

Item 1 – Cover Page

FRANK RUSSELL COMPANY
Part of Russell Investment Group
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This Brochure provides information about the qualifications and business practices of Frank Russell Company (“FRC”). If you have any questions about the contents of this Brochure, please contact 206-505-4466 or www.investmentdivisioncompliance@Russell.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

FRC is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training.

Additional information about FRC also is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

In this Item 2, FRC is required to identify and discuss all material changes to its Part 2A, Brochure, since its last update on July 27, 2011.

This Part 2A, Brochure, is amended to satisfy Securities and Exchange Commission annual updating amendment requirements. No material changes to this Part 2A, Brochure, have been made since FRC's last update referenced above.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss. FRC has revised this section to provide fuller disclosure.

Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading. FRC has added conflicts disclosure surrounding Russell's exchange traded funds ("ETFs").

Item 12 – Brokerage Practices. FRC has revised this section to provide greater detail with respect to its trading practices.

FRC will provide you with a new Brochure upon request without charge. FRC's Brochure may be requested by contacting 206-505-4466 or investmentdivisioncompliance@Russell.com. FRC's Brochure is also available on the following web site: www.russell.com, also free of charge.

Additional information about FRC is also available via the SEC's web site www.adviserinfo.sec.gov. The SEC's web site also provides information about any persons affiliated with FRC who are registered, or are required to be registered, as investment adviser representatives of FRC.

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Item 4 – Advisory Business

Frank Russell Company (“FRC”), a part of Russell Investment Group, is majority owned by The Northwestern Mutual Life Insurance Company. FRC, together with all other subsidiaries of FRC, are collectively referred to herein as “Russell Investments” or “Russell.” FRC has been a registered investment adviser since June 1, 1982, and itself or through its affiliated subsidiaries or other entities provides the following services:

Consulting Services

Since 1969, FRC and its corporate predecessor have provided comprehensive investment consulting services to the sponsors of large pools of investment assets through FRC’s Consulting Group. These asset pools chiefly represent the holdings of employee benefit plans, but also include some public pension funds, foundations/endowments and other institutional investors.

The Consulting Group provides comprehensive advice on managing large pools of capital, including, but not limited to, advice on governance, objective setting, asset allocation, portfolio structure, asset class strategy, manager selection and monitoring, and performance evaluation.

While the Consulting Group recommends candidate third party investment managers, it does not act as a conventional “investment manager” or investment adviser. The Consulting Group does not have investment discretion over client funds and does not make specific investments of client assets or make recommendations with respect to specific securities.

Termination— Retainer consulting relationships may generally be terminated by either party on 30 or 90 days notice. Contracts are not assignable.

Advisory Services:

Overlay Services:

Policy Implementation

FRC provides, to a limited number of existing clients, a combination of administrative coordination, cash and transaction management and overlay investment advisory services using securities, futures and other instruments designed to keep the client's assets, from an overall plan perspective, aligned with its investment policy or an otherwise specified target. The service seeks to reduce performance tracking errors due to frictional cash, inefficient cash flow management, asset allocation mismatch, unintended structural biases and implementation delay. The objective is to reduce risk (defined as tracking error relative to the policy portfolio or target), improve portfolio returns, and reduce administrative burden associated with monthly cash flows.

Liability Based Solutions

Through this service, RIS seeks to manage the risk posed by liabilities associated with large defined benefit plans. Typically this is achieved with an overlay portfolio of swaps, allowing clients to maintain exposure to return-seeking assets.

Custom Hedging Solutions

RIS also provides custom hedges including cash equitization, portable alpha, interim overlays and duration management.

Currency Services:

Agency Foreign Exchange Services (Currency Implementation)

Through this service, clients outsource their foreign exchange trading to RIS. The service involves various combinations of trading and settlement services designed to help clients improve the implementation of their investment strategies. RIS operates in an agency capacity within a market that is traditionally traded on a principal basis. Clients benefit from a defined service offering and our unique multi-venue trading platform.

Currency Management

RIS offers passive overlay services to help clients manage the risk that results from currency exposure within their portfolios. RIS works with each client to implement an appropriate custom hedging program including unique currency exposures, performance benchmarks (custom or public), tracking error tolerance and preferred strategic hedge ratio (fixed or variable). This service seeks to cost effectively reduce portfolio volatility.

Transaction Cost Analysis

This service is designed to estimate transaction costs associated with a client's foreign exchange trading. Based on Russell's analyses, clients are able to assess transaction costs and modify their trading programs to help meet best execution objectives.

Termination:

The advisory services agreement may be terminated by either party generally upon 30 days written notice.

Research

FRC provides money manager research services, to a number of its pooled investment vehicles and affiliated and non-affiliated separate accounts.

Pooled Investment Vehicles

FRC provides investment advisory services to one affiliated pooled investment vehicle.

Investment Manager Research, Oversight and Due Diligence Services

Institutional clients may engage FRC to perform Manager Oversight and Due Diligence Review Services covering investment managers they are intending to hire. FRC will provide non-investment management due diligence reviews which cover an investment manager's business structure and activities, operations, and compliance, and assess an investment manager's non-investment risks.

These services are consistent to those FRC has historically offered to discretionary clients of FRC.

Types of Investments

Types of investments on which FRC offers investment advice include, but are not limited to: exchange-listed securities; securities traded over-the-counter; and futures contracts on intangible securities. In addition, FRC offers advice on forward currency and spot FX. FRC has established a Currency Management Group ("CMG") to act as agent to manage foreign currency execution. In addition to its currency execution capability, the CMG offers a passive currency overlay service.

Assets Under Management

As of December 31, 2011, FRC had \$722,963,349 in assets under management, all of which was discretionary.

Item 5 – Fees and Compensation

Consulting Services

Because of the differences in the size and complexity of each client, and the various services provided to each client, consulting fees are negotiable. Fees are primarily on a retainer fee basis (which is paid in advance), but may also be paid on a one-time basis for specific projects.

Consulting clients may also choose to participate in a Commission Recapture Program (the “Program”) offered through Russell Implementation Services, Inc. (“RIS”), an affiliate of FRC. Consulting clients who participate in the Program may recapture credits in cash or apply them to pay for various third party or other Russell services, including consulting services. Consulting clients are not required to apply credits to pay for Russell services, and neither Russell’s fees (for the Consulting Services or the Program itself), nor the commission credit rates are based on whether they elect to do so. Clients may instruct RIS to change the application of their credits (e.g. to discontinue applying credits to pay for services) at any time.

Policy Implementation

Fees for this service are typically charged as a percentage of plan assets and a flat base fee.

Liability Based Solutions

Fees for these arrangements are typically a percentage of notional exposure.

Custom Hedging Solutions

Fees for these arrangements are typically a percentage of notional exposure. Any foreign currency fees charged in connection with overlay services are described under the section entitled “Currency Services” below.

Agency Foreign Exchange Service (Currency Implementation)

Fees for agency foreign exchange and currency implementation services are charged at flat volume based percentage of the value of currency directed to FRC by clients. Included in these fees are all charges for execution, clearing or other services, if any, imposed by non-affiliated counterparty banks prime brokers.

Currency Management

Fees for these arrangements are typically a percentage of notional exposure.

Transaction Cost Analysis

Fees for this service are typically charged at a flat fee.

Services to Russell Funds

Fees are as disclosed in the Funds' offering documents.

Investment Manager Research, Oversight and Due Diligence Services

Fees are charged on a subscription basis pursuant to the level of services agreed to within each client contract.

Item 12 describes the factors that FRC considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

Item 6 – Performance-Based Fees and Side-By-Side Management

FRC does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

Item 7 – Types of Clients

FRC's clients consist of pension and profit sharing plans, endowments, foundations, charitable organizations, corporations or other institutional investors.

