount of units applied for”)

5. (If “no” to either Questions 1, 2 and 4 and Question 3 is not completed)

Does the entity have one or more individuals who are US citizens or residents for tax purposes who:
   •  have effective control over the company or partnership (eg, as directors or partners)  Yes  No
   (whether directly or indirectly eg, through another entity such as a trust, body corporate or partnership
   •  have more than a 25% interest in the company or partnership  Yes  No
US Person 1 – Full Name

Residential Address – Not a PO Box
Unit no. Street no. Street Name
Suburb/Town State
Postcode Country

SSN Code

US Person 2 – Full Name

Residential Address – Not a PO Box
Unit no. Street no. Street Name
Suburb/Town State
Postcode Country

SSN Code

If there are more than 2 US Persons, please write their details on a separate page and attach to this form.

4. AMOUNT OF UNITS APPLIED FOR

I/We wish to invest $NZ to purchase units in the following Russell Investment Funds.

Russell Investments NZ Fixed Interest Fund NZ$  
Russell Investments Global Fixed Interest Fund NZ$  
Russell Investments NZ Shares Fund NZ$  
Russell Investments Global Shares Fund NZ$  
Russell Investments Hedged Global Shares Fund NZ$  
Total Investment NZ$  

Payments by cheque are to be made payable to “Public Trust RIF Nominees Limited”.

5. DISTRIBUTION PAYMENTS

I/We elect to receive income distributions (if made) as follows:

(Please tick selected option – default is to reinvest) Reinvest in units Direct credit to bank account

Russell Investments NZ Fixed Interest Fund  
Russell Investments Global Fixed Interest Fund  
Russell Investments NZ Shares Fund  
Russell Investments Global Shares Fund  
Russell Investments Hedged Global Shares Fund  

If “yes” to question 5, you will need to provide the name, residential address and SSN for each US person.
Distributions and Redemption payments will be made by direct credit, please enter bank account details below:

<table>
<thead>
<tr>
<th>Name of Bank</th>
<th>Account Name</th>
<th>Bank / Branch</th>
<th>Account number</th>
<th>Suffix</th>
</tr>
</thead>
</table>

Please provide a printed bank deposit slip or a page of your bank statement to verify your nominated bank account.

6. ACKNOWLEDGEMENTS

I/we have read the latest Investment Statement, dated 16 September 2014, and understand that the terms and conditions of the Trust Deed, the relevant Unit Trust Establishment Deed(s) and any amendments thereto will be binding on us. I/we agree to accept the Units issued to me/us by Implemented Investment Solutions Limited (Manager) as a Unit holder under the Trust Deed, the relevant Unit Trust Establishment Deed(s) and any amendments thereto for those Units. I/we further agree to be bound by the provisions of the Trust Deed and the relevant Unit Trust Establishment Deed(s) (as duly amended from time to time).

I/we acknowledge that the Manager is subject to anti-money laundering, countering financing of terrorism and sanctions laws (AML Laws) in New Zealand and elsewhere. I/we agree not to do anything could cause the Manager to breach the AML Laws. I/we agree to provide the Manager and/or its agents with all information and other assistance it reasonably requires to comply with the AML Laws. For the purpose of complying with AML laws, I/we consent to the personal information that I/we have provided to the Manager, the certificate of non-revocation of Power of Attorney below should be completed and a copy of the Power of Attorney forwarded with this form. I/we shall cooperate with the Manager to the extent necessary, being disclosed to, the following sources: the Department of Internal Affairs, NZ Transport Agency, The Companies Office and Centrix Group Limited.

I/we agree to indemnify the Manager against any loss it suffers as a result of me/us providing incorrect or incomplete information. I/we agree that the Manager shall not be liable to me/us or anyone else for any refusal to process or delay in processing a transaction I/we have requested or a suspension of my/our accounts by the Manager in accordance with the AML Laws. I/we represent and warrant that I/we have no cause to believe the funds used to purchase Units in the Funds are the proceeds of crime or will be used to finance terrorism.

