Russell Investments Portfolio Service
Portfolio Service Guide
Operating your Russell Investments Portfolio Service account

4 December 2023

The Important Information booklet for Russell Investments Portfolio Service ('**Important Information booklet**') and this Portfolio Service Guide described in the Important Information booklet (referred to as the '**Disclosure Documents**') are available from our website at netwealth.com.au/russellinvestments ('**our website**') or by calling us on 1800 888 223.

This Portfolio Service Guide forms part of, is taken to be included in and should be read together with, the Important Information booklet. Terms defined in the Important Information booklet have the same meaning in this Portfolio Service Guide unless otherwise indicated.

This Portfolio Service Guide has been prepared and issued by Netwealth Investments Limited (ABN 85 090 569 109, AFS Licence No. 230975) (referred to in this Portfolio Service Guide as '**Netwealth**', '**we**', '**us**' or '**our**') as operator and custodian of the Russell Investments Portfolio Service ('**Portfolio Service**'). The Portfolio Service enables investment in certain managed funds and managed models provided by Russell Investment Management Ltd (ABN 53 068 338 974, AFS Licence No. 247185) ('**Russell Investments**').

Issuer/operator:

Netwealth Investments Limited

ABN 85 090 569 109
AFSL 230975

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To request a printed copy of the Portfolio Service Guide, please contact us on:

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Web netwealth.com.au/russellinvestments

About this Portfolio Service Guide

This Portfolio Service Guide contains important information about:

- how your Portfolio Service account works;
- the investments available using the Portfolio Service;
- the significant risks associated with investing in and using the Portfolio Service; and
- how returns on investments are taxed.

You should consider the Disclosure Documents that are relevant to you before making a decision about your Portfolio Service account.

Information in this Portfolio Service Guide may change from time to time in the future. Where the changes are not materially adverse, the updated information may be made available to you in the 'Forms and documents' section of our website or upon request by contacting us. A paper or electronic copy of any updated information is available from us free of charge upon request.

Your account

Nominated bank account

Your nominated bank account is an account you hold with an Australian financial institution[1] which will be used to receive withdrawals from your Portfolio Service account.

You can nominate or change your nominated bank account through your online Portfolio Service account or by submitting a form to us.

You can nominate and store multiple bank accounts. You can also nominate different bank accounts for regular payments, savings plans or your standing direct debit authority or to be used for other withdrawals.

Selecting investments

The available investment options are:

- term deposits;
- a range of managed funds provided by Russell Investments;
- a range of managed models by Russell Investments available through the Managed Account;[2] and
- other investments that may be made available from time to time by us for the Portfolio Service.

More information about these investment options is provided in this Portfolio Service Guide. Details of specific investment options available in the Portfolio Service are set out in the Investment Menu, which is available in the 'Forms and documents' section of our website or from us, free of charge, on request.

You can choose to invest in any combination of investment options to best meet your personal investment objectives and strategies.

We have the discretion to not allow any particular investment to be held using the Portfolio Service.

Appointing your Nominated Financial Adviser

You may appoint a financial adviser as your '**Nominated Financial Adviser**' to assist you with operating your Portfolio Service account. Your Nominated Financial Adviser must be a person who is authorised by an AFS Licensee to give financial product advice as defined in the *Corporations Act 2001* (Cth). You may agree to pay your Nominated Financial Adviser's AFS Licensee fees as described in the 'Advice fees' section of the Important Information booklet.

Your Nominated Financial Adviser is able to view your Portfolio Service account and your personal details. Your Nominated Financial Adviser may authorise an officer or employee of your Nominated Financial Adviser who can view your account and view your personal details. Your Nominated Financial Adviser's AFS Licensee may also be authorised to view your account and view your personal details.

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1 An Australian authorised deposit-taking institution, credit union or building society. We may at our discretion allow overseas accounts to be nominated.

2 '**Managed Account**' is the Netwealth Managed Account Service (ARSN 633 923 887) of which we are also the responsible entity. See the Investment Menu and the Managed Account PDS for the list of available managed models using the Portfolio Service.

If you have appointed a financial adviser to be your Nominated Financial Adviser, they may also be appointed as your '**Adviser Representative**' as described below.

We have discretion to reject the initial or ongoing appointment of a financial adviser as your Nominated Financial Adviser and, if we do so, we are not obliged to provide reasons.

Adviser Representative

Appointment of Adviser Representative
If you have appointed a financial adviser as your Nominated Financial Adviser to have access to transact on your account, they act as your Adviser Representative.

Your Adviser Representative and the adviser's authorising AFS Licensee must first be registered with us for that purpose.

If your nominated adviser acts as your Adviser Representative, they are responsible for ensuring you receive all relevant documentation prior to dealing with your investment in the Portfolio Service and for keeping copies of your transaction instructions.

Your Adviser Representative is able to act on your behalf on matters relating to your Portfolio Service account, including providing us with instructions about your account and undertaking online transactions on your behalf.

Your Adviser Representative may authorise an officer or employee of your Nominated Financial Adviser to give instructions in relation to your Portfolio Service account and they are bound by the same terms and conditions as the Adviser Representative.

Your Adviser Representative may act on your behalf on all matters relating to your Portfolio Service account, with the following important exceptions:

- we will not accept instructions from your Adviser Representative to change details of your nominated bank accounts without your authority to make this change;
- we will not accept instructions from your Adviser Representative to pay additional advice fees or to increase advice fees without your authority to make this change;
- you cannot appoint your Adviser Representative as your agent for the purpose of receiving certain communications such as your annual statements;
- your Adviser Representative cannot appoint a different Adviser Representative to act on your behalf. However, they can change the officer or employee authorised to give instructions to us and, if your Adviser Representative is an AFS Licensee, they can also change the authorised representative authorised to give us instructions; and
- your Adviser Representative will not be able to make payments from your account through either the Pay Anyone or BPAY facilities unless you specifically instruct us to give your Adviser Representative authority to do so ('**facility permission**').[3]

Where your Adviser Representative provides any instructions for a payment from your Portfolio Service account, we will only make the payment:

- to one of your nominated bank accounts;
- to another Netwealth account[4] that is linked to the same username as your Portfolio Service account; or
- if you have given a facility permission, to the payee as instructed by your Adviser Representative through that facility.

We have the discretion to limit the amounts that an Adviser Representative can instruct to be paid, to not approve a payee, or to suspend or terminate an Adviser Representative's facility permission. We will only do this where we believe it to be in your interests or to comply with our legal obligations.

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[3] Not all accounts have access to these payment facilities. Refer to the 'Pay Anyone and BPAY facilities' section within this Portfolio Service Guide for further information.

[4] 'Netwealth account' means an account in the Portfolio Service, the Wrap Service or a Russell Investments Super Series account. Russell Investments Super Series is a product of the Netwealth Superannuation Master Fund (ABN 94 573 747 704) which is administered by us.