FRC also has contracts through Russell related entities to manage the cash equitization activities of affiliated pooled investment vehicles.

FRC does not have any requirements for opening or maintaining accounts.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

Except as specifically noted, FRC does not generally research or recommend specific portfolio securities. Rather, FRC researches investment managers for different classes of assets and investment styles.

Russell internally generates research and models for managing large pools of assets. In addition, Russell reviews, evaluates and utilizes similar research developed by other professional organizations and by the academic community. Russell focuses much of its research on the process, organization, portfolio structure, and performance of investment managers, using both qualitative and quantitative methods in evaluating and selecting investment managers.

Qualitatively, the greatest emphasis is on the process and organization of an investment manager. This is done by conducting extensive, in-depth manager meetings. Russell also uses publicly available information contained in financial newspapers and magazines, and manager-prepared information, to better understand the process and organization of investment managers.

Russell uses quantitative methods to analyze the portfolio structure and performance of investment managers. Russell employs a proprietary database facility which contains the investment results and portfolio characteristics of institutional investment managers. This database also includes the results of bank collective investment funds and hundreds of accounts managed by the investment managers. This information is not generally reported publicly. Additionally, Russell has access to certain investment performance measurement and portfolio analysis products developed and produced by Mellon Analytical Solutions which gives Russell additional insight into investment managers. Russell utilizes research and statistical materials prepared by others such as the portfolio evaluation systems of Axioma and Wilshire to analyze portfolio investments and composition, and on-line pricing and research information of Bloomberg Financial Markets to analyze money market investments.

Using these research processes, Russell ranks the managers into categories that represent its confidence in the manager. Russell looks at that ranking, along with the investment style of managers, when constructing portfolios, reallocating assets of an existing portfolio, or changing investment managers in a portfolio.

Russell exercises investment discretion over the portion of each Fund's assets not allocated to the investment managers. Russell selects the individual portfolio securities for that portion of each Fund's assets (including, but not limited to, newly invested assets, and assets transitioning between investment managers) and for each Fund's cash reserves. Cash reserves are invested in short-term investments, including appropriate money market funds. In addition to investing in such short-term investments, Russell uses a hedging strategy for the Funds' cash reserves to achieve a strategy of a Fund being fully invested by exposing these reserves to the appropriate markets by purchasing equity or fixed income securities and/or derivatives. This is intended to cause the funds to perform as though their cash reserves were actually invested in those markets.

Russell's global network of consultants and research analysts utilize all of these tools to help large institutional investors around the world maintain efficient and effective investment programs. Specifically, Russell offers in-depth recommendations; policies, planning and asset-class strategies; research and information on markets and managers; and efficient implementation of investment strategies.

Investment Strategies

FRC, through its affiliate, Russell Implementation Services (“RIS”), employs the following:

Overlay Services:

Policy Implementation

RIS provides a combination of administrative coordination, cash and transaction management and overlay investment advisory services using securities, futures and other instruments designed to keep the client’s assets, from an overall plan perspective, aligned with its investment policy or an otherwise specified target. The service seeks to reduce performance tracking errors due to frictional cash, inefficient cash flow management, asset allocation mismatch, unintended structural biases and implementation delay. The objective is to reduce risk (defined as tracking error relative to the policy portfolio or target), improve portfolio returns, and reduce administrative burden associated with monthly cash flows.

Liability Based Solutions

RIS helps manage the risk posed by liabilities associated with large defined benefit plans. Typically this is achieved with an overlay portfolio of swaps, allowing clients to maintain exposure to return-seeking assets.

Custom Hedging Solutions

RIS also provides custom hedges including cash equitization, portable alpha, interim overlays and duration management.

Currency Services:

Agency Foreign Exchange Service (Currency Implementation)

Through this service, clients outsource their foreign exchange trading to RIS. The service involves various combinations of trading and settlement services designed to help clients improve the implementation of their investment strategies. RIS operates in an agency capacity within a market that is traditionally traded on a principal basis. Clients benefit from a defined service offering and our unique multi-venue trading platform.

Currency Management

RIS offers passive overlay services to help clients manage the risk that results from currency exposure within their portfolios. RIS works with each client to implement an appropriate custom hedging program including unique currency exposures, performance benchmarks (custom or public), tracking error tolerance and preferred strategic hedge ratio (fixed or variable). This service seeks to cost effectively reduce portfolio volatility.

Transaction Cost Analysis

This service is designed to estimate transaction costs associated with a client's foreign exchange trading. Based on Russell's analyses, clients are able to assess transaction costs and modify their trading programs to help meet best execution objectives.

Risk of Loss

Investing in securities involves risk of loss that clients should be prepared to bear. Past performance is not indicative of future results.

Short Term Investments

Actively managed cash portfolios are subject to interest rate, credit and redemption risk. The securities chosen by RIMCo may decline in value. This decline in value may cause a portfolio to not provide return of principal and/or liquidity to the shareholders. Despite strategies to achieve positive investment returns regardless of market conditions, the value of investments will change with market conditions and so will the value of any investments in the Portfolio. Investments in a portfolio could be lost.

Multi-Manager Approach

The investment styles employed by a portfolio's money managers may not be complementary. The interplay of the various strategies employed by a portfolio's multiple money managers may result in a portfolio holding a concentration of certain types of securities. This concentration may be beneficial or detrimental to a Portfolio's performance depending upon the performance of those securities and the overall economic environment. The money managers selected for a Portfolio may underperform the market generally or other money managers that could have been selected for that Portfolio. The multi-manager approach could increase a Portfolio's portfolio turnover rates which may result in higher levels of realized capital gains or losses with respect to a Portfolio's portfolio securities, higher brokerage commissions and other transaction costs.

Selection and Management Risk

Actively managed investment portfolios are subject to management risk. The securities or instruments chosen by RIMCo or a money manager to be in a portfolio may decline in value. Security or instrument selection risk may cause a portfolio to underperform other portfolios with similar investment objectives and investment strategies even in a rising market.

Despite strategies to achieve positive investment returns regardless of general market conditions, the values of investments will change with market conditions, and so will the value of any investment in a portfolio. Investments in a portfolio could be lost or a portfolio could underperform other investments.

Equity Securities

The value of equity securities fluctuates in response to general market and economic conditions (market risk) and in response to the fortunes of individual companies (company risk). Therefore, the value of an investment in the Portfolios that hold equity securities may decrease. The market as a whole can decline for many reasons, including adverse political or economic developments here or abroad, changes in investor psychology, or heavy institutional selling. Also, certain unanticipated events, such as natural disasters, terrorist attacks, war, and other geopolitical events, can have a dramatic adverse effect on stock markets. Changes in the financial condition of a company or other issuer, changes in specific market, economic, political, and regulatory conditions that affect a particular type of investment or issuer, and changes in general market, economic, political, and regulatory conditions can adversely affect the price of equity securities. These developments and changes can affect a single issuer, issuers within a broad market sector, industry or geographic region, or the market in general.

Fixed Income Securities

Fixed income securities are subject to interest rate risk. Prices of fixed income securities generally rise and fall in response to interest rate changes. Generally, when interest rates rise, prices of fixed income securities fall. Expectations of higher inflation generally cause interest rates to rise. The longer the duration of the security, the more sensitive the security is to this risk. A 1% increase in interest rates would reduce the value of a \$100 note by approximately one dollar if it had a one-year duration.

The value of fixed income securities fluctuates in response to general market and economic conditions (market risk) and in response to the fortunes of individual companies (company risk).