I/we agree that all information about me/us disclosed in this form may be used by Manager or disclosed to and used by Russell Investment Group Limited (or any Russell company) (Investment Manager) and Public Trust (Trustee) for the purpose of managing the Funds and my/our holding. I/we know that I/we can request such access to and correction of any information held about me/us by the Manager or the Investment Manager and the Trustee. Notwithstanding the foregoing, I/we acknowledge that where a suspicious transaction report has been made about me/us, the person who has made that report is not able to give me/us access to any information about that report (including its existence) and I/we have no right to request information in that report be corrected. I/we will inform the Manager of any changes to the information provided by me/us to the Manager, the Investment Manager or the Trustee. I/we acknowledge that I/we may be required separately in relation to this application to pay a fee to the Manager or an associated person.

I/we agree that if I/we am/are a custodian applying on behalf of another person(s):

- I/we warrant to the Trustee and the Manager that the other person(s) has received a copy of the current Investment Statement for the Funds, prior to this application being submitted; and
- That that person(s) is my/our ‘customer’ in terms of the AML Laws and I/we have and will comply with my/our obligations in respect of that person(s) under those Laws, including to verify the identity of that person(s); and

*If I/we am/are a proxy for PIE investors, I/we:

- agree to establish systems and procedures to monitor the holdings of underlying investors and to monitor such holdings, and to manage and remedy any breach of the investor interest size requirements in section HM 15 of the Income Tax Act 2007 or the investor membership requirements in section HM 14 of the Income Tax Act 2007, relating to underlying investors within the time periods permitted under section HM 25 of the Income Tax Act 2007, and to immediately notify the Manager on becoming aware of any such breach; and
- agree to indemnify the Trustee and the Manager for any losses, liabilities, costs or expenses arising from any breach of the investor interest size requirements in section HM 15 Income Tax Act 2007 or the investor membership requirements in section HM 14 of the Income Tax Act 2007 relating to underlying investors who I/we, as Proxy for PIE investors, am/are responsible for, including the losses, liabilities, costs or expenses arising from the Fund losing PIE status.

7. DECLARATION AND SIGNATURE

Joint holders should all sign this form. A company should execute this form in accordance with its constitution. If this form is executed under Power of Attorney, the certificate of non-revocation of Power of Attorney below should be completed and a copy of the Power of Attorney forwarded with this form.

Signature(s) of applicant(s) (or for companies, execute as a deed)

<table>
<thead>
<tr>
<th>Main Applicant</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Or</td>
<td></td>
</tr>
<tr>
<td>Joint Applicant #1</td>
<td>Date</td>
</tr>
</tbody>
</table>
Joint Applicant #2

This Application Form must not be issued, circulated, or distributed unless accompanied by the Investment Statement dated 16 September 2014.

Please complete the following section only if you are executing this Application Form under a Power of Attorney.

Certificate of non-revocation of Power of Attorney

I, ___________________________ of ___________________________,

Hereby certify:

THAT, by a Power of Attorney dated the __________ day of __________, 20__

(Name of person for whom attorney is signing)

appointed me his/her/its attorney on the terms and conditions set out in the Power of Attorney.

THAT I have executed the application for Units printed on the face of this form as attorney under that Power of Attorney and pursuant to the powers thereby conferred upon me.

THAT at the date of this certificate I have not received any notice or information of the revocation of that Power of Attorney by the death or liquidation of the donor or otherwise.

Signed at ___________________________ this __________ day of __________, 20__

Signature of attorney

Disclaimer: While every care has been taken in the preparation of this application form, Implemented Investment Solutions Limited makes no representations as to the accuracy or completeness of any statement in it. Neither Implemented Investment Solutions Limited nor Russell Investment Group Limited (or any Russell company) guarantees the return on any Fund or investment made. This application form is strictly confidential and it is for the sole use of the party to whom it is provided.
Customer Due Diligence – Appendix

Before we can process an investment application, AML Laws require us to verify the identity and address of:

- the investor; and
- any person(s) acting on the investor’s behalf in relation to the investment (e.g., an authorised signatory or person holding power of attorney); and
- if the investor is an entity (such as a trust, company or partnership), every individual who has control over, or owns over 25% of, that entity.