We may at our discretion refuse to act on any instructions or requests of your Adviser Representative (or anyone your Adviser Representative authorises to operate your account) or refuse to provide your Adviser Representative with information about your Portfolio Service account. Again, we will only do this where we believe it to be in your interests or to comply with our legal obligations.

Responsibility for your Adviser Representative
We are not responsible for the actions of your Adviser Representative or for the actions of their officers, employees or other representatives. The fact that your Nominated Financial Adviser is registered with us to act as an Adviser Representative is not to be taken as an endorsement of them by us.

As your Adviser Representative can access your online account and they will have authority to act on your behalf on matters concerning your account and investments, it is essential that you have complete confidence in your Nominated Financial Adviser handling your investments. If you have any doubts about this, you should notify us to revoke this appointment.

By appointing or by continuing to use your Nominated Financial Adviser as your Adviser Representative, you agree to:

- release and discharge us and our directors, officers and employees from and against all actions, claims, demands and proceedings, arising out of your appointment of your Nominated Financial Adviser as your Adviser Representative or dealings made on the instruction or request of your Adviser Representative, or any purported transaction or dealing made on the instruction of your Adviser Representative where we reasonably believe that your Adviser Representative is acting within their authority, except to the extent that we, our directors, officers and employees act negligently or wrongfully; and
- indemnify us and our directors, officers and employees for all losses, liabilities, actions, claims and demands and proceedings in relation to this.

Can you appoint an additional Adviser Representative?
In some cases, it is possible to appoint an additional Adviser Representative who also has authority to act on your behalf on matters concerning your account and/or investments. The terms of the appointment must be agreed with us and your Nominated Financial Advisers.

What if you wish to cancel the appointment of your Adviser Representative?
If at any stage you wish to cancel the appointment of your Adviser Representative, you should immediately notify us in writing or call us. We are not liable for any action taken on the instructions of the Adviser Representative prior to us receiving your notice.

What if your Adviser Representative ceases to be authorised or changes AFS Licensee?
Where your Nominated Financial Adviser is not an AFS Licensee then usually, for legal purposes, they will be providing financial services on behalf of an AFS Licensee. In these circumstances, if your Nominated Financial Adviser ceases to provide services on behalf of that AFS Licensee and we are informed or otherwise know that this is the case, your Nominated Financial Adviser will automatically cease to be your Adviser Representative unless and until:

- your Nominated Financial Adviser commences to provide financial services for a new AFS Licensee;
- you and/or the new AFS Licensee notify us that your Nominated Financial Adviser is to remain as your Adviser Representative; and
- the new AFS Licensee is registered with us for that purpose.

To the extent that your Adviser Representative ceases to be authorised by their AFS Licensee and the requirements above are not met, then we may accept instructions from the registered AFS Licensee to appoint another financial adviser as your Adviser Representative.

What if you have more than one account?
If you have more than one Netwealth account, including in the Netwealth Superannuation Master Fund or the Portfolio Service, under the same username, the Adviser Representative is the same on all the accounts under that username. Any instruction that you provide regarding the appointment of your Adviser Representative in relation to any of these accounts applies to all of the accounts under that username.

If you have more than one Netwealth account held under different usernames, any instruction you provide regarding the appointment of an Adviser Representative applies only to the accounts held under the username specified in the instruction.

Professional third party access

You may also grant third parties, such as accountants and investment consultants, access to your Portfolio Service account. A professional third party must first register through our website. Once registration is complete, you can link your account to the professional third party. Your Nominated Financial Adviser can also link your account to the professional third party with your approval.

The professional third party can view your Portfolio Service account and your personal details. They are given browse access and can produce reports about your account. They cannot provide instructions on your account. When granting access to a professional third party, you or your Nominated Financial Adviser have the option of setting an expiry date to their access.

Transacting on your account

Managing your account

You have a choice as to the level of online access you require for your account. You can choose to have either full transaction capability or browse access. If you cancel the appointment of your Nominated Financial Adviser, you will be given full transaction capability unless you tell us otherwise.[5] You can change your level of online access by completing a 'Change of details' form available from our website.

Browse access allows you to view and monitor your account. You can change your personal details and confirm requests made by your Adviser Representative but you do not have transaction capability.

Full transaction capability allows you to change your account details online and to direct us to invest in and change investment options.

You will have been provided with a username and you can create a password for online access to your account. You should keep your password confidential and change it regularly. If you do not access your Portfolio Service online account within a 12-month period, your password is disabled and you will need to reset your password.

Online transactions

You can access details of your investments and transactions by logging into your online account on our website. You can also keep track of fees, expenses, costs and income applied to your account.

If you have chosen to have full transaction capability online, you may also be able to issue investment instructions to us. This removes the need for you to complete forms and reduces the time between issuing instructions and having transactions implemented.

Once you have given us the investment instruction, we apply for the investment and hold it on your behalf as custodian. We only apply to purchase the requested investments if there are sufficient cleared funds in your cash account, in excess of the minimum cash requirement. Full details of how the cash account operates are set out in the 'How your cash account works' section on page 7.

For joint, SMSF, company and trust accounts you may specify the number of signatories required to authorise instructions in relation to your account. If your account requires joint signatories and you choose to have online transaction capability, we only provide one username and password. Most online transactions can be completed using this online access. However, you are not able to withdraw funds or change your nominated bank accounts without providing written instructions signed by the required number of signatories to your account.

All online transactions are subject to our 'website terms and conditions' which are contained on our website.

Offline transactions

You do not have to operate your account online. You may choose to undertake most transactions or change your account features by completing a form and sending it to us. You can also update your personal details and provide

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5 Any account (including joint, SMSF, trust and company accounts) that requires multiple signatories to transact will not automatically be given full transaction capability.

certain instructions by contacting us on Freecall 1800 888 223.

If you choose to undertake a transaction by completing a form, rather than transacting online, the offline transaction fee may apply (see the Important Information booklet for details of the offline transaction fee). We do not charge an offline transaction fee on any transaction where we do not provide online capability. Where the offline transaction fee applies to a transaction, this is indicated on the form for that transaction. Forms are available on our website, from a financial adviser or by contacting us directly.

Scanned document usage

We may accept instructions, signed by authorised signatories to your account, to act on your account using scanned documents sent by email or other electronic means. However, we do not act upon any request that we have reason to believe is not genuine.

If you send us instructions by a scanned attachment to an email or other electronic means, it is a condition of us accepting the instructions that you agree to release, discharge and indemnify us, our directors, officers and employees against all losses, liabilities, actions, claims and demands arising from us acting on the instructions except to the extent that we or any of our officers act negligently or wrongfully.

What happens if you die?