Fixed income securities are also subject to credit risk and the risk of default. A Portfolio could lose money if the issuer or guarantor of a fixed income security or other issuer of credit support is unable or unwilling to make timely principal and/or interest payments, or to otherwise honor its obligations. Securities are subject to varying degrees of credit risk, which are often reflected in credit ratings. Fixed income securities may be downgraded in credit rating or go into default. While all fixed income securities are subject to credit risk, lower-rated bonds and bonds with longer final maturities generally have higher credit risks and higher risk of default.

Non-U.S. Securities

A Portfolio's return and net asset value may be significantly affected by political or economic conditions and regulatory requirements in a particular country. Non-U.S. markets, economies and political systems may be less stable than U.S. markets, and changes in exchange rates of foreign currencies can affect the value of a Portfolio's foreign assets. Non-U.S. laws and accounting standards in some cases may not be as comprehensive as they are in the U.S. and there may be less public information available about foreign companies. Non-U.S. securities markets may be less liquid and have fewer transactions than U.S. securities markets.

Additionally, non U.S. securities markets may experience delays and disruptions in securities settlement procedures for a Portfolio's portfolio securities. Investments in foreign countries could be affected by potential difficulties in enforcing contractual obligations and could be subject to extended settlement periods or restrictions affecting the prompt return of capital to the U.S. countries.

Derivatives (Futures Contracts, Options, Forwards and Swaps)

Derivatives are financial contracts whose value depends on, or is derived from, the value of an underlying asset, reference rate or index. Derivatives are typically used as a substitute for taking a position in the underlying asset and/or as part of a strategy designed to reduce exposure to other risks, such as currency risk. Derivatives may also be used for leverage, to facilitate the implementation of an investment strategy or to take a net short position with respect to certain issuers, sectors or markets. A Portfolio may also use derivatives to pursue a strategy to be fully invested.

The use of derivative instruments involves risks different from, or possibly greater than, the risks associated with investing directly in securities, physical commodities or other investments. Derivatives are subject to a number of risks such as liquidity risk, market risk, credit risk, default risk, counterparty risk and management risk. They also involve the risk of mispricing or improper valuation and the risk that changes in the value of the derivative may not correlate exactly with the change in the value of the underlying asset, rate or index. Investments in a derivative instrument could lose more than the principal amount invested. Also, appropriate derivative transactions may not be available in all circumstances and there can be no assurance that a Portfolio will engage in these transactions to reduce exposure to other risks when that would be beneficial.

Participation in the options or futures markets, as well as the use of various swap instruments and forward contracts, involves investment risks and transaction costs to which a Portfolio would not be subject absent the use of these strategies. If a Portfolio's predictions of movements in the direction of the securities, currencies, interest rate or commodities markets are inaccurate, the adverse consequences to a Portfolio may leave the Portfolio in a worse position than if such strategies were not used. Risks inherent in the use of options, futures contracts, options on futures contracts, forwards and swaps include:

(i) dependence on the ability to predict correctly movements in the direction of securities prices, currency rates, interest rates or commodities prices; (ii) imperfect correlation between the price of the derivative instrument and the underlying asset, reference rate or index; (iii) the fact that skills needed to use these strategies are different from those needed for traditional portfolio management; (iv) the absence of a liquid secondary market for any particular instrument at any time; (v) the possible need to defer closing out certain hedged positions to avoid adverse tax consequences; (vi) for over the counter derivative products and structured notes, additional credit risk and the risk of counterparty default and the risk of failing to correctly evaluate the creditworthiness of the company on which the derivative is based and (vii) the possible inability of a Portfolio to purchase or sell a portfolio holding at a time that otherwise would be favorable for it to do so, or the possible need to sell the holding at a disadvantageous time, due

to the requirement that the Portfolio maintain “cover” or collateral securities in connection with use of certain derivatives.

The entire amount invested in futures could be lost. The loss from investing in certain other derivatives is potentially unlimited. There also is no assurance that a liquid secondary market will exist for futures contracts and options in which a Portfolio may invest. A Portfolio limits its investment in futures contracts so that the notional value (meaning the stated contract value) of the futures contracts does not exceed the net assets of the Portfolio.

Forward Currency Contracts

Certain money managers may engage in forward currency contracts to hedge against uncertainty in the level of future exchange rates or to effect investment transactions consistent with a Portfolio’s investment objectives and strategies. Forward foreign currency exchange transactions will be conducted on either on a spot (i.e., cash) basis at the rate prevailing in the currency exchange market, or through entering into forward currency exchange contracts (“forward contract”) to purchase or sell currency at a future date. A forward contract involves an obligation to purchase or sell a specific currency. Forward currency contracts are subject to the risk that should forward prices increase, a loss will be incurred to the extent that the price of the currency agreed to be purchased exceeds the price of the currency agreed to be sold.

Counterparty Risk

Counterparty risk is the risk that the other party(s) in an agreement or a participant to a transaction, such as a broker or swap counterparty, might default on a contract or fail to perform by failing to pay amounts due or failing to fulfill the delivery conditions of the contract or transaction. Counterparty risk is inherent in many transactions, including, but not limited to, transactions involving derivatives, repurchase agreements, securities lending, short sales, credit and liquidity enhancements and equity or commodity-linked notes.

Item 9 – Disciplinary Information

FRC is required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of FRC or the integrity of FRC’s management. FRC has no information to disclose applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

Other Financial Industry Activities

In addition to consulting and investment management functions provided through FRC and its subsidiaries and affiliated entities, FRC operates other business activities.

FRC contracts for certain corporate services and facilities through FRC’s corporate entity.

Certain entities such as regulated national or international securities or commodities exchanges and investment companies unaffiliated with Russell, design, create, issue, list, trade in and/or promote and market financial products derived in whole or in part from, or otherwise associated with one or more of the Russell indexes and/or service marks.

FRC owns intellectual property and other rights (e.g., registered and unregistered trade names, trademarks and service marks) associated with the Russell Indexes, a series and family of securities indexes which it designs, creates, maintains and publishes.

FRC does not itself issue such financial product nor does it make any express or implicit warranties regarding the desirability or suitability of any such financial product or the fitness for any particular purpose with respect to any Russell Index or any data included therein or any results obtained from the use of any such data or index.

FRC's consulting and investment management associates are not directly involved in these other businesses and dedicate a negligible amount of time to these activities.

Commission Recapture Program

As previously described, FRC's fees may be paid through the Commission Recapture Program (the "Program") to clients who elect to participate. The Program is designed primarily to reduce the total advisory portfolio trading commission costs for the client. Under the Program, clients specifically ask their money managers to execute a portion of their account trades to a broker network administered by RIS. RIS acts solely as Program administrator, and does not offer trade execution services as part of the Program. All trading under the Program is conducted by independent brokers selected by the money managers from a list provided by RIS.

Trades are executed through the Program at the normal commission rates in effect between the manager and the broker. These trades generate credits based on discounted rates negotiated between RIS and the brokers. Clients may elect to receive these credits in cash or apply them to pay for various third party or Russell services. Clients are not required to apply credits to pay for Russell services, and neither Russell's fees for the Program, nor the commission credit rates, are based on whether they elect to do so.

The Program is voluntary and may be terminated at any time, with an instruction from the client to its managers to discontinue trading through the Program. Likewise, clients may instruct RIS to change the application of their credits (e.g. to discontinue applying credits to pay for services) at any time.

Other Financial Industry Affiliations

FRC has arrangements that are material to its advisory business or to its clients with the following related persons. The activities of these related persons are more fully described below:

Many of FRC's affiliated entities listed below, in providing services to their respective clients, utilize the resources of Russell Investments, including, but not limited to, its Investment Division.