AML Laws also require us to obtain other information. To help us meet these requirements, we ask you complete the forms and provide the documents set out below:

<table>
<thead>
<tr>
<th>Investor type</th>
<th>Complete</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual</td>
<td>Individual Form</td>
</tr>
<tr>
<td>Attorney acting for an individual</td>
<td>Individual Form for the attorney</td>
</tr>
<tr>
<td>Joint</td>
<td>Individual Form for each investor</td>
</tr>
<tr>
<td>Family Trust / Charitable Trust</td>
<td>Trusts Form + Individual Form(s) for each Trustee, Protector or any other individual with effective control over the trust, as required</td>
</tr>
</tbody>
</table>

Each Individual Form must be accompanied by certified copies of documents that verify the person’s identity and address. The forms set out who needs to provide these documents. The next section sets out what documents need to be provided and how copies can be certified. If you need additional individual forms please contact Implemented Investment Solutions Limited. Please see page 35 of the Investment Statement for their contact details.

Identity

To verify identity please provide a certified copy of one of Option A, B or C:

<table>
<thead>
<tr>
<th>Option A</th>
<th>Option B</th>
<th>Option C</th>
</tr>
</thead>
<tbody>
<tr>
<td>One of:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• NZ passport (identity page only)</td>
<td>• NZ drivers licence</td>
<td>• NZ drivers licence OR 18+ card</td>
</tr>
<tr>
<td>• Overseas passport / National Identity Card (identity page only) *</td>
<td>PLUS one of:</td>
<td>PLUS one of:</td>
</tr>
<tr>
<td>• NZ firearms licence</td>
<td>• EFTPOS card, credit card, debit card or other document issued by a registered bank that contains name and signature</td>
<td>• NZ birth certificate</td>
</tr>
<tr>
<td>• NZ certificate of identity</td>
<td>• Super Gold Card or other document issued by a government agency that contains the person's name and signature</td>
<td>• Certificate of NZ citizenship issued under the Citizenship Act 1977</td>
</tr>
<tr>
<td>• NZ refugee travel document or emergency travel document issued under the Passports Act 1992</td>
<td>• Bank statement, IRD statement or other document issued by a government agency within the preceding 12 months.</td>
<td>• Birth certificate or citizenship certificate issued by a foreign government, the United Nations or one of its agencies.</td>
</tr>
</tbody>
</table>

* This must contain name, date of birth, a photograph and signature and be issued by a foreign government or the United Nations or one of its agencies.

Address

To verify an address please provide a certified copy of one of the following, which must be less than 3 months old:

<table>
<thead>
<tr>
<th>Utilities bill</th>
<th>Bank statement</th>
<th>IRD statement</th>
<th>Rates bill</th>
<th>Car registration document</th>
<th>Insurance policy document</th>
<th>Hire purchase statement</th>
</tr>
</thead>
</table>
Certification

Copies of the documents used to verify identity and address must be certified by a 'trusted referee'. A 'trusted referee' must be one of the following:

<table>
<thead>
<tr>
<th>NZ Lawyer</th>
<th>Chartered Accountant</th>
<th>Member of Parliament</th>
</tr>
</thead>
<tbody>
<tr>
<td>Justice of the Peace</td>
<td>Registered medical doctor</td>
<td>Police Officer</td>
</tr>
<tr>
<td>Notary Public</td>
<td>Registered teacher</td>
<td>NZ Honorary Consul</td>
</tr>
<tr>
<td></td>
<td>Kaumatua</td>
<td></td>
</tr>
</tbody>
</table>

But a trusted referee cannot be:

<table>
<thead>
<tr>
<th>a spouse or partner</th>
<th>a relative</th>
<th>someone living at the same address</th>
</tr>
</thead>
<tbody>
<tr>
<td>A person involved in the proposed investment</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The trusted referee must see the original document then write and sign the following on each document copy:

"I, [full name of referee], [referee's occupation] certify as follows:

1. This is a true copy of the [name of document] of [full name of customer] that has been sighted by me today; and

2. The [name of document] represents the identity or address of [name of customer]

Dated this [ ] date of [ ]

Signed’’
## Individual

### Basic Information
This person (choose one):

- [ ] is the investor; **OR**
- [ ] has the following relationship with the investor (e.g., attorney, trustee, director, authorised signatory etc.):

<table>
<thead>
<tr>
<th>Full name:</th>
<th>Date of birth:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Residential address:

Nature and purpose of investment (tick all applicable):

- [ ] retirement savings
- [ ] general savings
- [ ] lump sum investment
- [ ] other - please describe:

### Identity/address verification documents
Please provide certified copies of identity and address verification documents. See pages 5 and 6 for a list of documents we can accept and how copies of those documents must be certified.

