

An offer of units in the Russell Investment Funds

Product Disclosure Statement

This document replaces the Product Disclosure Statement dated 29 July 2016



Dated 10 August 2016

Issued by Implemented Investment Solutions Limited

This document gives you important information about this investment to help you decide whether you want to invest. There is other useful information about this offer on www.business.govt.nz/disclose. Implemented Investment Solutions Limited has prepared this document in accordance with the Financial Markets Conduct Act 2013 ('FMC Act'). You can also seek advice from a financial adviser to help you make an investment decision.

1. Key information summary

What is this?

This is a managed investment scheme. Your money will be pooled with other investors' money and invested in various investments. Implemented Investment Solutions Limited will invest your money and charge you a fee for its services. The returns you receive are dependent on the investment decisions of Implemented Investment Solutions Limited and of its investment managers and the performance of the investments. The value of those investments may go up or down. The types of investments and the fees you will be charged are described in this document.

What will your money be invested in?

There are five funds ('Funds') offered under this Product Disclosure Statement ('PDS').

These investment options are summarised below. More information about the investment target and strategy for each investment option is provided in section 3 of the PDS, "Description of your investment options" on page 8.

Who manages the Russell Investment Funds?

The manager of the Funds is Implemented Investment Solutions Limited ('we', 'us', 'our').

See section 7 of the PDS, "Who is involved?" on page 14 for more information.

What are the returns?

The return on your investment comes from:

- Any increase or decrease in the unit price, and
- Any income distributions made from the Fund.

We expect to make six monthly distributions for all Funds in respect of the periods ending on the last business day in March and September. You can elect for your distributions from a Fund to be reinvested in that Fund. If you do not make a distribution election the default option is reinvestment.

See section 2 of the PDS, "How does this investment work?" on page 6 for more information.

How can you get your money out?

Investments in the Funds are redeemable on request. We may suspend or defer redemptions if we determine this is in the best interest of investors generally.

See section 2 of the PDS, "How does this investment work?" on page 6 for more information.

Your investment in the Funds can be sold but there is no established market for trading these financial products. This means that you may not be able to find a buyer for your investment

How will your investment be taxed?

All of the Funds offered under this PDS are portfolio investment entities ('PIEs').

The amount of tax you pay in respect of a PIE is based on your prescribed investor rate ('PIR'). To determine your PIR go to www.ird.govt.nz/toii/pir/.

See section 6 of the PDS, "What taxes will you pay?" on page 14 for more information.

Where can you find more key information?

We are required to publish quarterly updates for each Fund. The updates show the returns, and the total fees actually charged to investors, during the previous year. The latest fund updates are available at www.iisolutions.co.nz. We will also give you copies of those documents on request.

RUSSELL INVESTMENT FUNDS PRODUCT DISCLOSURE STATEMENT

Fund	Description	Risk Indicator		Note	Fund Charges (Estimated, % of the Fund's net asset value)	Buy/Sell Spread (of each investment /redemption)
Global Shares Fund	Provides exposure to international shares and is actively managed using a multi-manager approach. The objective is to outperform the Russell Global Large Cap - Net Index.*	Lower risk/ lower expected return	Higher risk/ higher expected return	**	1.49%	0.20%/0.15%
		1	2			
Hedged Global Shares Fund	Provides exposure to international shares and is actively managed using a multi-manager approach. Targets being fully hedged back to New Zealand dollars. The objective is to outperform the Russell Global Large Cap NZ Hedged – Net Index.*	Lower risk/ lower expected return	Higher risk/ higher expected return	**	1.52%	0.22%/0.17%
		1	2			
NZ Shares Fund	Provides exposure to a diversified portfolio of predominantly equity securities listed on the NZX. The objective is to outperform the S&P/NZX 50 Index (gross and including imputation credits).*	Lower risk/ lower expected return	Higher risk/ higher expected return	**	1.34%	0.25%/0.25%
		1	2			
NZ Fixed Interest Fund	Provides exposure to a diversified portfolio of predominantly investment grade New Zealand dollar denominated fixed interest securities. The objective is to outperform a composite comprising 75% of the S&P/NZX NZ Government Stock Index and 25% of the S&P/NZX A Grade Corporate Bond Index.*	Lower risk/ lower expected return	Higher risk/ higher expected return	**	0.73%	0.05%/0.05%
		1	2			

