

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name: Russell Investments World Equity Fund
Legal entity identifier: HLQBEG4MPYCWQ29U6634

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?



Yes



No



It will make a minimum of **sustainable investments with an environmental objective**: ____%



in economic activities that qualify as environmentally sustainable under the EU Taxonomy



in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



It will make a minimum of **sustainable investments with a social objective**: ____%



It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ____% of sustainable investments



with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy



with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



with a social objective



It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?



The Russell Investments World Equity Fund (the “**Fund**”) promotes a reduction in Carbon Emissions (as defined below).

The Fund is actively managed with reference to the MSCI World Index (USD) - Net Returns (the “**Index**”). The Index is a broad market index and is not used by the Fund to attain the environmental characteristics promoted by the Fund.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

- **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

Characteristic	Indicator
Reduction in Carbon Emissions	<p>Aggregate Carbon Footprint of the Fund portfolio at least 20% lower than the Index.</p> <p>“Carbon Footprint” means Carbon Emissions in metric tons of carbon dioxide equivalent (CO2-e), divided by company revenue (USD).</p> <p>“Carbon Emissions” means:</p> <ul style="list-style-type: none"> ▪ Scope 1 (direct emissions): activities owned or controlled by an organisation that releases carbon emissions straight into the atmosphere; and ▪ Scope 2 (energy consumption): carbon emissions being released into the atmosphere associated with consumption of purchased electricity, heat, steam and cooling. These are a consequence of a company’s activity but which occur at sources the company does not own or control.

- **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

N/A

- **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

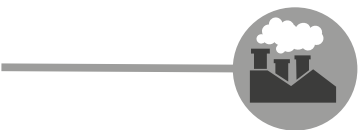
N/A

— How have the indicators for adverse impacts on sustainability factors been taken into account?

N/A

— How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

N/A



Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

- ☐ Yes
- ☒ No

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

What investment strategy does this financial product follow?

In addition to the definitions set out elsewhere in this document, the following definitions shall apply:

“Decarbonisation Overlay Strategy” means the proprietary quantitative overlay strategy used by the Principal Money Manager in order to identify those securities that will allow the Fund to reduce its carbon exposure compared to the Index.

“Prohibited Coal Companies” means companies which derive more than 10 per cent. of their revenue from coal power generation or thermal coal production except for companies which either: (i) derive at least 10% of their power generation from renewable energy sources; or (ii) have made a public commitment to divest from their coal related activities or reach zero emissions by 2050, in each case, provided in each case that any such companies derive less than 25 per cent. of their revenue from coal power generation or thermal coal production.

Decarbonisation Overlay Strategy

Following the selection of the equity securities, in line with the investment objective and policy of the Fund, the Principal Money Manager will apply a binding Decarbonisation Overlay Strategy to adjust the portfolio of the Fund so that it will always have no less than a 20 per cent lower aggregate Carbon Footprint compared to the Index.

The Decarbonisation Overlay Strategy uses quantitative data relating to Carbon Footprint and also involves an assessment of the involvement in the extraction of coal of each constituent of the Index to enable the Principal Money Manager to evaluate the carbon exposure of a particular constituent of the Index. Using the Decarbonisation Overlay Strategy, the Principal Money Manager will seek to reduce the Fund’s exposure to companies which engage in carbon-intensive activities or which have a significant Carbon Footprint. The

Decarbonisation Overlay Strategy uses a systematic optimisation strategy to: (i) exclude all Prohibited Coal Companies (which are prohibited from being held by the Fund); (ii) evaluate the carbon exposure of investee companies; and (iii) adjust the holdings of the Fund to reduce its aggregate carbon exposure relative to the Index.

The carbon exposure of an investee company (referred to in (ii) above) is evaluated using third-party Carbon Footprint data as well as data relating to the involvement of such company in the extraction of coal. Based on this evaluation, the Decarbonisation Overlay Strategy adjusts the holdings of the Fund to reduce its aggregate carbon exposure relative to the Index.