In the event we are informed of your death, the following will apply depending on your investor type:

For an individual investor -

- we require evidence of death, generally in the form of letters of administration or grant of probate;
- we will continue to deduct applicable fees and costs until the final withdrawal payment is made and your account is closed;
- any existing advice fees will cease from the date of your death; and
- your Adviser Representative (if applicable) will no longer be able to operate or provide instructions in relation to your account (however, they will still have access to reporting in relation to your account).

For joint account holders, we will require a certified copy of the death certificate and certified identification of the surviving account holder/s to enable us to proceed with the in-specie transfer of the account to the surviving account holder/s.

For SMSF, trust or company account holders, please contact us for information on the process which we will follow and the evidence or identification information which we will require.

Transferring investments to your account

You can transfer certain investments you already hold to your Portfolio Service account. You may only transfer in cash or holdings in the Russell Investments managed funds listed in the Investment Menu.

To proceed with a transfer of investments to the Portfolio Service you must complete the 'In specie transfer and limited power of attorney' form available on our website.

When the form is received, it is assessed to ensure all the required information has been supplied. We complete the necessary paperwork to have the investments transferred to us to be held by us for you in your Portfolio Service account. This may involve us sending a 'Standard Transfer Form' to the relevant fund manager. This is a manual process and can take several weeks to be completed, depending on the registration party (e.g. fund manager or other platform). The processing timeframe depends in part on how long it takes the transferor(s) to complete the necessary transfer(s) and this is not within our control.

What are the fees involved?

There is no processing fee currently applied by us for assets transferred to the Portfolio Service.

If incomplete or incorrect details in relation to your investments have been supplied on the 'In specie transfer and limited power of attorney' form, we may have to obtain this information from the fund manager. If there is a fee charged by the fund manager to supply this information, this is charged to your account. This fee is determined by the fund manager and we do not have any control over this amount.

These fees are deducted from your cash account.

Stamp Duty

If you are transferring a managed fund investment into your Portfolio Service account, you may be charged an amount of stamp duty based on the value of the investment. Any stamp duty paid is deducted from your cash account.

Power of attorney

We act as custodian for the Portfolio Service. A custodian's role is to hold the legal title to assets for the investor. It is therefore necessary for us to have the assets transferred to our name. This is done by completing the 'In specie transfer and limited power of attorney' form which gives us authority to transfer, on your behalf, all the assets outlined in the form to us. See the 'In specie transfer and limited power of attorney' form, available on our website for further information.

Managing your investments

The Portfolio Service allows you to change or transact on your investments. The way you do this depends on the type of investment. You can only change to investments available in the Portfolio Service.

Before transacting on an investment using the Portfolio Service, you should consider the relevant PDS and TMD or other disclosure document relating to the investment and carefully consider whether the investment is appropriate for you in light of your personal objectives, financial situation or needs.

Cash account

Your cash holdings in the Portfolio Service are held in the cash account. Your cash account is a transaction account which forms the transaction centre of your Portfolio Service account to facilitate deposits, payments and investment transactions.

How your cash account works
All cash is invested in a cash pool held by us for all Portfolio Service investors in one or more interest bearing accounts with an Australian bank.[6] This includes the minimum cash requirement referred to below and any additional cash you wish to maintain in your cash account.

We do not withdraw any part of your money from your cash account except at your direction. By continuing to use your Portfolio Service account, you direct us to facilitate the payment of fees and costs from your cash account.

Minimum cash requirement
Part of your cash is reserved as the 'minimum cash requirement', which is equal to the sum of:

- 1% of your account balance or $500, whichever is greater, up to a maximum of $5,000;
- where you are receiving weekly, fortnightly, or monthly payments from a regular payment plan, the amount equal to:
  - four weekly payments;
  - two fortnightly payments; or
  - one monthly payment; and
- where you have selected the LifeWRAP facility, the amount equal to one monthly or one quarterly insurance premium payment (as applicable).

Each time you transact or make an enquiry about your cash account, the 'minimum cash requirement' is recalculated to take into account the current value of your investments. Whenever you direct us to buy an asset, we reserve the amount needed to settle the purchase and classify this amount as 'pending purchases'. You are not able to access this amount, as it is held in cash until the purchase settles. After allowing for the 'minimum cash requirement' and 'pending purchases', the balance of any cash in your cash account is classified as 'available for investment'. You are able to use these funds to carry out further asset purchases or for withdrawals from your account.

Your cash account can therefore include up to three components:

- 'minimum cash requirement';
- 'pending purchases'; and
- 'available for investment'.

6 Refer to our website for details on the Australian banks we use from time to time.

Topping up your cash account

You must maintain the 'minimum cash requirement' in your cash account. If, for any reason, your cash account falls below the 'minimum cash requirement', we sell down some of your investments and use the proceeds to top up your cash account. This 'minimum cash requirement' check and any top up process is executed at least once per month.

You may nominate the order in which you want us to sell down investments, should your cash balance fall below the 'minimum cash requirement', by completing the auto sell down profile.[7] This can be done at any time through your online account or by completing the 'Auto sell down profile selection' form.

If you do not tell us the order in which you want us to sell down investments (by completing an auto sell down profile) and if there is insufficient cash in your cash account to meet the 'minimum cash requirement', then under the terms and conditions of the Portfolio Service, you are taken to give us a standing instruction (which you agree not to vary) to redeem assets to the extent necessary to ensure there are sufficient funds in your cash account as follows (and this is your auto sell down profile):

- first, by redeeming units from your liquid managed fund investments in order of the amount invested in each investment from largest to smallest holding;
- next, if there are still insufficient funds after redeeming your liquid managed fund investments, by realising your investments in the Managed Account (if applicable) in order of the amount invested, from your largest to smallest holding.

If there are insufficient liquid investments to enable us to top up your cash account then we may, but are not obliged to, advise you and your Nominated Financial Adviser (if you have one) of this and request that this be rectified.

If you have advised us that you are a significant investor visa holder then your account will be excluded from the auto sell down process.

Insufficient or negative cash

If your cash account goes into a negative balance for any reason, a fee is charged for the period that your account has a negative balance (see the 'Service fees' section of the Important Information booklet).

If there is insufficient cash in your cash account, we have a discretion to not pay your regular payment plan for the relevant period (if you have one) until such time as there is sufficient cash to allow it to be paid.

What goes into your cash account?

The following amounts are the key items credited to your cash account:

- deposits to your account (including regular savings plan deposits);
- interest earned on the cash account (refer to 'How your cash account works' in the Important Information booklet for more information);
- proceeds of sales or redemptions of investments in your account, including maturing term deposits; and
- all income earned including interest earned on term deposits and distributions.

What comes out of your cash account?