#### a) Identity verification document 1
Description (e.g. passport etc.):

<table>
<thead>
<tr>
<th>Number</th>
<th>Expiry</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### b) Identity verification document 2 (if required)
Description (e.g. credit card etc.):

<table>
<thead>
<tr>
<th>Number</th>
<th>Expiry</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### c) Address verification document
Description (e.g. utilities bill etc.):

<table>
<thead>
<tr>
<th>Number</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Further information (optional)

Occupation:

Source of funds used for initial investment (tick all applicable):

- [ ] salary
- [ ] sale of property
- [ ] business income
- [ ] inheritance
- [ ] other - please describe:

Expected frequency of additional investment (tick all applicable):

- [ ] weekly
- [ ] fortnightly
- [ ] monthly
- [ ] quarterly
- [ ] half-yearly
- [ ] annually
- [ ] as funds permit
- [ ] never

Expected source of funds for additional investments (tick all applicable):

- [ ] salary
- [ ] sale of property
- [ ] business income
- [ ] inheritance
- [ ] other - please describe:
Family Trust / Charitable Trust

Basic information
Trust's full name: ____________________________________________________________

Trust's address: ____________________________________________________________

Nature and purpose of investment (tick all applicable):

- [ ] retirement savings
- [ ] general savings
- [ ] lump sum investment
- [ ] other - please describe: __________________________________________________

Beneficiary information

If the trust is a discretionary trust, charitable trust or has more than 10 beneficiaries, please provide a description of each class of beneficiary or the charitable objects of the trust (as applicable):

Otherwise, for each beneficiary:

| Name:________________________ | Name:________________________ |
| Date of Birth:_______________ | Date of Birth:_______________ |
| Name:________________________ | Name:________________________ |
| Date of Birth:_______________ | Date of Birth:_______________ |
| Name:________________________ | Name:________________________ |
| Date of Birth:_______________ | Date of Birth:_______________ |
| Name:________________________ | Name:________________________ |
| Date of Birth:_______________ | Date of Birth:_______________ |
| Name:________________________ | Name:________________________ |
| Date of Birth:_______________ | Date of Birth:_______________ |

Trustees, Protectors, etc.

Please complete an Individual Form and provide certified copies of identity and address verification documents for each of the following persons (additional Individual Forms are attached at the back of this Appendix):

- Trustee
- Protector
- Any other individual with effective control over the trust, specific trust property or with the power to amend the trust deed or remove or appoint trustees
Settlor / Source of wealth and income

Settlor's full name: ____________________________________________

Source of settlor’s wealth:
- [ ] inherited family wealth
- [ ] accumulated business earnings
- [ ] funds from sale of property
- [ ] other - please describe: ____________________________________

Source of trust's income:
- [ ] business income
- [ ] dividend income
- [ ] interest income
- [ ] rental income
- [ ] other - please describe: _________________________________

Authorised signatories
Please complete an Individual Form and provide identity and address verification documents for any person acting on behalf of the trust in relation to its investment in the Fund(s) e.g. family accountant, lawyer etc.

Trust documents
Please provide a certified copy of (see certification requirements on page 6):
- the trust deed
- any deeds of appointment of trustees
- any deeds amending the trust deed
Additional – Individual Form

Basic Information
This person is (choose one):
[ ] the investor; **OR**
[ ] has the following relationship with the investor (e.g., attorney, trustee, director, authorised signatory etc.):

Full name: ____________________________ Date of Birth: _________
Residential Address: ____________________________

Identity/address verification documents
Please provide certified copies of identity and address verification documents. See pages 5 and 6 for a list of documents we can accept and how copies of those documents must be certified.

d) Identity verification document 1
Description (e.g. passport etc.): ____________________________
Number: ____________________________ Expiry: _________

e) Identity verification document 2 (if required)
Description (e.g. credit card etc.): ____________________________
Number: ____________________________ Expiry: _________

f) Address verification document
Description (e.g. utilities bill etc.): ____________________________
Number: ____________________________ Date: _________