Russell Investment Management Company ("RIMCo") is an investment adviser registered with the SEC in accordance with the Investment Advisers Act of 1940, as amended, and is a wholly owned subsidiary of FRC. In general, RIMCo conducts the following services: (i) multi-manager investment advice, index-based investment advice, fund-of funds investment advice, short term investments advice, objective setting, asset allocation, and other advisory services to affiliated and non-affiliated investment companies, other pooled investment vehicles, institutional and high net worth clients, (ii) licensing of model securities portfolios to investment advisers and broker-dealers, and (iii) consulting services to managers and sponsors of large pools of investment assets. Where necessary or appropriate, all of RIMCo's business activities are conducted pursuant to written agreements and conform to applicable law.

Russell Implementation Services Inc. ("RIS"), a wholly owned subsidiary of FRC, is registered with the SEC as a broker-dealer and investment adviser and is a member of FINRA. RIS provides brokerage transaction services, effected on an agency basis, for institutional clients. RIS also provides investment advisory services for institutional clients. RIS clears all market transactions through several correspondent brokers.

For client assets over which FRC exercises investment discretion, FRC causes certain client portfolio brokerage transactions to be effected through RIS, and such clients pay brokerage fees in addition to fees paid to FRC.

Russell Capital Inc. ("RCI") is a wholly owned subsidiary of FRC, and is a SEC registered investment adviser. Together with related entities, it provides investment advisory and administrative services and other functions for alternative investment funds, including limited partnerships.

Russell Real Estate Advisors Inc. ("RREA") is a wholly owned subsidiary of FRC, and is a SEC registered investment adviser. RREA provides investment management services to institutional investors (including corporate and public employee benefit plans) with respect to direct and collective investments in real estate, including limited partnerships.

Russell Institutional Funds Management, LLC ("RIFM"), a wholly-owned subsidiary of FRC, acts as the managing member of the RIFL Funds. The managing member has primary authority over the operation of the RIFL Funds and is responsible for the appointment of the investment manager and other parties who may provide, from time to time, services to the Funds.

Russell Institutional Funds, LLC ("RIFL"), is an unregistered private pooled investment vehicle that offers shares of different funds, with each having specific investment objectives, policies, and restrictions, which are set forth in RIFL's current private placement memorandum. RIFL funds are available only to qualified purchasers who maintain a minimum account balance. RIMCo provides investment management services to RIFL pursuant to written agreements.

Russell Trust Company (“RTC”) is a wholly owned subsidiary of FRC. RTC is a non-depository trust company providing comprehensive trust and investment management services to corporate employee benefit plans, retirement plans maintained by government units, other forms of pension plans and foundations and endowments. RTC’s investment management services are provided through common or collective funds, and/or separate accounts. These accounts are generally advised by two or more investment advisors researched and recommended by FRC and retained by RTC.

Russell Financial Services, Inc. (“RFS”), a wholly owned subsidiary of RIMCo, is a SEC registered broker-dealer and is a member of FINRA. RFS acts as the principal underwriter and distributor of Russell’s U.S. mutual funds. RFS also provides sales and client service support for Russell’s institutional investor products and services offered by various Russell entities. These products and services include private equity, registered mutual funds, commingled and common trust funds, hedge funds, portfolio implementation services, consulting and investment management services.

Russell Investments Delaware Inc. (“RIDI”) is a wholly owned subsidiary of FRC. RIDI was established to invest capital into, and/or act as the general partner or manager, or as a member of the general partner, manager or other managing entity for private equity funds that may be sponsored by other Russell entities.

Russell Investments Canada Limited (“RICL”) is a wholly owned subsidiary of FRC. RICL is registered as a Mutual Fund Dealer, Portfolio Manager, Exempt Market Dealer, Investment Fund Manager and Commodity Trading Manager with the Ontario Securities Commissions (its principal regulator). RICL is also registered i) as a Portfolio Manager, Exempt Market Dealer and Investment Fund Manager in the 9 other provinces and the Nunavut, Northwestern and Yukon territories; and ii) as an Adviser under the Commodity Futures Act (Manitoba). RICL provides advice to institutional clients similar to those provided by FRC and is engaged in the business of investment management and administrative services to institutional and retail investors. RICL is a principal distributor of the Russell Sovereign Investment Program, Russell LifePoints Portfolios, the Russell Group of Funds and the Russell Corporate Classes.

Russell Investments Cayman Ltd. (“RI Cayman”) was incorporated in the Cayman Islands in 1994 as a wholly owned subsidiary of Russell. It is a Cayman management company, located in Georgetown, Grand Cayman, Cayman Islands, and British West Indies.

RI Cayman is the principal money manager of Global Activist Fund of Funds N Feeder and the manager of Russell Alternative Strategies Fund N1. Full redemption requests have been received in respect of these funds and, accordingly, they will be closed once all remaining investments have been liquidated and final distributions made.

RI Cayman may invest in other fund complexes as opportunities arise. It holds a 33% minority interest in the AIF Telecommunications Fund Management Company and a 27% interest in the Asia Infrastructure Fund Management Company and owns an interest in Gilbert Global Equity Partners (GGEP) as well.

RI Cayman also owns a 50% interest in SG/Russell Asset Management Limited, a Dublin based investment management company that is the Irish management company to Multi-Style, Multi-Manager Funds PLC (“MSMM”), an Irish domiciled UCITS fund complex.

RI Cayman also owns Russell Investments South Africa Limited.

Russell Implementation Services Limited (“RISL”) was incorporated under the laws of England and Wales on April 26, 1995 and is a wholly owned subsidiary of RSL. RISL is authorized and regulated by the FSA in the U.K. RISL primarily provides discretionary management services for institutional clients. This includes transition management services, foreign exchange management, passive currency overlay, equitisation and policy implementation services.

RISL has permission from the FSA to engage in the following regulated activities:

Advising on investments; arranging (bringing about) deals in investments; arranging safeguarding and administration of assets; safeguarding and administration of assets; dealing in investments as agent; making arrangements with a view to transactions in investments; and managing investments.

Russell Investments Ireland Limited (“RIIL”) was incorporated in Ireland in 1994 and is a wholly owned subsidiary of Russell. It is an Irish management company domiciled in Dublin. RIIL is registered with the SEC as an Exempt Reporting Adviser. Russell Ireland has responsibility for management of Russell Investment Company (“RIC”), Russell Investment Company II (“RIC II”), Russell Investment Company III (“RIC III”), Russell Investment Company IV (“RIC IV”), Russell Institutional Funds (“RIF”), Russell Unit Trust (“RUT”), Russell Qualified Investment Funds (“RQIF”), Russell Jadwa Shariah Based Funds (“Russell Jadwa”), Russell Multi-Manager Funds (“RMMF”), Russell Common Contractual Funds (“RCCF”), Russell Qualifying Investor Common Contractual Fund (“RQICCF”) and OpenWorld. It has no employees and most of the functions of Russell Ireland are contracted to other Russell entities and third party providers. Subsidiaries of State Street Bank, located in Dublin, act as Custodian/Trustee and Administrator. Responsibility for the selection of, and contracting with, money managers is carried out by RIL with respect to MSMM and to Russell Ireland in respect of RIC, RIC II, RIC III, RIC IV, RQIF, RUT, Russell Jadwa and OpenWorld. RIIL is also responsible for the selection of, and contracting with, money managers in respect of the preceding funds. Compliance oversight is provided by RIL in London, and oversight of the Administrator is provided by RIL.

Russell Investments Ireland II Limited (“RIIL II”) was incorporated in Ireland on November 15, 2005, and is a wholly owned subsidiary of Russell Ireland. It is an Irish management company located in Dublin. RIIL II has responsibility for management of Russell Global Directional Strategies Fund (“RGDSF”) and Global Activist Fund of Funds (“GAFF”). However, it has no employees and most of its functions are contracted to other Russell entities and third party providers. Subsidiaries of State Street Bank, located in Dublin, act as Custodian/Trustee and Administrator. Responsibility for the selection of, and investment in,

target funds is delegated to Russell Capital Inc. in Seattle, and oversight of the Administrator is provided by RIL.