The following amounts are the key items deducted from your cash account:

- purchases of new investments;
- withdrawal amounts (including regular payment plan amounts);
- applicable administration fees;
- additional service fees or special request fees arising from your instructions or requests to us;
- if you have selected LifeWRAP, the insurance premiums for your linked insurance policy and our administration fees;
- advice fees agreed between you and your Nominated Financial Adviser, which you authorise and instruct us to pay to your Nominated Financial Adviser on your behalf; and
- any monthly net income amounts paid to you through a cash settings instruction.

Term deposits

Term deposits allow you to make an investment for a fixed length of time at a rate of return that is determined at the

[7] Your auto sell down profile may also be used to implement sales required to facilitate a withdrawal request.

time of investment. The investment is then generally unable to be withdrawn until the term expires.

Term deposits are made available by authorised deposit-taking institutions. The list of term deposits is available in the Investment Menu on our website or on request free of charge. A list is also available on our website or on request free of charge that sets out the dates on which the available term deposits commence, available terms and the available rates.

Interest may be paid to your cash account throughout the term of the investment. At the end of the term, the principal and any remaining interest due are paid into your cash account. These amounts remain in your cash account until you choose to invest elsewhere. Your cash account may not pay as high a rate of interest as a term deposit and it is important to consider reinvestment of the funds when the term deposit has ended.

Interest rates change frequently, so you should check the current rates on our website at the time you invest and again if you are considering rolling into a new term deposit.

You may request an early withdrawal from a term deposit but you should be aware that early withdrawals are subject to the term deposit provider's approval and may include withdrawal restrictions, notice periods and interest reductions as described in the product disclosure statement ('**PDS**') or other disclosure document for that term deposit.

The minimum investment amount for term deposits is currently $5,000. This minimum may change from time to time.

Managed funds

The Portfolio Service allows you to choose from a range of managed funds provided by Russell Investments. A complete list of the managed funds available can be found in the Investment Menu. The current Investment Menu is available on our website, directly from us on request without charge or from a financial adviser.

All managed funds in the Investment Menu are subject to change from time to time at our discretion. If you have chosen an investment that is removed from the Investment Menu, we may continue to hold this investment on your behalf. However, if we determine that it is undesirable or impractical to continue to hold this investment, we may contact you to arrange a transfer of the investment to you in-specie or a sale of the investment.

The fund manager of each managed fund generally charges management fees and costs and may also have other fees such as responsible entity or registry fees, application fees and buy-sell spreads. These fees, which vary between funds, are generally recovered from the assets of the managed fund directly and not separately charged to investors. The Investment Menu provides basic details regarding the costs of the managed funds listed. Each of the managed funds has its own PDS and you should read the PDS of a managed fund that you are considering investing in. The PDS for each managed fund includes information regarding the investment objective, strategy, fees, costs and risks for that fund. PDSs for the managed funds are available on our website, through your Nominated Financial Adviser or by contacting us directly.

Your investments in managed funds are usually valued at the latest available unit price, updated each business day. This unit price is usually based on the value of the managed fund's underlying investments at an earlier time, often the previous business day.

Buying and withdrawing from managed funds

You can instruct us to buy and withdraw from managed fund investments through your online account at any time. Alternatively, you can send us an 'Investment instruction' form, in which case the offline transaction fee may apply (see the Important Information booklet for details of the offline transaction fee).

Where you lodge a request online before 12pm noon (Melbourne time) on a business day, we generally send it to the fund manager on the same day. If you transact by submitting an 'Investment instruction' form, we send this request to the fund manager as soon as practical. You should be aware that the transaction may not be immediate, and we are not responsible for any delays caused by matters beyond our control.

If you do not have sufficient cleared funds in your cash account to complete the application for units in the new or existing managed fund, the investment instruction is held as pending, until we determine that sufficient proceeds have been received.

The time periods for processing a withdrawal from a managed fund vary. Some managed funds do not permit withdrawals except at the end of a fixed term or only allow limited withdrawals. The withdrawal rules should be specified in the relevant PDS or other disclosure document for the managed fund.

Withdrawals are processed by the responsible entity of the managed fund at the sell price for the managed fund that is applicable to withdrawal requests received at the time we lodge it with the responsible entity. The withdrawal price may change between the date you make your request to have the investment withdrawn and the date the withdrawal occurs. This means that the value realised may differ from that shown in your Portfolio Service account when you initiate the transaction or whilst the transaction is pending.

Withdrawals from managed funds may have tax consequences. You should make sure you understand these consequences and, if in doubt, you should obtain professional advice before withdrawing.

The minimum trade amount is generally $100 (both into and out of a managed fund, unless you are closing that investment). This may differ depending on the fund chosen. In certain circumstances, it may be possible to withdraw an amount less than $100, but this depends, among other things, on the withdrawal rules of the managed fund. Contact us if you wish to withdraw an amount of less than $100.

The proceeds of the withdrawal are paid into your cash account.

It is important that you understand that there may be limitations on the liquidity of managed funds (i.e. the ability to get your money back). If a managed fund into which you have invested through the Portfolio Service becomes illiquid, your investment in that managed fund can only be withdrawn at the time of a withdrawal offer. Generally speaking, an investment in a managed fund is regarded as 'illiquid' if investors in the managed fund are unable to withdraw their investment within the period normally specified for satisfying withdrawal requests in that managed fund. This will usually be because less than 80% of the underlying investments of the managed fund can be realised within that period.

Managed Account

The Portfolio Service allows you to choose from a range of managed models available through the Managed Account. The Managed Account includes one or more managed models that aim to provide you with access to professionally managed investment portfolios.

You should refer to the Investment Menu for details of the available managed models.

Each managed model is a portfolio of underlying assets that is managed based on the investment decisions of a professional investment manager (the '**Model Manager**'). The underlying assets are invested based on your selected managed models and are regularly reviewed and rebalanced based on the ongoing investment decisions made by the Model Managers.

You can view your Managed Account portfolio online with your other Portfolio Service investments, as well as instruct us online to perform transactions such as adding to, withdrawing from or switching between managed models, updating your investment preferences or suspending rebalances.

Prior to investing or varying your holdings in any of the managed models, you should refer to the Managed Account PDS. Copies of the PDS may be obtained at any time from our website, from your financial adviser if you have one, or by contacting us directly.

The Managed Account PDS provides important information about the managed models, including the investment management fees, the minimum investment, the Standard Risk Measure risk band for each managed model, and information about benefits, risks and fees and costs.

If you choose to withdraw from a managed model or a managed model is removed from the Managed Account, any underlying assets acquired as part of that managed model may be transferred on your instruction to your Portfolio Service account if that underlying investment is an allowable investment of the Portfolio Service.

Where you use the Managed Account, we will not pass on information about corporate actions in relation to assets held in the Managed Account, as decisions about corporate actions applying to assets held in the Managed

Account are made by us, in our capacity as responsible entity of the Managed Account, at our discretion.

