

Item 1 – Cover Page

RUSSELL IMPLEMENTATION SERVICES INC.

Part of Russell Investments

1301 Second Avenue, 18th Floor

Seattle, WA 98101

206-505-7877

WWW.RUSSELL.COM

March 28, 2012

This Brochure provides information about the qualifications and business practices of Russell Implementation Services Inc. (“RIS”). If you have any questions about the contents of this Brochure, please contact 206-505-4466 or 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.

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

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

Item 2 – Material Changes

In this Item 2, RIS is required to identify and discuss all material changes to its Part 2A, Brochure, since its last update on August 1, 2011.

Item 4 – Advisory Business. RIS has made revisions to better describe its advisory services. However, no changes were made to the advisory services provided by RIS.

Item 5 – Fees and Compensation. RIS has provided more detailed disclosure regarding its fees. However, no changes were made to the fees charged to its advisory clients.

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

Item 9 – Disciplinary Information. RIS has removed its disciplinary information previously contained under Item 9, as it does not believe that the information is material to a client's or prospective client's evaluation of its advisory business or the integrity of its management.

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

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

RIS will provide you with a new Brochure upon request, without charge. RIS's Brochure may be requested by contacting Tamara Berntsen, Executive Assistant, at 206-505-1704 or tberntsen@russell.com. RIS's Brochure is also available on the following web site: www.russell.com, also free of charge.

Additional information about RIS 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 RIS who are registered, or are required to be registered, as investment adviser representatives of RIS.

Item 3 -Table of Contents

Item 1 – Cover Page	i
Item 2 – Material Changes	ii
Item 3 -Table of Contents	iii
Item 4 – Advisory Business	1
Item 5 – Fees and Compensation	3
Item 6 – Performance-Based Fees and Side-By-Side Management	5
Item 7 – Types of Clients.....	6
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss.....	6
Item 9 – Disciplinary Information	11
Item 10 – Other Financial Industry Activities and Affiliations	11
Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	18
Item 12 – Brokerage Practices	22
Item 13 – Review of Accounts.....	28
Item 14 – Client Referrals and Other Compensation	29
Item 15 – Custody.....	29
Item 16 – Investment Discretion	30
Item 17 – Voting Client Securities.....	30
Item 18 – Financial Information	31

Item 4 – Advisory Business

Russell Implementation Service Inc. (“RIS”) is a subsidiary of Frank Russell Company (“FRC”). FRC, together with all other subsidiaries of FRC, collectively referred to herein as “Russell Investments” or “Russell” is majority-owned by The Northwestern Mutual Life Insurance Company. RIS has been a registered investment adviser since June 1, 1982.

RIS provides advisory and implementation services to institutional clients. These services involve a combination of advisory, brokerage and other activities and may be provided as part of a manager change, portfolio rebalancing, policy implementation or other asset management assignment designed to complete the client’s desired investment program structure. Many of these strategies employ the use of financial futures as a low cost, highly liquid alternative to underlying securities and/or currency contracts. Most all of these services employ quantitative portfolio management techniques. All services are provided in accordance with investment guidelines and restrictions, which may include restrictions on investing on certain securities, or types of securities or financial instruments, that are developed in consultation with the client or in accordance with the mandate selected by the client. In particular, RIS provides the following services:

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

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 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 currency 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.

Portfolio Solutions:

RIS manages quantitative investment strategies for an entire portfolio or a portion of a portfolio's assets. Various quantitative techniques are utilized to achieve the client's desired exposures. These portfolios involve RIS building customized portfolios based on pre-determined, client directed or approved investment criteria. Custom portfolios are tailored to meet the client's portfolio needs and can range from managing a standard index portfolio, to a custom index portfolio, to managing a quantitative investment strategy portfolio, to ETF portfolio management, to managing a completion portfolio that helps control factor exposures (e.g. large cap, dividend yield) or managing risk exposures through the application of optimization techniques. Specific views and investment ideas can be implemented through a model-based portfolio or a custom portfolio without requiring alteration to other investment manager's roles.

Interim Management Services:

RIS provides interim management services using financial futures, securities or other instruments to obtain desired exposures for specified periods according to client instructions during the course of a Transition while the client's final target portfolio and manager structure is being determined.