Russell Investments Limited (“RIL”) was incorporated under the laws of England and Wales on December 30, 1986 and is a wholly owned subsidiary of Russell Systems Limited. RIL provides a wide range of services for strategic partners, from the production of marketing materials to assistance with developing asset allocations, customizing Russell extranet sites, conferences and training.

RIL advises institutional clients in the UK and elsewhere on investment matters. RIL also introduces clients and prospects to RISL and Russell Implementation Services Inc.; some clients use Russell Implementation Services Inc. brokerage credits to pay RIL and RISL fees.

RIL provides discretionary management services to institutional clients in the UK and Europe. Such discretionary management services generally relate to rebalancing of fund and full discretionary management.

Russell Investment Group Pty Ltd (“RIGPL”) is a wholly owned subsidiary of FRC. RIGPL provides consulting services to large Australian superannuation funds and other institutional investors. In this capacity RIGPL provides advice on Russell’s multi-asset, multi-manager investment approach. RIGPL has an Australian Financial Services License.

Russell Investment Management Ltd (“RIML”) is a wholly owned subsidiary of RIGPL which is a wholly owned subsidiary of FRC. RIML has an Australian Financial Services License to conduct a financial product advisory business in Australia. Under this license, RIML provides responsible entity, trustee and money manager services for the Russell funds. RIML is the responsible entity for over 40+ public offer unit trusts (the Russell group of registered managed investment schemes) and acts as the trustee for several unregistered schemes for institutional investors. RIML also provides investment management services to institutional investors and distribution partners (e.g. financial intermediaries) in connection with the Russell funds or on a separate managed account basis.

Russell Investment Group Private Limited (“RI Singapore”) is as a wholly owned subsidiary of FRC. RI Singapore provides investment advisory and consulting services to actively managed funds. Provision of investment and fund management advisory services. Russell Singapore holds a Capital Markets Services License (with exempt Financial Adviser License), issued by the Monetary Authority of Singapore. RIS Singapore also holds a Cross-border Discretionary Investment Advisory License issued by the Financial Supervisory Service of Korea. Russell’s Dublin Funds are offered in Singapore, Hong Kong and Taiwan. Russell’s Australian Funds are offered in Malaysia.

Russell Investment Group (N.Z.) Limited (“RIGL”) is a wholly owned subsidiary of FRC. RIGL provides consulting services similar to those provided by FRC to large institutional investors in New Zealand. RIGL also provides support services to institutional investors and distribution partners (e.g. financial intermediaries) for non-New Zealand domiciled Russell funds offered in the New Zealand market.

Russell Investment Tujajamun Chusik Hoesa (“RITCH”) is a wholly owned subsidiary of FRC. RITCH provides asset consulting, implemented consulting and investment management services to institutional and government clients in South Korea. RITCH holds Discretionary Investment Management and Investment Advisory Licenses issued by the Financial Supervisory Services of Korea.

Russell Investments Japan Co., Ltd. (“RIJ”) is a wholly owned subsidiary of FRC and is regulated by the Financial Services Agency of Japan and Kanto Local Finance Bureau as a registered Financial Instruments Company (Investment Management Business, 2nd Financial Instruments Business, Investment Advisory and Agency Business). RIJ is a member of the Investment Trusts Association, Japan, Japan Securities Investment Advisers Association.

The Northwestern Mutual Life Insurance Company (“Northwestern Mutual”) was founded in 1857, and is a mutual insurance company organized under the laws of the state of Wisconsin. Its principal lines of business are: (i) life insurance, which provides indemnification for the economic loss caused by an insured’s death; (ii) disability income insurance, which provides income payments to the insured when employment is interrupted or terminated because of illness, sickness or accident; and (iii) annuities and accumulation products, which may supplement retirement income. Northwestern Mutual also began offering long-term care insurance through a subsidiary in August 1998. Individual life insurance sales constitute Northwestern Mutual’s core business.

Northwestern Mutual Investment Services, LLC. (“NMIS”) is a wholly owned subsidiary of Northwestern Mutual, and is a FINRA registered broker-dealer and a SEC registered investment adviser. NMIS acts as a broker-dealer for variable annuity and variable life insurance contracts issued by Northwestern Mutual. NMIS’ investment advisory services and products include a mutual fund-ETF wrap-fee product offering and financial planning services.

Private Funds

The following entities advise the private funds listed below. Related persons may recommend, when legally permitted, that their clients invest in one or more of the private funds. Each client will receive an offering memorandum and/or other documents relating to such funds. FRC or its related persons have an economic interest in such private funds.

Russell Capital Inc.

Russell Telecommunications Fund, L.P.

Frank Russell Capital / OMERS, L.P.

Frank Russell Capital / OMERS II, L.P.

Frank Russell Global Private Equity Fund of Funds, L.P.

Frank Russell European Private Equity Fund of Funds, L.P.

Russell Total Return Fund Ltd.

Russell Total Return Fund (Quarterly) Ltd.

JeffHedge, LLC

Russell Investments Ireland Limited

OpenWorld Plc

Russell Investment Company Plc

Russell Qualified Investment Funds Plc

Russell Investment Management Company

Russell Institutional Funds LLC – Russell Low Duration Bond Fund

Russell Institutional Funds LLC – Russell Core Bond Fund

Russell Institutional Funds LLC – Russell International Equity Fund

Russell Institutional Funds LLC – Russell Large Cap US Equity Fund

Russell Institutional Funds LLC – Russell Quantitative US Equity Fund

Russell Institutional Funds LLC – Russell Small Cap US Equity Fund

Russell Institutional Funds LLC – Russell 1000 Defensive Index Fund

Russell Trust Company – Russell US Cash Management Fund

Russell Trust Company – Russell US Cash Collateral Fund

Russell Cayman Commodity Strategies Fund Ltd.

Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Russell and its affiliates, including FRC, have adopted a Global Code of Conduct and regional Codes of Ethics (collectively, the “Codes”) that are designed to reinforce its institutional integrity, and to set forth procedures and limitations which govern the personal securities transactions of its associates. The Codes were developed to promote the highest standards of behavior and ensure compliance with applicable regulations.

The Codes comprise written standards that are reasonably designed to deter wrongdoing and describe Russell’s policies and procedures concerning:

- Placing restrictions on employees with respect to trading for their own accounts to preclude front-running and insider trading;
- Placing restrictions on employees that preclude participation in initial public offerings, and limit other trading practices;
- Maintaining confidential client and internal corporate information;
- Reporting requirements and restrictions that limit the value of gifts that employees give or receive;
- Complying with anti-money laundering requirements;
- Managing potential conflicts of interest with FRC’s clients; and
- Requiring employees to obtain pre-approval for any outside business affiliations.

The Codes are available upon request by calling Russell’s Code of Ethics Team at 206-505-4860, emailing russellcompliance@russell.com, or by writing to: Russell, 1301 Second Avenue, 16th Floor, Seattle, WA 98101 Attn: Global Compliance Operations.

Political Contributions

Russell has enacted a “Pay-To-Play” policy which applies to all Russell associates who make political contributions in the U.S. and includes the following requirements and restrictions:

- Bans most U.S. political contributions by Russell associates (including spouses and other family members or partners living in their home) above the minimum amounts of: US\$350 per candidate per election if the associate is eligible to vote for the election of that candidate and US\$150 per candidate per election if the associate is not eligible to vote for the election of that candidate.
- Requires reporting of all political contributions in the U.S., regardless of the amount of the contribution or to whom it's given, including those to candidates for federal, state and local office, state and local political parties and PACs. Associates will be required to report all U.S. political contributions to the Compliance Department.