Additional features of the Portfolio Service

Regular savings plan

The regular savings plan is a convenient way to top-up your investment on a monthly basis. You can make direct debit additions to your account on a monthly basis using a regular savings plan. This can be set up at any time. The minimum monthly addition you can make to your cash account is $100. Direct debits for the regular savings plan can only be made from a bank account you hold with an Australian financial institution.

Your regular savings plan amount is automatically debited from the bank account you specify for this purpose and is credited to your cash account on or about the 15th day of every month. Your participation in the facility continues until you request it to stop or change the facility. We may cancel the facility if a rejection of a payment occurs from your bank account.

Some financial institutions may charge a fee for this service or may not offer direct debiting on their full range of accounts. You are liable for any incidental fees and costs and taxes incurred. You are also liable for any dishonour fee charged by your financial institution if you do not keep enough money in your account to cover the regular savings plan amount.

To start or change your regular savings plan we must receive a correctly completed instruction prior to the 10th day of the month in which the first or next monthly addition is to be made.

Dollar cost averaging plan

Dollar cost averaging ('**DCA**') is a strategy that you may wish to discuss with a financial adviser. It involves investing equal dollar amounts regularly in a particular investment so that more of that investment is purchased when prices are low and less is purchased when prices are high.

If you wish to use a DCA plan in the Portfolio Service, you can invest a monthly amount, for a set number of months, in one or more managed funds and/or the Managed Account. The minimum amount per managed fund is $100 per month and the minimum amount for investment in the Managed Account is $1,000 per month. Each month we determine if there is sufficient cash 'available for investment' to action your instruction in full. If so, we invest accordingly; if not, no investments are made for that month.

You can alter your investment selections or the amounts to be invested at any time. You can combine a DCA plan with a regular savings plan. DCA is only available for managed funds and the Managed Account.

If you completely sell down a particular investment that is also within your DCA plan, we will take that as your instruction that you no longer want any exposure to that particular investment, and it will be removed from your DCA plan.

Cash settings

Excess cash may build up in your cash account as a result of additional deposits and investment income. The cash settings feature provides flexibility around your cash allocations. Under this feature you can set a cash target and apply cash balance triggers at which any excess cash is automatically invested into your selected assets and/or assets are sold to maintain your cash target. Cash setting instructions are executed at least once per month.

Cash target

You can set a cash target on your account to automatically maintain your preferred cash balance in accordance with your investment instructions. The cash target may be set as either a dollar amount or a percentage of your account. The cash target cannot be below your account's 'minimum cash requirement'.

Investment instructions

You can select from the following investment instruction options:

- **Leave as cash** – all income and contributions received are left in your cash account.
- **Pay to bank** – the net income received less expenses paid is paid into one of your nominated bank accounts. This amount excludes distributions already reinvested through the distributions only option referred to below.
- **Excess cash** – when available cash reaches your buy trigger (explained below), the excess cash is reinvested according to your instructions.

- **Income** – income earned less expenses plus any regular savings plan amounts is reinvested according to your instructions. Income reinvestment is only available on managed funds and managed models. This amount excludes distributions already reinvested through the distributions only option referred to below.
- **Distributions only** – when distributions are received from a managed fund, they are reinvested back into the same managed fund. Reinvestment only occurs if the distribution received is more than $5.

You can set a buy trigger on your account to enable excess cash to be automatically invested according to your investment instructions. The buy trigger can be set as either a dollar amount or a percentage of your account. You can also set an investment limit on your account to restrict the amount reinvested in your account.

You need to ensure that, in the case of reinvestment in managed funds (using excess cash, income or distributions only settings described above), you have the most up to date PDS for each of the managed funds that you are making additional investments in and, in the case of the Managed Account, you have the most up to date Managed Account PDS. We recommend that you regularly check our website, ask your financial adviser (if you have one) or contact us for a current copy of the relevant PDSs.

Except in the case of the distribution only option, if the amount of reinvestment into any one managed fund is less than $100 for a particular month, we may not be able to carry out your income reinvestment instructions and the amount remains in your cash account.

If you completely sell down a particular investment that forms part of your income reinvestment instructions, we will take that as your instruction that you no longer want any exposure to that particular investment, and it will be removed from future reinvestments.

Auto sell down instructions

If your cash balance falls below the 'minimum cash requirement', we sell down some of your assets to top up your cash account according to your auto sell down profile (see the 'Cash account' section on page 7). You can also set a sell trigger on your account to enable assets to be sold according to your auto sell down profile if your account balance falls below this amount. The sell trigger can be set as either a dollar amount or a percentage of your account. The sell trigger cannot be below your account's 'minimum cash requirement'.

Regular payment plan

The regular payment plan gives you the ability to have a regular amount paid from your account on a weekly, fortnightly, monthly, quarterly, half yearly or yearly basis. This amount is paid from your cash account and directly credited to one of your nominated bank accounts on the payment date selected.

You can change the amount and frequency or cancel the facility at any time. To ensure that your change is effective, you must advise us three business days prior to the payment date.

Your cash account is required to have sufficient funds to meet the 'minimum cash requirement' (see the 'How your cash account works' section on page 7). Where there are insufficient funds in your cash account, your regular payment will not be made.

Pay Anyone and BPAY facilities

The Pay Anyone facility allows you to make withdrawals from your cash account and have them paid into any Australian bank account. BPAY allows you to pay bills from your cash account.

Any account (including joint, SMSF, trust and company accounts) that requires multiple signatures to transact does not have access to the Pay Anyone or BPAY facilities.[8]

You are required to provide your mobile phone number for use in relation to these payment facilities. We may notify you of withdrawals or payments made using these facilities by sending a notification to the mobile phone number you provide. Where we request that you confirm a withdrawal or payment, we will withhold any payment until we receive your confirmation. We will seek confirmation from you by

[8] If you have browse access only you cannot use these facilities yourself. However, you can give your Adviser Representative either or both of these facility permissions.

SMS, through your online account or by other means determined by us.

You have the option to also allow your Adviser Representative to make payments using the Pay Anyone or BPAY facilities on your behalf. You can instruct us to give your Adviser Representative one or both of these facility permissions by logging into your account and changing your bank settings. You can also remove those facility permissions at any time.[8]

It is important that the mobile phone number you provide to us is current and secure to ensure that you are notified of any withdrawals made using the Pay Anyone and BPAY facilities.

Margin lending

Some financial institutions lend you money to fund or partly fund buying investments in managed funds and other approved investment options that may be held through the Portfolio Service. The lending of funds to acquire investments is commonly referred to as 'margin lending'.

We do not provide margin lending facilities but we do have agreements in place with certain lenders to permit investors who wish to borrow funds to acquire investments to hold those investments through the Portfolio Service. The terms and conditions for a margin loan are as agreed by you and the lender, but it is usual for the lender to take some form of security over the investments to be held through the Portfolio Service.