Non-financial analysis will be undertaken on at least 90% of the equity and equity related securities. This means that when the Principal Money Manager is evaluating the performance of the Fund's non-financial indicator (ie, Carbon Footprint), at least 90% of these securities will be subject to analysis and measurement. It may not be possible to analyse and measure the performance of certain assets, as data (or sufficiently high quality data) may not be available.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The Fund has a binding environmental target which is measured using the objective sustainability indicator (described above). The binding elements of the investment strategy used to achieve this target are set out below:

The Decarbonisation Overlay Strategy is binding and significantly integrated into the analysis undertaken by the Principal Money Manager when making investment decisions in respect of the Fund. The requirement to exclude all Prohibited Coal Companies from investment is binding on the Fund.

Investors should note that the application of the Decarbonisation Overlay Strategy will not necessarily result in a 20 per cent reduction in the aggregate Carbon Footprint of the Fund's portfolio as against the aggregate Carbon Footprint of the Fund's portfolio prior to the application of the Decarbonisation Overlay Strategy (for these purposes, the latter will be referred to as the "Investable Universe"). The reason for this is that the 20 per cent carbon reduction target is made in reference to the aggregate Carbon Footprint of the Index and not the Fund's Investable Universe. The application of the Decarbonisation Overlay Strategy will nevertheless always result in a reduction in the aggregate Carbon Footprint of the Fund as compared to Investable Universe.

● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

An exclusion screen is applied to the Fund, however, there is no commitment to a minimum rate to reduce the scope of investments prior to the application of the investment strategy.

● ***What is the policy to assess good governance practices of the investee companies?***

The Fund will invest in corporations which follow good governance practices by international standards.

The Principal Money Manager utilises the services of a highly reputable third party data provider to identify corporations which are aligned to the United Nations Global Compact Principles ("UNGC Principles") and are therefore deemed by the Principal Money Manager as having good governance practices. This identification process includes a holistic assessment of core metrics for measuring good governance, including company responsibility, company management and the severity of impacts on stakeholders and/or the environment. The Principal Money Manager's default position, as regards the

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

selection of investments, is that the Fund will not invest in corporations that are identified as breaching any of the UNGC Principles.

In cases where a corporation is deemed to have breached a UNGC Principle, the Principal Money Manager may elect to initiate an engagement and review process in respect of the relevant corporation's governance practices. Under this process, the Principal Money Manager will engage with the relevant corporation to understand why a breach of the UNGC Principles has been identified and to promote improvements in the governance practices within the corporation, if deemed necessary. Following this engagement process the Principal Money Manager may make a determination that the relevant corporation exhibits good governance practices, despite the initial assessment of the corporation, and can therefore form part of the portfolio of the Fund.

If a corporation held by the Fund is identified as having breached a UNGC Principle following the initial assessment described above, the Fund may continue to hold shares of the corporation, provided that the engagement and review process has been initiated and only until such time as it has been completed. If the relevant corporation refuses to actively engage with the Principal Money Manager or if at the end of the review period the corporation has not demonstrated sufficient good governance practices, the Principal Money Manager (or its delegate) will divest of its holdings in the corporation. The Principal Money Manager has in place a robust governance process around decisions that are made following each engagement and review process outlined above, with each determination being overseen and managed by the Principal Money Manager's Global Exclusions Committee.

Asset allocation describes the share of investments in specific assets.