Any violations of this policy can result in disciplinary action up to and including termination of employment from Russell.

PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS – CONFLICTS OF INTEREST

FRC

Business Agreement

As noted under Item 5, FRC has a business agreement with former subsidiaries, Pantheon Ventures, Inc. and Pantheon Holdings Limited (together, "Pantheon"). From time to time, FRC or any of its affiliated companies may make a client aware of Pantheon products, and as part of Registrant's agreement, Pantheon may pay FRC or its subsidiaries a "finder's fee" based on the dollar amount of the investment. FRC is also vested monetarily in the success of Pantheon's business, so Russell associates may have an incentive to sell Pantheon products in order to promote Pantheon's success. If Russell recommends a Pantheon product, such recommendations could be in conflict with Russell's obligation to recommend the best product suitable to the client's needs.

Capital Support Agreement (Principal Transaction)

Though it is not FRC's practice to enter into principal transactions with its advisory clients, in 2009 and 2010, FRC purchased securities from a series of Russell Investment Company pursuant to a Capital Support Agreement.

RIS

For client assets over which FRC exercises investment discretion, FRC causes certain client portfolio brokerage transactions to be effected through RIS, and such clients pay brokerage fees in excess of fees paid to FRC.

RIS may effect securities transactions for clients under any of the following circumstances:

1. For FRC's clients RIS may: (i) effect portfolio transitions for a client in connection with making cash or in-kind investments in overseas funds; (ii) at FRC's client's initiation and request, effect securities transactions for these clients in its capacity as a registered broker-dealer as some of FRC's clients may have securities holdings over which FRC has no investment discretion or supervisory responsibilities; and (iii) provide transition management services to FRC's clients in connection with cash flow management, sub-adviser changes and other trading that may results for execution of investment strategies where FRC has direct investment responsibility.
2. FRC may be authorized, but not required, to effect high net worth individual client account brokerage transactions on an agency basis with RIS or its correspondent brokers. To the extent that RIS is selected to effect brokerage transactions, RIS may receive compensation from the commission(s) charged which will be in addition to the advisory fee received by FRC. In any such case, the client will receive full disclosure of these arrangements.

Russell

Russell strives to maintain a strong and ethical culture and continues to enhance the controls it has in place to address potential conflicts of interest. These controls include Russell's Global Code of Conduct and Regional Codes of Ethics (collectively, the "Codes") that are signed by each Russell associate annually. The Codes include specific restrictions and discussions regarding the steps Russell takes to manage potential conflicts of interests. In addition, Russell maintains compliance and risk management teams. Finally, Russell believes in disclosure of potential conflicts of interest. These potential conflicts and Russell's procedures for addressing those conflicts are outlined below.

- From time to time, Russell or any of its affiliated companies may make a consulting client aware of other services and products offered or sponsored by Russell that are not covered by the client and Russell's consulting agreement. If Russell presents a Russell product or service as a Russell consulting recommendation, the recommendation could conflict with Russell's obligation to recommend the product or service most suitable to the client's needs. However, Russell's consulting associates do not evaluate Russell sponsored products. When Russell associates do recommend Russell sponsored products that they believe are suitable for certain clients and investors. Russell does not represent these recommendations to our clients as "independent" or present these recommendations as Russell's consulting advice. In those instances where a consulting client chooses to use a Russell sponsored product, Russell discloses, and asks that the client acknowledge, that Russell does not and will not provide

consulting recommendations with respect to that product. This policy is embodied in Russell's consulting contracts and internal conflicts policies.

- Russell's business relationships with investment advisers could lead to a financial incentive to favor these firms. Specifically:
 - Russell offers a range of "Implementation Services" including commission recapture, transition management, overlay management, currency management, and other related services. Russell also provides Implementation Services for multi-manager funds, insurance pools and separate accounts managed by investment advisers. Third party investment advisers offering these products and purchasing Implementation Services from Russell may offer other investment management products that are evaluated by Russell as part of Russell's manager research process. As such, Russell has a potential financial incentive to favor investment advisers who recommend or cause the funds they manage to use Russell's Implementation Services.
 - A portion of Russell's revenue from Implementation Services comes from its commission recapture program. Under the program, clients (including many Russell consulting clients) specifically instruct their investment advisers to execute a portion of their account trades through a broker network administered by Russell Implementation Services. The program is voluntary for consulting clients, and those consulting clients who participate receive an annual disclosure report that includes disclosure of the compensation received by Russell. Russell offers execution services to investment advisers as part of the program, and all trading is conducted by brokers selected by the investment advisers from the directory provided by Russell. There is no direct benefit to the investment advisers. However, as Russell is compensated for providing commission recapture services Russell may have a financial incentive to recommend investment adviser(s) who agree to trade through the Russell commission recapture network.
 - Russell Implementation Services administers soft dollar programs for certain investment managers. Under these programs, investment managers may instruct Russell to use credits the investment manager generates in trading through Russell's correspondent brokers or Russell's trading desk, to pay for bona fide research. Russell may therefore have a financial incentive to favor investment managers participating in the program.
 - Russell owns the Russell indexes and the Russell universes. Russell earns revenues from licensing these products to investment advisers. Russell, therefore, may have a financial incentive to recommend investment advisers who purchase these products.
 - Russell's consulting clients who use Russell indexes as performance benchmarks do not pay Russell for the use of that data. If a Russell consulting client uses a Russell index as a performance benchmark for an investment manager, then the investment manager is likely to consider buying Russell index data from Russell, if the investment manager does not already do so. If a Russell consulting client wants in depth holdings and other data about the indexes, then Russell will charge a fee for the use of the data.

- Russell Funds may purchase index futures, options on futures or exchange traded funds based on a Russell index for which Russell may receive index license fees. Russell has entered into an exclusive arrangement with IntercontinentalExchange, Inc. for trading of futures and options on futures that provides for a minimum payment to Russell until certain volumes are achieved after which there is a per contract fee paid to Russell. Volumes required for a per contract fee have not been achieved. Additionally, investment managers of funds benchmarked to Russell indexes may purchase index data from Russell.
- Investment managers researched by Russell may receive compensation for services provided to Russell or the investment products offered through Russell. These relationships include instances where the investment manager provides investment management services to a Russell sponsored multi-manager portfolio, or where a division of the investment manager may provide non-investment advisory services (e.g., custody services) to Russell. Russell therefore may have a potential incentive to favor investment managers who provide services on favorable terms.
- Russell sponsors exchange traded funds (“ETFs”), which are advised by a Russell investment adviser and are based on Russell’s proprietary indexes. This business presents potential conflicts of interest including: (i) incentives to manipulate Russell indexes to benefit or harm the ETFs; (ii) incentives for Russell associates to trade for the benefit of Russell or their own accounts based on material non-public information about changes to ETFs or their underlying Russell indexes; or (iii) the possibility that Russell could engage in trading or other business with the ETFs to serve the interests of Russell or its affiliates. Russell maintains policies and procedures that incorporate physical, procedural and technical safeguards which mitigate potential conflicts of interest that could arise in connection with the ETFs.

Russell has long recognized these potential conflicts of interest. The core of Russell Investment’s activities is based on the “multi-manager” approach to investing. As such, Russell recognizes that much of Russell’s business – not just its consulting business – depends almost entirely on the quality and integrity of Russell’s investment manager research and recommendations. Russell, therefore, has a strong incentive to ensure it manages potential conflicts effectively to avoid even the appearance that its recommendations may be compromised.