The lender has obligations to you that are determined partly by the terms of the margin loan that you enter into with them and it is very important that you familiarise yourself with that documentation to find out what those obligations are. You should remember that the terms of a margin loan are between you and the lender and we are not a party to the loan or in any way responsible for its terms.

If you have a margin loan, the terms agreed with the lender usually allow you to operate your Portfolio Service account online, but the terms may impose certain restrictions such as requiring approval from the lender to make a withdrawal from your cash account or to change certain details about your Portfolio Service account.

If your margin lender prevents us from redeeming or selling investments to top up your cash account to maintain your 'minimum cash requirement', you are required to deposit further amounts to prevent your cash account from falling below the 'minimum cash requirement'.

We do not charge any additional fees in relation to accounts that are subject to margin loans.

Advice about margin lending

You should discuss the risks associated with margin lending with a financial adviser before deciding whether margin lending is appropriate for you. You should also obtain advice about the effect margin lending has on your taxation position. We do not make any recommendations in relation to margin lending.

LifeWRAP

LifeWRAP is a facility that enables you to pay insurance premiums through your Portfolio Service account for a linked insurance policy, issued by an approved insurer to you personally. The life insurance policy is held by you in your name and is not held by us in the Portfolio Service. Any claim payments are paid directly to you by the insurer and not through your Portfolio Service account.

You can choose from a range of insurance products offered by a number of approved insurers. The insurance products available through LifeWRAP are listed on our website and can be obtained from your financial adviser or by contacting us on Freecall 1800 888 223.

The availability of an insurance product through the LifeWRAP facility is not an endorsement by us of the insurance product or the insurer. You, with your financial adviser, should conduct your own assessment of the available insurance and its suitability for you. Before acquiring any insurance product, we recommend that you seek advice from a financial adviser.

For more information regarding a particular insurance product through the LifeWRAP facility, see the relevant PDS, which is available from the insurer, from a financial adviser, or by contacting us.

Using LifeWRAP

To help make the ongoing management of your policy as simple as possible, we assist you in a number of your dealings with the insurer, including the application for insurance and submission of any claim. We can also answer some queries about your policy. We are acting for you when we provide these services.

The insurer is responsible for all decisions relating to your insurance cover, including claims under your policy. Complaints related to your insurance policy must be made to the insurer.

Details of your policy, type of cover and insurance premiums are available to you when you log in to your account on our website. You are also able to view the deductions from your account relating to the LifeWRAP facility. A copy of the policy can be obtained free of charge from the insurer or by contacting us on Freecall 1800 888 223.

How to apply

A LifeWRAP insurance policy is only available through an adviser who is authorised by the insurance company who provides the policy. Your adviser can provide you with a quotation detailing the policy you wish to purchase and assist you with the application process.

To apply for insurance, you need to read the PDS of the relevant insurance product. You and your Nominated Financial Adviser then need to complete the insurance application for the insurance product and submit it to the insurer. The insurer contacts us to arrange payment of your premiums.

Paying your premiums

If you take out insurance cover and use LifeWRAP, your premium payments are deducted from your cash account and continue to be deducted from your cash account until:

- you provide us with written notification that cover is no longer required;
- we receive written notification from you that the payment should stop – in this case you need to pay insurance premiums directly to the insurer if you want the policy to continue; or
- your insurance policy ceases for any other reason.

We monitor your cash account each month to determine if you satisfy the 'minimum cash requirement', which requires 1% of your account balance (up to a maximum of $5,000) or $500, whichever is greater, plus one monthly insurance premium or one quarterly insurance premium (as applicable). If your premiums are payable less frequently, then you are not required to hold funds in your cash account to cover the premiums. However, if there is insufficient cash available when the premium falls due, you need to have sufficient liquid investments available in your Portfolio Service account for us to sell in order to pay the premium.

If there are insufficient available funds in your Portfolio Service account to pay the premium, then the insurance premium is not paid. The insurer then notifies you of the outstanding premium and how the premium can be paid to avoid your policy lapsing or being cancelled. You should read the PDS for the relevant insurance product to obtain further information about the non-payment or late payment of premiums.

If, after paying your insurance premium, your cash account falls below the 'minimum cash requirement', it must be 'topped up' with additional cash to meet the 'minimum cash requirement' (see 'How your cash account works' on page 7).

You can opt out of the LifeWRAP facility at any time by notifying us in writing. Should the LifeWRAP facility be terminated, you are required to provide the insurer with an alternative source for ongoing payment of the insurance premiums for your policy.

If you close your account in the Portfolio Service, you then become responsible for the payment of any future insurance premiums.

LifeWRAP privacy statement

When you apply for insurance through LifeWRAP, we may collect, use or disclose your and any insured persons' personal information (including health and sensitive information) to assist you in applying for insurance with the insurer and making any claim under the policy. Any information, including health and sensitive information, is collected by us directly from you or from the insurer to assist with the underwriting or claims assessment by the insurer. If this information is not provided, your application for insurance or an insurance claim may not be processed by the insurer.

We may disclose your and any insured persons' personal information (including health and sensitive information) to the insurer and a range of service providers including financial advisers, re-insurers, past or present medical practitioners, health professionals, hospitals, personal accountants, current or former employers, lawyers, claim investigators and other third party service providers. We may also disclose such information to government department(s) which retain health records or as part of our regulatory requirements.

You and any insured persons have a right to access any personal information held about you unless we are legally entitled to deny access. If you wish to access the personal information we have collected from you, you should contact us in writing. You may also seek to correct such information.

We only collect personal information from you or the insurer where it is necessary to administer your linked insurance policy. The insurer from time to time may also need to disclose your personal information to third parties such as re-insurers, medical practitioners, financial professionals and judicial or dispute resolution bodies.

We and the insurer only disclose your personal information to third parties for the purpose for which it was collected and any related secondary purpose.

LifeWRAP fees and adviser remuneration

A financial adviser who arranges an insurance policy for you may, subject to the law, receive remuneration from the insurer in relation to the insurance policy. Details of any remuneration payable to the financial adviser by the insurer should be disclosed in the relevant PDS for the insurance product and be included in the financial adviser's financial services guide.

If you select the LifeWRAP facility, a fee applies (see the 'Service fees' section of the Important Information booklet).

Risks

To manage your risks, you should consider obtaining professional advice that is tailored to your investment objectives, financial situation and particular needs.

Investment risks

Investments made through the Portfolio Service carry investment risks. These risks may impact the value of your Portfolio Service account and/or limit your ability to withdraw your funds from your account.

All investing involves some degree of risk. Generally, the higher the potential return from an investment, the greater the associated risk. The aim of any investment should be to ensure the return is commensurate with the associated risks and the risks are at a level the investor is comfortable with. Diversification is a recognised strategy that can assist in achieving this goal.