Global Fixed Interest Fund	Provides exposure to international fixed interest securities and is actively managed using a multi-manager approach. Targets being fully hedged back to New Zealand dollars. The objective is to outperform the Barclays Global Aggregate Index – New Zealand dollar Hedged.*	Lower risk/ lower expected return	Higher risk/ higher expected return								**	0.85%	0.20%/0.20%
		1	2	3	4	5	6	7					

*Before costs and tax over 3 years plus.

**Note: A combination of actual Fund returns and market index returns have been used to determine all risk indicators as none of the Funds have been operating for the required five years. The risk indicator may therefore provide a less reliable indicator of the Funds' future volatility. Market index returns have been used for the period to: 30 November 2012 for the Global Shares Fund; 31 July 2012 for the Hedged Global Shares Fund; 28 February 2013 for the NZ Shares Fund; 28 February 2013 for the NZ Fixed Interest Fund; and 31 December 2011 for the Global Fixed Interest Fund.

If a Fund terminates or investors of a Fund remove us as Manager by special resolution, we may charge that fund a fee. For more information on these other charges, see section 5 of the PDS, "What are the fees?" on page 12.

See section 4 of the PDS, "What are the risks of investing?" on page 10 for an explanation of the risk indicator and for information about other risks that are not included in the risk indicator. To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at www.sorted.org.nz/calculators/investment-planner.

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2. How does this investment work?

This document is an offer to purchase units ('Units') in the Funds. The Funds are part of a managed investment scheme established under a trust deed ('Trust Deed').

The money you invest buys Units in the Fund or Funds you choose. Russell Investment Group Limited ("Russell Investments") is the investment manager of the Funds. The Russell Investments NZ Fixed Interest and NZ Shares Funds currently invest directly in assets which are managed by specialist managers selected on the basis of Russell Investments' manager research. The Russell Investments Global Fixed Interest, Global Shares and Hedged Global Shares Funds currently invest in underlying offshore funds established and managed by an affiliate of Russell Investments. Units do not constitute legal ownership of the Fund's assets but they give you rights to the returns of the assets.

The price of each Unit you receive depends on the value of the Fund at the time you invest and any buy spread that applies to that Fund. We calculate the Unit price for a Fund by subtracting the total value of the Fund's liabilities from the market value of its assets and dividing that number by the number of Units the Fund has issued. The Unit price is calculated daily.

A change in the value of the Fund's assets affects the price of your Units. The Unit price for a Fund will change as the market value of that Fund's assets changes.

No assets of a Fund will be available to be applied to meet the liabilities of any other Fund in this scheme.

Public Trust is the supervisor ('Supervisor') of the Funds and, in that role, monitors and supervises our management of the Funds. The assets of the Funds are held in independent custody by Public Trust RIF Nominees Limited, a wholly owned subsidiary of Public Trust.

The significant benefits of investing in the Funds are:

- **Diversification and scale.** By pooling the money of all investors in a Fund, we can give investors exposure to a more widely diversified portfolio of underlying assets than they may be able to access themselves. This increased diversification can reduce risk. In addition, the scale of the Funds allows us to lower costs by negotiating better prices with service providers.
- **Professional investment management.** Russell Investments is the investment manager for each Fund. Each Fund is managed in accordance with Russell Investments' manager-of-managers investment philosophy and process. Russell Investments' philosophy is based on identifying active managers which can outperform the index over a full market cycle, and then combining them in robust multi-manager structures to ensure consistency of excess returns.

