

Remuneration Disclosure

Russell Investments Ireland Limited (“RIIL”)

Policy and remuneration practices of Russell Investments Ireland Limited

Russell Investments has in place a Remuneration Policy (“the Policy”) that applies to Russell Investments Group (the ‘Group’) including RIIL. The Policy and remuneration practices are intended to attract, retain and motivate associates to use their knowledge, expertise, business acumen and leadership skills to serve its clients effectively. The Group also operates group-wide compensation programmes which are overseen by Board Compensation Committee (“BCC”). Among other objectives these programmes are designed to incentivise behaviours which are within Russell Investment’s targeted levels of risk.

Most important design characteristics of the remuneration system

The Policy and remuneration practices are intended to:

- Promote sound and effective risk management practices and align with its risk management principles.
- Discourage excessive risk taking, and risk taking that is inconsistent with its risk appetite or risk management policies and principles.
- Include measures to avoid conflicts of interests.
- Discourage irresponsible business conduct.
- Ensure remuneration is in line with its business strategy, objectives, values, and long-term interests.
- Control fixed costs by ensuring that remuneration expense varies with profitability and does not constrain its ability to strengthen its capital base.
- Link a significant portion of an associate’s total remuneration to its overall financial and operational performance, the performance of the business unit (as appropriate), as well as the associate’s individual performance.
- Provide competitive, but not excessive, levels of remuneration compared to peer firms of appropriate size, business scope, geography, complexity and profitability.

In essence, the Policy and remuneration practices are intended to support Russell Investments business strategy, long term interests and values, and to ensure that risk taking does not exceed its tolerated level of risk.

Russell Investments’ approach to remuneration risk is to focus associates on the defined strategic outcomes necessary for the success of the Group, whilst underpinning these outcomes with the obligation to put clients’ best interests first as well as the need to satisfy high compliance requirements set at local levels.

Fixed Remuneration

Associate's base salaries are intended to provide regular cash flow throughout the year, irrespective of company or individual performance. Base salaries and benefits linked to salary constitute the majority of total compensation for a significant majority of its associates. The Group uses ranges based on market compensation data and internal relativities to determine appropriate base salaries for any given role and level. Within that range, salaries may vary depending on, for example, the relative experience of an associate or the relative complexity of the role.

Compensation programmes are also approved by the BCC with specific regard to sustainability and risk management; and where appropriate, individual incentive awards will take into account individual performance as it relates to the Group's Sustainability Risk Policy (which sets out the manner in which Russell Group integrates sustainability risks in its investment solutions), and related practices.

Criteria for awarding variable remuneration

Variable remuneration is based on a combination of performance of the associate, their business unit and the firm overall, and where applicable is undertaken as part of a multi-year framework. Russell Investments has put in place a cash bonus programme, which it views as an important component of the overall compensation programme for associates. The purpose of this programme is to link the performance of Russell Investments, the business unit and the individual to their compensation.

Financial and non-financial criteria are considered when assessing individual performance for the cash bonus programme, with non-financial criteria forming a considerable part of the performance assessment. Non-financial elements include:

- Measures in relation to building and maintaining positive customer relations and outcomes (for example, positive customer feedback);
- Adherence to risk management and compliance policies; and
- Consideration of ESG and Diversity, Equality & Inclusion factors

Typically, the ratio of variable to fixed remuneration increases based on the individual's scope of responsibilities to allow for greater variability in roles which more directly affect the success of the business.

The following is a description of the award allocation process followed by the Group. There may be deviations from this process to acknowledge individual business unit performance and/or other factors:

(a) A corporate bonus pool for the Group is recommended by the Chief Executive Officer and approved by the BCC during the final quarter of each year. The recommendation typically contemplates a bonus pool based on industry practices and a percentage of pre-bonus, operating profit that is tied to performance metrics and other factors, which include risk management and related objectives.

(b) The Group's incentive pool, once approved by the BCC, is divided and allocated by the Chief Executive Officer to the heads of business units, providing each head with a pool for their business unit.

(c) Heads of business units have discretion as to how to allocate the pools they are given, they will typically assign pools to their subordinate division or department managers to allocate, but final recommendations lie with the head of the business unit.

(d) Individual allocations take into account an associate's performance as well as market competitive data or other factors specific to the associate.

(e) The factors used to calculate bonus pools, including relative weightings and risk reward characteristics, may vary from one performance period to another based on strategic initiatives, other business priorities and business conditions. Over the course of the year, the Group accrues associate cash bonuses based on this framework. The final amount of the corporate bonus pool is at the discretion of the BCC and the amount approved may take into account unexpected market developments, one-time positive or negative developments, retention considerations and evolving labour market conditions.

(f) Cash bonuses are discretionary in nature and the BCC can determine not to authorise such awards in a given year.

Payout in instruments policy

IFD requires investment firms to pay at least 50% of variable remuneration of Identified Staff in instruments such as shares. However, IFD also exempts investment firms from this requirement where the firm has total on and off-balance sheet assets on average equal to or less than €100m over the previous four year period. As RIIL falls below this threshold the requirement to pay at least 50% of variable remuneration in instruments is not applied.

Deferral policy and vesting criteria

IFD requires investment firms to defer at least 40% of variable remuneration over three to five years depending on the business cycle of the firm. However, IFD also exempts investment firms from this requirement where the firm has total on and off-balance sheet assets on average equal to or less than €100m over the previous four year period. As RIIL falls below this threshold the requirement to defer at least 40% of variable remuneration is not applied.

Ratios between fixed and variable remuneration

The compensation programme is structured so that the fixed and variable components of total remuneration are appropriately balanced with fixed remuneration representing a sufficiently high proportion of total remuneration to enable the operation of a flexible policy on variable remuneration.

Market benchmark providers are used to ensure that fixed and variable remuneration are market relevant and the ratio between the two are appropriate, taking into account factors such as individual seniority and characteristics of a role.

Aggregated quantitative information on remuneration

Year ended 31 December 2022

	RIL	
	Senior Management	Other
Total # of Beneficiaries (i)	2	11
Fixed remuneration (i)	€ 386,180	€ 1,719,470
Variable remuneration (i,ii)	€ 447,365	€ 2,372,272
Deferred remuneration (iii)		
Deferred remuneration (iv)	-	-
Guaranteed remuneration (v)	-	-
Severance Payments (vi)	-	-
Severance Payments (vii)	-	-