The benefits of diversification

One of the most important principles of investing is diversification – that is, spreading investments across a range of:

- asset classes (like shares, property, fixed interest, cash);
- geographical regions; and
- investment managers.

Diversification is also desirable within some asset classes. This could be achieved by investing in a selection of managed funds with different investment styles or investment objectives and investments in different asset classes and different markets.

Diversification reduces your risk as your investment is not dependent on the performance of any one of these asset classes. For example, some fund managers may excel in one or two areas, but rarely does a fund manager out-perform others consistently in all areas for any length of time.

Investment markets are affected by numerous factors. These factors can result in investment returns fluctuating over time, which is generally described as 'volatility'. At times, the value of your account may be less than what you originally invested.

Growth investments (shares and property) have relatively higher risk (and volatility), and higher expected returns, than defensive investments (fixed interest and cash). Some of the factors that influence volatility and returns are investor sentiment, general economic conditions such as changes in interest rates and inflation, rates of growth of the domestic and world economies, and political events.

You should read the PDS or other disclosure documents for any investment you intend to access through the Portfolio Service for an explanation of the risks associated with that particular investment.

Below is a summary of what we believe are the major potential risks associated with investing.

Sovereign or political risk: the risk of loss of investment value caused by the internal actions by the government of a country to which the investment is exposed or external actions against the country. This can happen in a wide range of ways. Examples of internal actions are changes in the regulation of foreign investment or foreign ownership. External action may be in the form of hostilities by another state, economic sanctions or a terrorist attack. Some overseas markets are much more susceptible to these events than the Australian market which may impact investments in international funds.

Company or share risk: the chance of a specific share or security falling in value due to unexpected changes in the company's internal operations or environment. Examples of this are the impact of a new competitor on an industry, changes in technology, errors in management strategy or execution, or the impact of climate change on a particular company's revenues or business model.

Market risk: the risk of loss of investment value due to the factors that affect an entire market or asset class. Markets are impacted by economic, technological, public health, environmental, political or legal conditions, and by market sentiment. Changes in the value of investment markets can affect the value of investments in your Portfolio Service account. For example, global or regional events, such as the global financial crisis, pandemics and climate change, can directly or indirectly impact an entire market or certain asset classes, and the demand and supply of certain assets such as commodities, property or credit may impact related asset classes. Some overseas markets may be more volatile than the Australian market, particularly when this is combined with exchange rate volatility, which may impact investments in international funds.

Default, fraud or insolvency risk: the risk that those responsible for the investment (e.g. responsible entities, fund managers or directors) will breach their duties to investors (either negligently or deliberately) causing investors to lose their investment.

Currency risk: the risk that the Australian dollar rises in value relative to the foreign currency, which can have a negative impact on investment returns. This risk applies to those investment options that invest in overseas share or bond markets without fully hedging currency risk.

Interest rate risk: changes in interest rates can have a positive or negative impact, directly or indirectly, on investment value or returns.

Credit risk: the risk that a borrower defaults on interest or principal repayments. This risk applies to those investment options that invest in debt securities (i.e. fixed interest investments), particularly if they are unsecured, such as unsecured notes.

Legislative risk: changes are frequently made to taxation laws that may affect your tax position and to other laws which may have flow-on effects to the performance of your investments.

Inflation risk: the risk that inflation may exceed the return on an individual asset.

Fund manager risk: all of the managed funds currently accessible using the Portfolio Service are managed by Russell Investments. Therefore, changes affecting Russell Investments, such as loss of significant staff, could affect their performance as a fund manager. Another risk is that they may not effectively apply their stated investment philosophy, and this could impact on the performance of their managed funds.

Liquidity risk: in addition to volatility there is the risk of not being able to withdraw from or sell an investment at short notice. This could occur if, in the case of a managed fund, the responsible entity of the managed fund suspends withdrawals because the assets of the managed fund have become illiquid or, in the case of a listed investment, trading in that investment on the stock market is suspended for a substantial period of time. Some overseas markets do not provide the same level of liquidity as Australian markets, which means that it may be harder to trade some international securities in a timely manner at a fair market price.

Margin lending risks

There are additional risks if you choose to invest using a margin loan. It is important that you understand that, while using a margin loan can increase the gains you make, it can also increase your losses. The effect of margin lending is that the net value of your account, after allowing for the amount of the loan, may drop to zero. In addition, if the value of your investments falls, as well as bearing the decline in value, the terms of the margin loan may require you to contribute additional funds (commonly referred to as a 'margin call').

Portfolio Service specific risks

Operator risk: risks relating to the Portfolio Service include that it could terminate, we could be replaced as the operator and/or our main service providers could change. We aim to keep risks associated with the Portfolio Service to a minimum by endeavouring to act always in investors' best interests and to have long term relationships with reliable service providers.

Operational risk: is the risk that a transaction or instruction is not processed or implemented correctly. We have systems and processes in place for managing operational risks and their consequences.

Systems risk: is the risk of an interruption or fault or failure in any part of our computer or telecommunications systems. This could be caused by breakdown, system overload, malware, viruses, cyber attack, unauthorised access, denial of service, or other malicious attack. We have assessed the capacity required for our website and put in place reasonable contingencies. However, our website could become congested due to abnormal activity. Such abnormal activity may occur if the stock market falls significantly and many investors wish to simultaneously access our website to review their investments and/or sell them.

User/third-party user risk: is the risk of mistake by you or your Adviser Representative in operating your account or misuse of your account by other persons, including fraud or theft.

We have various security measures to ensure that your transactions and personal information are protected. However, you must also play a big part in protecting your financial and personal information. You should also consider obtaining professional advice about protecting your computer and your personal and financial information.

Areas that you should be particularly aware of are:

- managing your password (keeping it confidential and changing it regularly);
- hoax emails or messages purporting to be from us – we will never ask you to provide your password or other personal details via email or SMS;
- managing your payment or withdrawal facilities, including your nominated bank accounts and permissions for Pay Anyone and BPAY; and
- changing who can access your account – you should tell us immediately if you want to change or remove someone (such as a financial adviser) who you have previously authorised to view or transact on your online account.

You should keep your personal details in your account up to date, including your mobile phone number and any nominated bank account details, and we encourage you to access and review your account regularly.

We act on instructions provided by you and your Adviser Representative (if you have one). You are responsible for ensuring that your instructions are accurate and correct. Incorrect payment instructions provided by you or your Adviser Representative may result in funds being transferred to the wrong account and we may not be able to recover them for you. When you transact on your account you should consider the information provided in the Disclosure Documents about how your account works and any additional information we provide about the transaction.

Taxation

The tax information in the Portfolio Service Guide is current as at date of issue. Tax information is likely to change over time and depends on your personal circumstances. You should obtain up to date professional tax advice about how the following information applies to your circumstances before making an investment.