The return on your investment comes from:

- Any increase or decrease in the unit price, and
- Any income distributions made from the Fund.

We expect to make six monthly distributions for all Funds in respect of the periods ending on the last business day in March and September. We expect to pay distributions within 10 business days. You can elect for your distributions from a Fund to be reinvested in that Fund. If you do not make a distribution election the default option is reinvestment.

Making investments

You can make lump sum investments into the Funds. The application process is described in section 10 of the PDS, "How to apply" on page 18.

The minimum initial investment for each Fund is \$5,000. Thereafter, the minimum additional investment is \$500 per Fund. These minimum amounts may be varied or waived at our discretion.

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.

Withdrawing your investments

You may request redemption of some or all of your investment at any time. For each Fund, payment will normally be made within 15 business days of our receiving a redemption request from you. However, we have the ability, in certain circumstances, to suspend redemptions.

When you redeem all or part of your investment from a Fund, we will redeem your investment at the unit price for that Fund, adjusted for the applicable sell spread for that Fund.

We reserve the right to refuse a redemption request for less than 500 units or a redemption request that would result in you holding less than 500 units (except where all of your units are to be redeemed).

How to switch between Funds

You can switch your investment between Funds.

A switch from one Fund to another is treated as a redemption from one Fund and an application to invest in the other Fund. The minimum amount you can switch between Funds is 500 units.

You will not be charged a switch fee but the buy and sell spreads will apply on each redemption and application for a switch. More information about the buy and sell spreads can be found in section 5 of the PDS, "What are the fees?" on page 12.

3. Description of your investment options

Fund	Summary of investment objectives and strategy	Target investment mix	Risk category	Minimum suggested investment timeframe
Global Shares Fund	<p>Objective: to provide a total return, before costs and tax, higher than the Russell Global Large Cap - Net Index over the long term (3 years plus).</p> <p>Strategy: 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.</p>	International equities 100%	5	5 years
Hedged Global Shares Fund	<p>Objective: to provide a total return, before costs and tax, higher than the Russell Global Large Cap NZ Hedged – Net Index over the long term (3 years plus).</p> <p>Strategy: 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 investment strategies and to manage risk. The Fund targets a position of being fully hedged back to New Zealand Dollars. Due to active currency management by the underlying managers, there will generally be some foreign currency exposure.</p>	International equities (hedged to the NZ\$) 100%	5	5 years
NZ Shares Fund	<p>Objective: to provide a total return, before costs and tax, higher than the S&P/NZX 50 Index (gross and including imputation credits) over the long term (3 years plus).</p> <p>Strategy: the underlying investment exposure is typically comprised of a broad range of shares and other equity securities listed on the NZX. This may include derivative instruments which may be used to obtain or reduce exposure to securities and to hedge any Australian dollar exposure. Investment in Australian shares will generally be in those companies which have a listing on the NZX.</p>	Australasian equities 100%	4	5 years
NZ Fixed Interest Fund	<p>Objective: to provide a total return, before costs and tax, higher than a composite comprising 75% of the S&P/NZX NZ Government Stock Index and 25% of the S&P/NZX A Grade Corporate Bond Index over the long term (3 years plus).</p>	NZ fixed interest 100%	3	3 years