In configuring the portfolio to be received by the investment manager, RIS does not review or assess the investment decisions made by the client and/or the investment manager who will

receive that portfolio. RIS does not select securities or other instruments for investment of transition assets, except to the extent that RIS has been authorized to invest in financial futures, securities or other instruments to achieve desired exposures during the course of a Transition or until a final target portfolio can be identified.

Termination:

The advisory services agreement may generally be terminated by either party upon 30 days written notice. RIS may not assign the agreement (as defined in Section 202(a)(1) of the Investment Advisors Act of 1940, as amended) without prior written consent of the client.

The client must be notified in writing and consent to any change in RIS's fees prior to the effective date of any change in such fees. If the client chooses not to accept such change, generally RIS may terminate the agreement in accordance with the terms of the agreement, subject only to the payment of any unpaid fee outstanding on the date such change would have been effective. Despite the existence of a contract, RIS will generally honor a request for early termination.

Types of Investments

Types of investments on which RIS offers investment advice include, but are not limited to: exchange listed securities, securities traded over-the-counter and foreign issuers; warrants; corporate debt securities; commercial paper; certificates of deposit; municipal securities; mutual fund shares; United States government securities; options contracts on securities; commodities; and futures contracts on intangible securities.

RIS may recommend from time to time that managed account clients invest in affiliated Funds, certain other pooled investment vehicles, other open- or closed-end mutual funds, separate account programs, individual securities or other assets.

Other types of investments may include foreign currency ("FX") instruments, including forwards, spots and SWAPs. RIS 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, RIS had \$ 83,455,839,229 in assets under management, all of which was discretionary.

Item 5 – Fees and Compensation

RIS negotiates its fees on a client-by-client basis. Fees for the services provided by RIS may vary by client based on a number of factors, including but not limited to, the type of service

provided, complexity of the assignment, account/relationship size, and other factors as may be determined relevant by RIS. RIS does not require the pre-payment of fees.

The following sets forth a general description of the advisory fees and compensation.

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 Services (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 RIS by clients. Included in RIS’s 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.

Portfolio Solutions

Fees for custom portfolio management are generally charged as a percentage of the assets under management and/or on a commission basis.

Interim Management Services

Fees for interim management services are charged as a percentage of the average total notional value of the account assets.

Any foreign currency fees charged in connection with transition and/or interim management services are described under the section entitled “Currency Implementation” above.

RIS fees are set forth on terms separately agreed in writing with the client for the assignment and may be collected by brokers, counterparties or charged directly to the client. Assets based fees are generally calculated monthly based on the value of the net assets of the client’s account and paid quarterly, following receipt of the quarter-end invoice. Flat fees are generally payable as agreed in writing following the receipt of an invoice. Commission based fees generally accrue at the counterparty and are paid directly to RIS on a monthly basis.

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

For securities transactions, brokerage fees include charges for execution, clearing or other services, if any, imposed by the broker-dealers, exchanges, electronic crossing networks or other execution venues and clearing firms. For futures transactions, brokerage fees include charges imposed by the designated broker and, if applicable, the execution-only broker, for execution, clearing and other services. For currency transactions, trading costs and fees are generally reflected in the currency exchange rate. For swap transactions, fees and charges are generally included in the price of the swap. For all transactions (other than security transactions), fees for taxes, exchange fees, settlement, prime brokerage, transfer, custodial fees and other similar items are borne by the client.

RIS and its supervised persons do not accept direct compensation for the sale of securities or other investment products.

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

As noted above, RIS may negotiate performance based fee arrangements with qualified clients: such fees are subject to individualized negotiation with each such client. RIS will structure any performance or incentive fee arrangement subject to Section 205(a)(1) of the Advisors Act in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3. In measuring clients' assets for the calculation of performance-based fees, RIS shall include realized and unrealized capital gains and losses. Performance based fee arrangements may create an incentive for RIS to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements also create an incentive to favor higher fee paying accounts over other accounts in the allocation of investment opportunities. RIS has procedures designed and implemented to ensure that all clients are treated fairly and equally, and to prevent this conflict from influencing the allocation of investment opportunities among clients.

Item 7 – Types of Clients

RIS's clients consist of investment companies, broker-dealers, pension and profit sharing plans, charitable organizations, corporations and other businesses, state and municipal government entities and other pooled investment vehicles.

In addition to those clients noted above, RIS provides investment advice to other institutional clients including insurance companies, money managers and Russell's global fund complexes and foreign pension schemes.