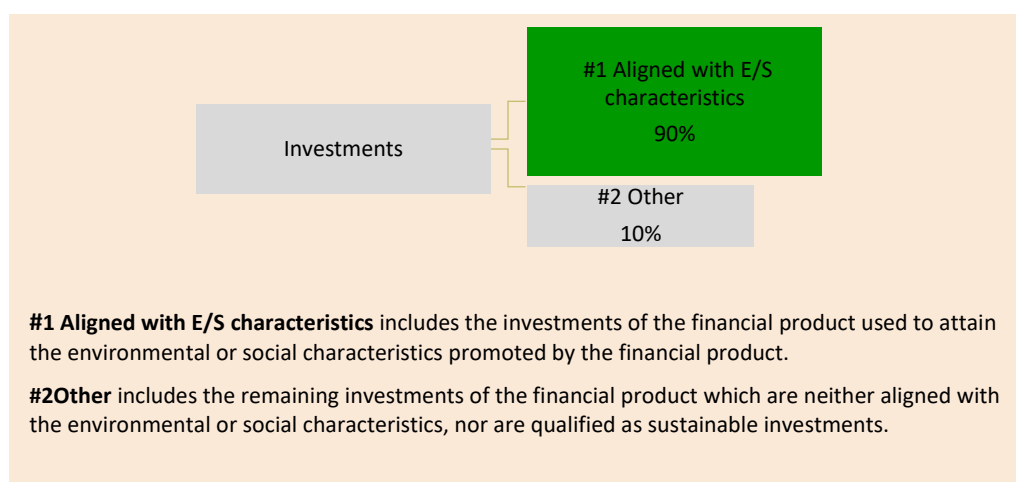


What is the asset allocation planned for this financial product?

It is expected that at all times at least 90% of the Fund's assets will be invested in equities or equity related securities, all of which will be subject to the binding elements of the Fund's investment strategy used to attain the environmental characteristics promoted by the Fund.

The remainder of the Fund's assets and their purposes are detailed below, and further in the Prospectus.

The Fund does not commit to investing in sustainable investments or investments aligned with the Taxonomy Regulation.



How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

The Fund does not use derivatives for the purpose of attaining the environmental or social characteristics it promotes.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

0%

- Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy²?



Yes:



In fossil gas



In nuclear energy

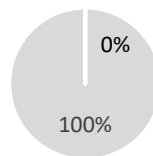


No

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

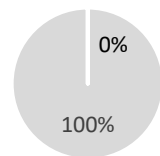
1. Taxonomy-alignment of investments including sovereign bonds*

■ Taxonomy-aligned: Fossil gas
■ Taxonomy-aligned: Nuclear
■ Taxonomy-aligned (no fossil gas & nuclear)
■ Non Taxonomy-aligned



2. Taxonomy-alignment of investments excluding sovereign bonds*

■ Taxonomy-aligned: Fossil gas
■ Taxonomy-aligned: Nuclear
■ Taxonomy-aligned (no fossil gas & nuclear)
■ Non Taxonomy-aligned



This graph represents 100% of the total investments.

* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

- What is the minimum share of investments in transitional and enabling activities?

N/A

² Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

N/A



What is the minimum share of socially sustainable investments?

N/A



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

This portion of the Fund’s investments may include:

For efficient portfolio management purposes, the Russell Investments World Equity Fund may engage in currency hedging transactions to hedge against exchange rate risk.

Russell Investments World Equity Fund will carry out spot foreign exchange transactions.

Futures contracts will be used to hedge against market risk or gain exposure to an underlying market.

Forward contracts will be used to hedge or gain exposure to an increase in the value of an asset, currency, commodity or deposit.

Options will be used to hedge or achieve exposure to a particular market instead of using a physical security.

Swaps (including swaptions) will be used to achieve profit as well as to hedge existing long positions.

Forward foreign exchange transactions will be used to reduce the risk of adverse market changes in exchange rates or to increase exposure to foreign currencies or to shift exposure to foreign currency fluctuations from one country to another.

Caps and floors will be used to hedge against interest rate movements exceeding given minimum or maximum levels.

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

Investments in convertibles may not exceed 25 per cent. of the Russell Investments World Equity Fund’s net assets.

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

No minimum environmental or social safeguards will be in place in relation to such holdings.



Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No.

- *How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?*

N/A

- *How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?*

N/A

- *How does the designated index differ from a relevant broad market index?*

N/A

- *Where can the methodology used for the calculation of the designated index be found?*

N/A

Where can I find more product specific information online?



More product-specific information can be found on the website: <https://russellinvestments.com/emea/important-information> (from 1 January 2023).