	<p>Strategy: the underlying investment exposure is typically comprised of government fixed income securities, bank bills and cash equivalents, and securities issued by local authorities, semi-government organisations, and corporations, as well as to mortgage-backed and asset backed securities. The underlying investment portfolio may from time to time be exposed to low grade or unrated debt securities to a limited extent, and derivatives. The Fund also has the ability to invest in the Australian fixed income market either through Australian dollar denominated debt securities or derivative instruments.</p>			
<p>Global Fixed Interest Fund</p>	<p>Objective: to provide a total return, before costs and tax, higher than the Barclays Global Aggregate Index – New Zealand dollar Hedged over the long term (3 years plus).</p> <p>Strategy: the underlying investment exposure is predominantly to debt securities issued by supranationals, international governments, quasi-government agencies and corporates as well as structured credit securities including mortgage-backed and asset backed securities. The underlying investment portfolio may also be exposed to low grade or unrated debt securities, emerging market securities and currency. Derivatives may be used to obtain or reduce exposure to securities and markets, to implement investment strategies and to manage risk. The Fund targets a position of being fully hedged back to New Zealand Dollars. Due to active currency management by the underlying managers, there will generally be some foreign currency exposure.</p>	<p>International fixed interest (hedged to NZ\$)</p> <p>100%</p>	<p>3</p>	<p>3 years</p>

We can make changes to the Statement of Investment Policy and Objectives ('SIPO') of any Fund in accordance with the Trust Deed and the FMC Act. Before making changes to the SIPO, we will consider if the changes are in your best interests and consult with Public Trust, as the Funds' Supervisor. We will give notice of changes to investors in the relevant Fund prior to effecting any material changes. The most current SIPO for the Funds can be found on the scheme register at www.business.govt.nz/disclose.

Further information about the assets in each Fund can be found in the fund updates at www.iisolutions.co.nz.

4. What are the risks of investing?

Understanding the risk indicator

Managed funds in New Zealand must have a standard risk indicator. The risk indicator is designed to help investors understand the uncertainties both for loss and growth that may affect their investment. You can compare funds using the risk indicator.

Lower risk/lower expected return			Higher risk/higher expected return			
1	2	3	4	5	6	7

See page 3 for the risk indicators for the Funds offered under this PDS.

The risk indicator is rated from 1 (low) to 7 (high). The rating reflects how much the value of the Fund's assets goes up and down (volatility). A higher risk generally means higher potential returns over time, but more ups and downs along the way.

To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at www.sorted.org.nz/calculators/investment-planner.

Note that even the lowest category does not mean a risk-free investment, and there are other risks described under the heading "Other specific risks" that are not captured by this rating.

This risk indicator is not a guarantee of a Fund's future performance. The risk indicator is based on the returns data for the five years to 30 June 2016. While risk indicators are usually relatively stable, they do shift from time to time. You can see the most recent risk indicator in the latest fund updates for these Funds (once available).

General investment risks

Some of the things that may cause the Fund's value to move up and down, which affect the risk indicator, are:

Interest rate and credit risk

The NZ Fixed Interest Fund and Global Fixed Interest Fund invest in fixed interest securities and so are exposed to interest rate risk and credit risk.

Interest rate risk is the risk that the value of an investment changes due to movements in interest rates. If interest rates rise, the value of fixed interest securities falls. If interest rates fall, their 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.

Credit risk is the risk 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.

Market and security specific risk

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

- Market risk, and
- Security specific risk.

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

Security specific risk refers to factors that are particular to each stock or security. Examples of security 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 security specific risk.

Currency risk

All of Funds have the ability to invest offshore and hence are exposed to currency risk. However, currency risk is most significant for the Global Shares Fund, the Hedged Global Shares Fund and the Global Fixed Interest Fund.

Currency risk stems from the value of foreign currencies moving differently to the New Zealand dollar. For example, a fall in an investor'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 an investor's international investments. The Hedged Global Shares Fund and Global Fixed Interest Fund mitigate currency risk by hedging to the New Zealand dollar. However, these funds remain exposed to currency risk due to either not being fully hedged or as a result of currency positions adopted by underlying managers.

Emerging market risk

The Global Shares Fund, Hedged Global Shares Fund and Global Fixed Interest Fund invest in emerging markets' securities.

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.

Liquidity risk

All Funds are exposed to 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.