To that end, Russell’s policies provide that Russell does not charge, and will not accept, compensation from investment managers to be included in Russell’s manager research database or consulting recommendations. Further, Russell’s policies provide that investment managers are not required to purchase any of Russell’s affiliates’ products or services to be included in Russell’s manager research database. The sole criterion for a manager recommendation is that Russell’s manager research analysts believe the manager’s product is likely to outperform. Russell’s manager research professionals are personally evaluated based on the quality of their recommendations. Their evaluations of investment managers are subject to extensive documentation requirements and peer review. As documented in Russell’s internal conflicts policies and the Codes, Russell’s manager research analysts and Russell’s consulting teams are

not permitted to review revenue information from Implementation Services, or to consider such revenue a factor in their ranking determinations or recommendations.

- Russell’s manager research documentation for clients includes the following disclosure:

“Russell and Russell Companies may have past, current or future commercial relationships with investment management firms it researches and evaluates. These products and services include serving as a broker-dealer in clearing portfolio trades, distributing Russell proprietary products, the purchase of analytical products or serving as a manager in Russell products. The existence of these other relationships is not a factor in Russell’s ranking process.”

Russell does not compensate its consulting associates for referrals or pay commissions to its consulting associates for any new business, whether consulting business or otherwise. However, certain Russell’s sales associates that may call on consulting clients could face a potential conflict when presenting product options to a client. However, only Russell products and services are offered by Russell sales associates, and all Russell sales associates have a general duty to recommend only those products they believe are suitable for clients and prospective clients. Furthermore, all associates are bound by Russell’s Codes and conflicts policies.

Item 12 – Brokerage Practices

Direct Management of Client Accounts

Where FRC or its related persons manage transitions, the determination of the securities to be bought and sold (including the amount to be bought and sold) is in accordance with the buy list of the investment managers hired by Russell or the client who is receiving the transitioned assets consistent with agreed upon benchmarks. Where FRC or its related persons manage the determination of the investments to be bought and sold (including the amount to be bought and sold) is made by reference to investment guidelines and restrictions agreed upon with the client.

Brokerage Discretion

Where FRC or its related persons directly manage Portfolios, Russell has the authority to determine the broker or dealer to be used and the commission rates to be paid. Russell generally selects brokers and dealers that it determines to be able to provide quality institutional execution services, which may include a Russell related party, to effect such trades.

Best Execution

Russell seeks Best Execution in all trading activity.

Russell defines Best Execution as: *The trading process that seeks to maximize the value of a client’s portfolio within the client’s stated investment objectives and constraints.*

Russell's approach to evaluating best execution is based on guidance from various regulators and industry associations in global financial markets, including the CFA Institute's Trade Management Guidelines. Among other factors, this guidance recognizes that Best Execution:

- Is intrinsically tied to portfolio investment objectives, guidelines and risk controls, and cannot be evaluated independently of those factors,
- Is a prospective, statistical, and qualitative concept that cannot be known with certainty ex-ante,
- Has aspects that may be measured and analyzed over time on an ex-post basis, although such measurement may not always be meaningful, especially in isolation, and
- Is interwoven into complicated, repetitive, and continuing practices and relationships.

Determining the quality of trade execution entails the evaluation of subjective, objective and complex qualitative and quantitative factors. Many of the circumstantial and judgmental aspects involved in seeking Best Execution are not quantifiable, and cannot be properly evaluated on a trade-by-trade. Russell therefore evaluates best execution in the context of the total portfolio or the aggregate of the trading activity.

Russell's approach to evaluating best execution is adapted to Russell's trade implementation process, as modified from time to time. Russell's current trade implementation process is designed to minimize the magnitude and range of the distribution of total expected transaction costs associated with implementing investment ideas. During implementation, Russell analyzes expected transaction costs and evaluates transaction results to identify the trading strategies and venues that increase the likelihood of meeting the goals and objectives of the client. Russell's process includes the use of proprietary analytics and includes state-of-the-art trading and real time monitoring tools. Implementation strategies are evaluated over time with ex post analytics to test assumptions and methodologies and to make process improvements.

Russell's best execution oversight program is overseen by Russell's Trade Management Oversight Committee. Russell has established a Trade Management Oversight Committee (TMOC), which is authorized and directed to review and evaluate the activities, policies and procedures established by the company's internal trading groups. The TMOC is responsible for providing the framework for construction, review and evaluation of trade management practices and, when appropriate, to make recommendations to senior management and the individual trading groups. The Committee formally meets quarterly, or more frequently depending on circumstances, and is responsible for evaluating Russell's trade management policies and procedures and for making recommendations, when appropriate, to senior management to improve trading practices.

FRC uses its affiliate, Russell Implementation Services, Inc., as introducing broker in certain investment manager transitions and manager funding arrangements. The benefits of this relationship are as follows: (i) maintain proper fund structure during event; (ii) reduced risk with effective communication; and (iii) provides environment for FRC to have better overall control of the transition event. To monitor this relationship FRC monitors trade execution consistency with preset benchmarks and reviews commissions paid against normal commission rates.

Order Aggregation and Allocation

Russell may in some cases aggregate sales and purchase orders of securities, futures, currency, swaps and other investments for Clients with concurrent. RIMCo is not obligated to aggregate orders, and will only do so if RIMCo reasonably believes such aggregation will result in an overall benefit to its Clients, taking into consideration the objective of best execution as defined above. Aggregated orders are allocated among RIMCo Clients such that Clients are treated on a fair and equitable basis, and that the interests of some Clients are not placed over those of others.

It is Russell's policy that investment decisions shall be made consistent with the investment objectives, guidelines and restrictions of Russell's clients ("Clients"). Furthermore, trades are to be allocated fairly and equitably among accounts participating in each transaction, taking into consideration the objectives, restrictions, investment strategy, asset allocations and benchmarks of each Client. Russell is committed to conducting its business with high ethical and fiduciary standards. To that end:

Russell aggregates trade orders within and across all trading mandates for which it reasonably believes an aggregated order will achieve best execution.

Investment decisions to determine a quantity of securities to purchase will normally be allocated either:

Pro rata on the basis of the asset size or assessed need of each account included in the aggregated order; or

In such a way as to achieve uniform weightings of the traded items across each account included in the aggregated order.

Russell will act honestly in good faith and in the best interest of the Client, including requiring that any personnel with knowledge of the Client's portfolio, place the interest of the Client first ahead of their own interest in all personal trading scenarios which may involve a conflict of interest with the Client. To avoid any potential conflict of interest, Russell has restrictions on trading in securities that are traded by Russell. Please refer to Russell's Global Code of Conduct and Code of Ethics for further definition.

Research and Brokerage Services

Russell hires a number of unaffiliated investment managers to manage its multi-manager products. These managers may obtain research and brokerage services from brokers chosen by them to make trades on behalf of Russell Funds and client accounts, provided in doing so the managers comply with terms within their agreements.

Russell may arrange for the Russell Funds it manages to receive commission recapture revenues. Russell has chosen Recapture Services, a division of BNY ConvergeX Execution Solution LLC ("BNY") as a commission recapture provider for the Russell Funds. Russell asks the unaffiliated investment manager for its multi-manager funds to direct a portion of their trading activity through BNY or its correspondent broker network. BNY and its correspondent brokers retain a

portion of the commission as payment for execution services including introducing, clearing and settlement services. The remainder is returned to the specific Russell Fund that paid the commissions, resulting in a net reduction in trading-related expenses to the product. Russell does not receive any portion of the commissions charged to its products under this arrangement.

Funds may also effect soft commission transactions through BNY. Trades placed through BNY and its correspondent brokers are used to obtain research for FRC to assist it in its investment decision-making process in its capacity as Adviser to Russell Funds. For purposes of trading to obtain research for FRC, Funds' investment managers are requested to, and FRC may, with respect to transactions it places, effect transactions with or through BNY, only to the extent that the funds will receive best execution. In addition, FRC recommends targets for the amount of trading that investment managers direct through BNY based upon several factors including asset class, investment style and other factors. Research services provided to FRC by BNY include those services that are permitted by Section 28(e) of the Securities Exchange Act of 1934. Research services will generally be obtained from unaffiliated third parties at market rates. Research provided to FRC may benefit particular Russell Funds or other clients generating the trading activity, but may also benefit other funds within individual fund families and may also benefit other funds and clients managed or advised by FRC or its affiliates. Similarly, funds will benefit from research provided with respect to trading by those other funds and clients.