Annual tax statement

To help you complete your tax return each year, we send you an annual tax statement detailing the components of any income distributed to you, and any capital gains or losses as a result of any disposal of investments. You should discuss the tax treatment of those components with your accountant or financial adviser as part of the preparation of your tax return.

Your tax statement is prepared on the basis that you are investing:

- as an Australian resident individual; or
- as an Australian trust; or
- as an Australian resident company; or
- as an Australian complying self managed superannuation fund.

This is based on your capacity as shown in your account. The tax statement does not apply to non-resident investors.

The tax statement includes Capital Gains Tax ('**CGT**') details for any assessable capital gains or losses you have realised due to the disposal of investments within your account. You should note that we treat all disposals as being on capital account for tax purposes, rather than on revenue account, except for certain investments where capital gains tax provisions specifically require disposals to be treated on revenue account (for example, traditional securities). If your investments are held on revenue account (for example, as a trader or for the purpose of profit making by sale) the tax statement may not be correct for you and you should seek your own independent tax advice.

Your tax liability ultimately depends on your specific circumstances, so it is important that you understand the tax consequences before you decide to invest. If you are in any doubt, you should seek professional advice before you invest.

You should read the applicable PDS or disclosure document for taxation information relevant to the investment options available through the Portfolio Service.

Absolute entitlement

The structure of the Portfolio Service seeks to ensure that, for CGT purposes, you are treated as though you are 'absolutely entitled' to the investments made on your behalf – that is, for CGT purposes, you hold the investment yourself. If you are absolutely entitled to the investments, then for CGT purposes, you, rather than we, are treated as dealing with the investments.

You should note that the Australian Taxation Office ('**ATO**') has issued a Draft Taxation Ruling TR 2004/D25 ('**TR 2004/D25**') relating to the circumstances where a person is absolutely entitled to an asset for CGT purposes. In TR 2004/D25 the ATO indicates that it considers that, in certain circumstances, joint account holders may not be absolutely entitled to the investments made on their behalf. TR 2004/D25 has not been withdrawn or finalised as at the date of issue of the Portfolio Service Guide. Investors who wish to open and/or make investments as joint account holders should obtain professional tax advice before making the investment.

In light of the uncertainty noted in the previous paragraph about the status of jointly held investments in terms of absolute entitlement, and depending on how this is ultimately resolved, it may be necessary once the issues are resolved to change the way joint accounts are operated. If a change is necessary, joint account holders will be notified by us of any necessary operational change.

Margin loans

If you are considering using a margin loan to fund or partly fund your investment you should get taxation advice on the implications of this before making the investment.

Income

The distributions that you receive reflect the distributions paid by managed funds and other investments in which you have chosen to have us invest in on your behalf. Depending on the investments you choose, you may receive:

- franked/unfranked dividends;
- foreign income;
- tax-deferred status;
- tax-free amounts;
- capital gains;
- discounted capital gains;
- interest; and
- other income, including non-assessable amounts.

You should note that you may be assessed in the tax year to which the distributions relate, to the extent that they represent taxable income, even though payment may not occur until some later time.

Imputation credits

Distributions from investments that hold Australian securities may include an entitlement to franked distributions. Your particular circumstances (and that of the investment) are relevant to determining whether you are entitled to any tax offsets in respect of your share of the franked distributions and, in certain circumstances, a refund of excess franking credits. As these rules are complicated, it is important that you seek professional tax advice regarding how these rules apply to your investment.

Foreign income from investments
A distribution from an investment that includes foreign income may entitle you to a tax offset against your Australian tax liability in respect of the foreign tax paid on your share of that income.

The *US Foreign Account Tax Compliance Act* ('**FATCA**') may apply to certain income or other payments that (broadly speaking) have a source in the United States of America ('**US**'). See the section below on FATCA.

Capital gains and other income
Taxable capital gains derived by an investment in which we invest on your behalf may form part of your assessable income. Other income distributed from some investments may include certain non-assessable amounts. Receipts of non-assessable amounts may have CGT consequences, such as a reduction in the cost base of the units held. Attribution Managed Investment Trust ('**AMIT**') cost base adjustments may also apply in respect of distributions from AMITs. You should consider seeking professional tax advice if you are unsure of how to treat any of the amounts received from your distribution.

Disposal of investments
Under the CGT provisions of the tax law, any taxable capital gain arising from the disposal of your investments is expected to form part of your assessable income. For tax purposes, a disposal of your investment may arise in a number of circumstances including, but not limited to, a change of investments or transferring beneficial ownership. However, a transfer of an investment between you and your Portfolio Service account should not realise a capital gain or loss where there is no change of beneficial ownership.

You may be eligible for the discount capital gain concession on capital gains arising on the disposal of investments if the investments are held for 12 months (excluding the day of acquisition and disposal) or more. If you are considering instructing us to dispose of investments, you should make sure you understand the taxation consequences and, if necessary, you should consult your tax adviser about the CGT consequences before disposing of the investments.

FATCA

FATCA requires financial institutions foreign to the US who invest in the US to disclose certain information about their account holders to the US Internal Revenue Service ('**IRS**'). If we are found to be non-compliant by the IRS in relation to our FATCA obligations (e.g. consistently failing to report account holders) there is a risk that investments held by the Portfolio Service would be subject to a 30% withholding tax on income and gross proceeds from the sale of financial assets in the US. Australia has executed an intergovernmental agreement with the US, which means that the relevant information will be collected by the ATO and provided to the IRS. We will endeavour to meet these requirements to minimise any FATCA withholding. However, we provide no assurances in this regard and investments held using the Portfolio Service may be subject to this 30% withholding tax.

You should seek professional advice if you are considering investing in US assets.

Common Reporting Standard

The Common Reporting Standard ('**CRS**') is the single global standard for the collection, reporting and exchange of financial account information on foreign tax residents. Under the CRS we collect and report financial account information to the ATO who exchanges this information with the participating foreign tax authorities of those foreign tax residents.

General information only

The information provided in the Portfolio Service Guide is general information only, and does not take into account your personal objectives, financial situation or needs. You should consider whether the information is appropriate for you in light of your personal objectives, financial situation and needs and you should consider seeking advice from a financial adviser before deciding whether to invest in the Portfolio Service. If, at any time, a feature of the product as described in the Portfolio Service Guide is not consistent with our legal obligations, our legal obligations will prevail.

Important notice

Russell Investments is not the issuer of the Portfolio Service and has not authorised or caused the issue of the Portfolio Service Guide. Russell Investments has given and not withdrawn its consent to be named in the Portfolio

Service Guide in the form and context in which it is named. Russell Investments does not provide any representations or warranties, or guarantee any return on any investment in the Portfolio Service.