Manager risk

All of the Funds are managed in accordance with Russell Investments' "manager-of-manager" investment philosophy and process. Hence all Funds have the risk that the manager or managers selected underperform, resulting in lower returns than the relevant objective. To reduce this risk, Russell Investments has a thorough manager research and monitoring process. Where appropriate we also diversify across a number of managers.

Other specific risks

We are not aware of any other specific risks.

5. What are the fees?

You will be charged fees for investing in the Funds. Fees are deducted from your investment and will reduce your returns. If we invest in other funds, those funds may also charge fees. The fees you pay will be charged in two ways:

- regular charges - for example, annual fund charges. Small differences in these fees can have a big impact on your investment over the long term:
- one-off fees - for example the buy spread on applications.

Annual fund charges (% of net asset value)

Name of the Fund	Management Fees (including GST)	Estimated Administration Fees (including GST)	Total Annual Fund Charges
Global Shares Fund	1.32%	0.17%	1.49%
Hedged Global Shares Fund	1.32%	0.20%	1.52%
NZ Shares Fund	1.22%	0.12%	1.34%
NZ Fixed Interest Fund	0.61%	0.12%	0.73%
Global Fixed Interest Fund	0.66%	0.19%	0.85%

Management fees - We charge an annual management fee to each Fund as set out above. GST is currently charged at 15% on 10% of the management fee in accordance with the non-binding IRD agreement with the Financial Services Council of New Zealand Incorporated on behalf of the funds management industry. This percentage may change in the future.

Administration charges - These charges cover the general management of the Fund e.g. supervisor, legal, custodian and audit fees. These charges also include charges payable in respect of the underlying funds that the above Funds invest in. These charges are estimated based on past experience and rates that have been agreed with our key service providers. Actual charges over the previous 12 months are available in the latest fund update (once available).

Other charges

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 Supervisor as reasonable. You may ask us how much that fee was following termination.

If investors of a Fund remove us as Manager by special resolution (other than for breach of trust or negligence), we may charge that fund a fee on termination, being the greater of:

- \$150,000; and
- Four times the per annum percentage management fee for the Fund multiplied by the gross asset value of the Fund on the last time we calculate the Unit Price before we cease to hold office.

With the approval of the Supervisor, a third party may pay an amount to us equivalent to the fee charged on termination, instead of the Fund paying the fee.

Individual action fees (% of amount contributed or withdrawn)

Name of the Fund	Buy spread	Sell spread
Global Shares Fund	0.20%	0.15%
Hedged Global Shares Fund	0.22%	0.17%
NZ Shares Fund	0.25%	0.25%
NZ Fixed Interest Fund	0.05%	0.05%
Global Fixed Interest Fund	0.20%	0.20%

Buy/sell spreads - When you enter or leave a Fund, any buy or sell spreads applicable at that time will be a cost to you. The buy spread is added to the Unit price on entry to the Fund, and the sell spread is deducted from the Unit price on exit from the Fund. The buy/sell spreads belong to the Fund and are not fees paid to us or any investment manager. The purpose of buy/sell spreads is to make sure that any transaction costs incurred as a result of an investor entering or leaving the Fund are borne by that investor, and not other investors in the Fund. There is no GST charged on buy/sell spreads.

The buy/sell spreads at the date of this PDS are set out in the table above.

There are no other one-off fees currently being charged to any of the Funds offered under this PDS.

Example of how fees apply to investors

Anthony invests \$10,000 in the NZ Shares Fund. A buy spread of 0.25% is incorporated in the Unit price that he pays for his investment. This equates to \$25.

This brings the starting value of his investment to \$9,975.

He is also charged management and administration fees, which work out to about \$134 (1.34% of \$9,975). These fees might be more or less if his account balance has increased or decreased over the year.

Estimated total fees for the first year

Individual action fees: \$25.

Fund charges: \$134.

See the latest fund update for an example of the actual returns and fees investors were charged over the past year.

This example applies only to the NZ Shares Fund. If you are considering investing in other Funds in the scheme, this example may not be representative of the actual fees you may be charged.