Decisions concerning the acquisition of research services using soft commissions are approved and monitored by Russell's Soft Commission Committee ("SCC"), which consists principally of individual employees in research and investment management roles, the primary users of the research. The SCC acts as an oversight body with respect to purchases of research services acquired by Russell.

BNY retains a portion of all commissions generated, regardless of whether the trades were used to provide research to FRC or commission recapture to the Funds.

Where Russell utilizes soft dollar commissions, Russell benefits by not having to pay for or produce research, products, and services. Russell may have an incentive other than the clients' interests to direct trades or request that the money managers direct trades to soft commission broker/dealers in order for Russell to receive the benefit of the soft commission purchases.

Where FRC suggests to an individual client that it use its affiliate, Russell Implementation Services, Inc. to liquidate the client's portfolio to raise cash to invest in Russell Funds or FRC's managed account programs, the client makes the decision to do so. FRC may from time to time recommend Russell Implementation Services, Inc. to its consulting clients for transition management, commission recapture and other institutional brokerage services. Such recommendations are not part of Russell's consulting engagement and consulting clients choosing to avail themselves of Russell Implementation Services, Inc.'s services are required to make their own independent decision whether to hire a broker to provide the services, and if so, whether to choose Russell Implementation Services, Inc. Other than the overall benefits associated with being part of the same enterprise, FRC does not receive any products, research or services from Russell Implementation Services, Inc. for making such recommendations.

Research services provided to FRC's related persons by BNY or other brokers include, but are not limited to (1) advice either directly or indirectly through publications or writings as to the value of securities, the advisability of investing in, purchasing or selling securities and the availability of securities or of purchasers or sellers of securities, (2) analysis and reports concerning issuers, industries, securities, economic factors and trends, portfolio strategy and the performance of accounts; and/or (3) effecting securities transactions and performing functions incidental thereto (such as clearance and settlement) or that are required in connection therewith.

Item 13 – Review of Accounts

FRC monitors the investment activities of funds it sub-advises on a monthly, weekly and/or daily basis. For each client, positions are reviewed versus either a schedule of guidelines or investment management agreement trading objectives. Accounts are analyzed in such areas of asset allocation and leverage positions. Client account reviews are conducted by various Russell personnel including Portfolio Managers, Consultants and Client Account Executives. Additionally, service groups within Russell will periodically perform independent reviews on behalf of their clients to ensure consistency with agreed upon terms and limits.

Item 14 – Client Referrals and Other Compensation

FRC and its related persons receive brokerage services in the form of trading platforms and street research in connection with giving advice to clients. These services assist Russell in trading and portfolio management decisions on its behalf. Russell does not believe it pays higher commissions in exchange for receiving the services described above and does not direct specific transactions in order to receive those services.

Russell Indexes

FRC is the licensor of the Russell Indexes as described in Item 10. In its capacity as licensor of the Russell Indexes, Russell is paid a license fee typically based on the total expense ratio paid by investors who purchase financial products based on the Russell Indexes, e.g., exchange traded funds. FRC does not control any aspect of such licenses' creation, registration, listing or other aspect of such financial products.

In addition to fees received by FRC with respect to licensure of the Russell Indexes for use in financial products, FRC also receives fees with respect to the licensure of its trade or service marks, the Russell Indexes and their underlying data to investment managers, consultants, pension plans and other institutions.

Pantheon Business Agreement

FRC has a business agreement with former subsidiary firms, Pantheon Ventures, Inc. and Pantheon Holdings Limited (together, "Pantheon"). From time to time, FRC or any of its affiliated companies may make a client aware of Pantheon products, and as part of FRC's

agreement, Pantheon may pay FRC or its subsidiaries a "finder's fee" based on the dollar amount of the investment.

FRC does not directly or indirectly compensate any person for client referrals. However, subsidiaries of FRC may pay FRC or unrelated third parties a commission for new client referrals.

Item 15 – Custody

Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. FRC urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16 – Investment Discretion

Investment or Brokerage Discretion

For overlay services, currency implementation, portfolio solutions and cash management, FRC is authorized by clients to use discretionary authority with regard to the management of client accounts. For transition management clients, FRC will have discretionary authority for the purchase or sale of specific types of securities, i.e. bonds, futures. Also, in the event that a transition management client hires FRC to handle interim management of a client account, FRC will generally have full discretionary authority. In most instances, however, FRC does not have discretion in regard to the securities to be bought or sold.

For futures transactions, FRC manages futures transactions for clients in several contexts, including overlay services, transition services, portfolio solutions, cash management and various interim portfolio management assignments. The terms and strategies applied will vary depending on the type of service and the contract, investment guidelines and special restrictions established with the client, but certain general practices apply.

FRC effects transactions in financial futures according to the investment objectives, policies and restrictions agreed in writing with the client. Futures are only used for hedging or adjusting market exposures. FRC generally overlays up to one hundred percent (100%) of underlying cash, defined as settled cash including synthetic cash created by short futures positions plus pending transactions or as otherwise defined.

Item 17 – Voting Client Securities

Unless expressly provided for in a written agreement with a client, FRC does not exercise proxy voting authority over client securities, which securities may be held by clients of FRC's affiliates. In cases where FRC has not been expressly delegated proxy voting authority, FRC

may take direction from the client or its designee and perform the administrative function of voting any such proxy as directed.

Where FRC has expressly been delegated proxy voting authority over client securities or otherwise has proxy voting responsibility, FRC's proxy voting process is governed by its Proxy Voting Policies and Procedures (the "Policies"). The Policies are reasonably designed to assist FRC in voting proxies in the best interests of its clients. Accordingly, the Policies clarify roles and responsibilities, provide for resolution of conflicts of interest, maintenance of records and disclosures to clients.

FRC has also adopted and implemented written Proxy Voting Guidelines (together with the Policies, the "Guidelines") that address the manner in which FRC votes proxies in accordance with its client's best interests. FRC exercises its proxy voting authority based on its analysis of relevant facts, circumstances and applicable law. The Guidelines are intended to assist FRC to make proxy voting decisions in accordance with the best interests of FRC's clients, and to enable FRC to resolve any material conflicts of interest between its clients on the one hand, and FRC or its affiliates, on the other.

The Guidelines address matters that are commonly submitted to shareholders of a company for voting, including, but not limited to, issues relating to corporate governance, auditors, the board of directors, capital structure, executive and director compensation, and mergers and corporate restructurings. The Guidelines contain more detailed information about FRC's proxy voting policies as well as procedures with respect to issues upon which FRC may be asked to exercise its proxy voting authority. FRC does not vote proxies related to client securities identified as "to be sold" or that have been sold since its clients no longer have an interest in such securities. FRC implements the Guidelines through the Russell Investments Proxy Committee (the "Committee") which operates pursuant to a written charter. The Guidelines provide that FRC may exercise its proxy voting authority directly or utilize the services of a third party service provider (the "Proxy Administrator") to assist in its analysis of voting issues and in the actual voting of proxies, although FRC retains final authority with respect to its exercise of any proxy voting authority. FRC maintains records of all votes cast and other relevant information as may be required by applicable law or regulation.

For information on the voting record of FRC with respect to a client's account, please contact FRC at 206-505-2888.

Item 18 – Financial Information

FRC is required in this Item to provide you with certain financial information or disclosures about FRC's financial condition. FRC has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.