The fees can be changed

We can change fees from time to time. We can also add new fees. We may waive or decrease a management fee without notice. We may increase a management fee by giving you at least three months' notice. The rules about fee changes are in the Trust Deed, which can be found on the scheme register at www.business.govt.nz/disclose.

We must publish a fund update for each Fund showing the fees actually charged during the most recent year. Fund updates, including past updates, are available at the offer register at www.business.govt.nz/disclose.

6. What taxes will you pay?

The Funds are portfolio investment entities. The amount of tax you pay is based on your prescribed investor rate ('PIR'). To determine your PIR, go to <http://www.ird.govt.nz/toii/pir/>. If you are unsure of your PIR, we recommend you seek professional advice or contact the Inland Revenue Department. It is your responsibility to tell us your PIR when you invest or if your PIR changes. If you do not tell us, a default rate may be applied. If the advised PIR is lower than the correct PIR, you will need to complete a personal tax return and pay any tax shortfall, interest, and penalties. If the default rate or the advised PIR is higher than the correct PIR, you will not get a refund of any overpaid tax.

7. Who is involved?

About Implemented Investment Solutions Limited

Implemented Investment Solutions Limited is the Manager of the Funds. Our contact details are below.

Level 3, Woodward House
1 Woodward Street
PO Box 25003
WELLINGTON 6146

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

Who else is involved?

Title	Name	Role
Supervisor	Public Trust	Supervisor of the Funds under the FMC Act, responsible for supervising Implemented Investment Solutions Limited as manager of the Funds.
Custodian	Public Trust RIF Nominees Limited	Appointed by Public Trust, as Supervisor, to hold the assets of the Funds on behalf of investors.
Investment Manager	Russell Investment Group Limited	Investment Manager for the Funds. Makes recommendations and decisions about what the Funds invest in. Sub-investment managers may also be appointed to manage Fund assets in accordance with Russell Investments' manager-of-manager investment philosophy and process.
Administration Manager	MMC Limited	Appointed by the Implemented Investment Solutions Limited to manage core administration functions including: unit pricing, fund accounting and fund registry.

8. How to complain

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

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

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 Supervisor for resolution through its internal dispute resolution process:

Public Trust
New Zealand Rugby House
100 Molesworth Street
PO Box 5067
WELLINGTON 6145

Telephone: (04) 978 4497

Email: enquiry@trustee.co.nz

If your complaint is not able to be resolved through our internal dispute resolution process or that of the Supervisor you may refer your complaint to the dispute resolution scheme operated by the Insurance and Financial Services 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. The Insurance and Financial Services Ombudsman's service is provided at no cost to you. The contact details for the scheme are:

Insurance and Financial Services Ombudsman

Level 8, Shamrock House
79-81 Molesworth Street
PO Box 10-845
WELLINGTON 6143

Telephone: 0800 888 202

Email: info@ifso.nz

9. Where you can find more information

Further information relating to the Russell Investment Funds is available on the offer register and the scheme register at www.business.govt.nz/disclose and a copy of information on the offer register or scheme register is available on request to the Registrar of Financial Service Providers.

Other information we will provide

You can also obtain the following information free of charge:

Information	How to obtain
Fund information relevant to you	You can inspect documents we hold that are relevant to you, and other documents that are legally required to be provided to you, at our offices during normal business hours, or request an extract of those documents, by written request to us.
Fund updates	Once available, the fund updates for the Funds will be publicly available from our website and can be requested from us.

If you invest directly into the Funds, we will send you confirmation information relating to your transactions when Units are issued to you, as well as when you withdraw or transfer your Units and make available to you an annual report in respect of the scheme.

You will also be sent an annual tax statement, which will include the amount of PIE income allocated to you and the amount of tax paid at your chosen PIR. You will also be asked to confirm your IRD number and PIR.

You can find general information about the Funds, our management team, and us on our website www.iisolutions.co.nz.

10. How to apply

If you are making an investment directly with us then you will be required to complete the application form at the back of this document and send it with 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 Limited
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".

You can also apply to invest in our Funds through approved investment administration and custodial service platforms (also known as 'wrap platforms' or 'portfolio investor proxies'). Many adviser groups and distributors prefer using wrap platforms in providing services to their clients. When reading this PDS you should remember that if your investments are purchased through a wrap platform they will be held by a custodian on your behalf. In that case you should refer to the wrap service terms and relevant material for how you may invest in the Funds. The terms of these wrap services are separate and independent to the offer of Funds under this PDS. Please take time to read this PDS and other information contained on the scheme register (www.business.govt.nz/disclose) before making your investment decision.

Glossary

"Administration Manager" means MMC Limited.

"Custodian" means Public Trust RIF Nominees Limited.

"Funds" means the funds offered under this PDS being the Global Fixed Interest Fund, Global Shares Fund, Hedged Global Shares Fund, NZ Fixed Interest Fund and the NZ Shares Fund.

"FMC Act" means the Financial Markets Conduct Act 2013.

"Global Fixed Interest Fund" means Russell Investments Global Fixed Interest Fund.

"Global Shares Fund" means Russell Investments Global Shares Fund.

"Hedged Global Shares Fund" means Russell Investments Hedged Global Shares Fund.

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

"NZ Fixed Interest Fund" means Russell Investments NZ Fixed Interest Fund.

"NZ Shares Fund" means Russell Investments NZ Shares Fund.

"PDS" means this document, the Product Disclosure Statement for the Russell Investment Funds.

"Supervisor" means Public Trust.

"Trust Deed" means the trust deed that governs the Funds (as amended and consolidated from time to time).

Words or phrases not defined in this Glossary have the same meaning as in the Trust Deed.

Form of application for units

For the Russell Investment Funds Product Disclosure Statement dated 10 August 2016
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” (crossed not transferable).

Please make direct debit payments to “Public Trust RIF Nominees Limited”, BNZ account 02-0506-0003022-000.
Please reference your payment with your name or client reference.]

WHAT TYPE OF INVESTOR ARE YOU?

Individual Joint ownership Company Trust
 Superannuation scheme Partnership Unincorporated body/club Incorporated society

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)
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NZ Resident Non-Resident PIR

Joint applicant #1

Title	Surname	Given name(s)
<input type="text"/>	<input type="text"/>	<input type="text"/>

Tax Status	Prescribed Investor Rate*	IRD Number
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NZ Resident Non-Resident PIR*

Joint applicant #2

Title	Surname	Given name(s)
<input type="text"/>	<input type="text"/>	<input type="text"/>

Tax Status	Prescribed Investor Rate*	IRD Number
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NZ Resident Non-Resident PIR*

*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.

COMPLETE POSTAL ADDRESS AND CONTACT DETAILS

Unit no.	Street no.	Street name
<input type="text"/>	<input type="text"/>	<input type="text"/>

Suburb/Town	Postcode	Work phone
<input type="text"/>	<input type="text"/>	<input type="text"/>

Home phone	Email
<input type="text"/>	<input type="text"/>

Cell Phone

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.



Applicant 1 Yes No

Applicant 2 (if applicable) Yes No

If "yes" to the preceding question please provide your US Taxpayer Identification Number (TIN). This is your Social Security Number (SSN).

Applicant 1 - -

Applicant 2 (if applicable) - -

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 (see below)

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 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

DISTRIBUTION PAYMENTS

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

(Please tick selected option – default is to reinvest)

	<u>Reinvest in units</u>	<u>Direct credit to bank account</u>
Russell Investments NZ Fixed Interest Fund	<input type="checkbox"/>	<input type="checkbox"/>
Russell Investments Global Fixed Interest Fund	<input type="checkbox"/>	<input type="checkbox"/>
Russell Investments NZ Shares Fund	<input type="checkbox"/>	<input type="checkbox"/>
Russell Investments Global Shares Fund	<input type="checkbox"/>	<input type="checkbox"/>
Russell Investments Hedged Global Shares Fund	<input type="checkbox"/>	<input type="checkbox"/>

Distributions and Redemption payments will be made by direct credit, please enter bank account details below:

Name of Bank

--

Account Name

--

Bank / Branch

--

Account number

--

Suffix

--

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

ACKNOWLEDGEMENTS

I/We have read the latest Product Disclosure Statement, dated 10 August 2016, and understand that the terms and conditions of the Trust Deed, the relevant 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 an Investor under the Trust Deed, the relevant Establishment Deed(s) and any amendments thereto for those Units. I/We agree to be bound by the provisions of the Trust Deed and the relevant Establishment Deed(s) (as duly amended from time to time).

I/we acknowledge 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 it 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 being used with and, where necessary, being disclosed to, the following sources: the Department of Internal Affairs, NZ Transport Agency, The Companies Office and Centrix Group Limited.

I / we acknowledge that any personal information held by the Manager may be disclosed to the Financial Markets Authority for the purposes of meeting any regulatory and statutory requirements and consent to such a disclosure being made.

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

- I/we warrant to the Supervisor and the Manager that the other person(s) has received a copy of the current Product Disclosure 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 Supervisor 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.

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)

Main Applicant Date

or
Joint Applicant #1 Date

Joint Applicant #2 Date

This Application Form must not be issued, circulated, or distributed unless accompanied by the Product Disclosure Statement dated 10 August 2016.

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

(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:

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

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 14 of the Product Disclosure Statement for their contact details.

Identity

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

Option A	Option B	Option C
One of: <ul style="list-style-type: none"> • NZ passport (identity page only) • Overseas passport / National Identity Card (identity page only)* • NZ firearms licence • NZ certificate of identity • NZ refugee travel document or emergency travel document issued under the Passports Act 1992 * 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.	<ul style="list-style-type: none"> • NZ drivers licence PLUS one of: <ul style="list-style-type: none"> • EFTPOS card, credit card, debit card or other document issued by a registered bank that contains name and signature • Super Gold Card or other document issued by a government agency that contains the person's name and signature • Bank statement, IRD statement or other document issued by a government agency within the preceding 12 months. 	<ul style="list-style-type: none"> • NZ drivers licence OR 18+ card PLUS one of: <ul style="list-style-type: none"> • NZ birth certificate • Certificate of NZ citizenship issued under the Citizenship Act 1977 • Birth certificate or citizenship certificate issued by a foreign government, 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:

Utilities bill	Rates bill	
Bank statement	Car registration document	Hire purchase statement
IRD statement	Insurance policy document	

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:

- NZ Lawyer
- Justice of the Peace
- Notary Publics
- Chartered Accountant
- Registered medical doctor
- Registered teacher
- Kaumatua
- Member of Parliament
- Police Officer
- NZ Honorary Consul

But a trusted referee cannot be:

- a spouse or partner
- A person involved in the proposed investment
- a relative
- someone living at the same address

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.): _____

Full name: _____ Date of Birth: _____

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 'Individual' and 'Certification' pages 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.): _____

Number: _____ Expiry: _____

b) Identity verification document 2 (if required)

Description (e.g. credit card etc.): _____

Number: _____ Expiry: _____

c) Address verification document

Description (e.g. utilities bill etc.): _____

Number: _____ Date: _____

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):

- 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 'Individual' and 'Certification' pages 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.): _____

Number: _____ Expiry: _____

(b) Identity verification document 2 (if required)

Description (e.g. credit card etc.): _____

Number: _____ Expiry: _____

(c) Address verification document

Description (e.g. utilities bill etc.): _____

Number: _____ Date: _____