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

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

Methods of Analysis

RIS uses a multitude of models, data, and analytic systems in implementing an advisory strategy. Portfolio managers use this information in arriving at the recommended investment advisory strategy.

RIS employs a proprietary model in strategy development and implementation. In addition, RIS has extensive access to the global institutional research organization and worldwide research investment professionals employed by its parent company, FRC.

RIS uses a combination of long and short positions in synthetic instruments to equitize cash, rebalance portfolios, implement portable alpha strategies, provide currency overlays, manage cash flows and hedge liabilities.

RIS's security analysis methods include:

Fundamental analysis - A method of security valuation which involves examining the company's financials and operations, especially sales, earnings, growth potential, assets, debt, management, products, and competition. Fundamental analysis takes into consideration only those variables that are directly related to the company itself, rather than the overall state of the market or technical analysis data.

Technical analysis - A method of evaluating securities by relying on the assumption that market data, such as charts of price, volume, and open interest, can help predict future (usually short-term) market trends.

Management of Short Term Investments

RIS directly manages a portfolio managed to Money Market guidelines and other cash management Fixed Income Funds. The portfolio manager focuses on diversification of risks: Credit Risk, Interest Rate Risk and Redemption Risk. The portfolio manager evaluates quality

ratings of individual holdings as well as the portfolio in aggregate, liquidity needs, spreads on products as well as inside and outside Ratings on holdings.

Investment strategies

In addition to any investment strategies outlined in Item 4 above, RIS primarily employs the following:

- Long-term purchases (securities held at least a year)
- Short-term purchases (securities sold within a year)
- Trading (securities sold within 30 days)
- Short sales
- Margin Transactions
- Option writing, including covered options, uncovered options or spreading strategies

Risks 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 RIS's related person, 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.

Selection and Management Risk

Actively managed investment portfolios are subject to management risk. The securities or instruments chosen by Russell 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.

Leveraging Risk

Certain transactions may give rise to a form of leverage. Such transactions may include, among others, reverse repurchase agreements, dollar rolls, borrowing, loans of portfolio securities, and the use of when-issued, delayed delivery or forward commitment transactions and short sales. The use of derivatives may also create leveraging risk. To mitigate leveraging risk, a Portfolio will segregate or " earmark " liquid assets or otherwise cover the transactions that may give rise to such risk. The use of leverage may cause a Portfolio to liquidate portfolio positions when it may not be advantageous to do so to satisfy its obligations or to meet segregation requirements. Leverage may cause a Portfolio to be more volatile than if the Portfolio had not been leveraged. This is because leverage tends to exaggerate the effect of any increase or decrease in the value of a Portfolio's portfolio securities. Leverage may also have the effect of increasing tracking error risk.

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.

Commodity Risk

Exposure to the commodities markets may subject Commodity Portfolios to greater volatility than investments in traditional securities, particularly if the investments involve leverage. The value of commodity-linked derivative instruments may be affected by changes in overall market

movements, commodity index volatility, changes in interest rates or sectors affecting a particular industry or commodity, such as drought, floods, weather, livestock disease, embargoes, tariffs and international economic, political and regulatory developments. Use of leveraged commodity-linked derivatives creates an opportunity for increased return but, at the same time, creates the possibility for greater loss (including the likelihood of greater volatility of the Portfolio's net asset value), and there can be no assurance that the Portfolio's use of leverage will be successful. Different sectors of commodities, including precious metals, base metals, energy and agricultural commodities, may have very different risk characteristics and different levels of volatility. Even within a given sector of a commodity (e.g., energy commodities), there can be significant differences in volatility and correlation between different commodity contracts (e.g., crude oil vs. natural gas), and similarly there can be significant differences in volatility and correlation between contracts expiring at different dates. In addition, the purchase of derivative instruments linked to one type of commodity and the sale of another (i.e., "basis spreads" or "product spreads"), or the purchase of contracts expiring at one date and the sale of contracts expiring at another (i.e., "calendar spreads") may expose the Portfolio to additional risk, which could cause the Portfolio to underperform other portfolios with similar investment objectives and investment strategies even in a rising market.

Illiquid Securities

An illiquid security is one that does not have a readily available market or that is subject to resale restrictions, possibly making it difficult to sell in the ordinary course of business within seven days at approximately the value at which the Portfolio has valued it. A Portfolio with an investment in an illiquid security may not be able to sell the security quickly and at a fair price, which could cause the Portfolio to realize losses on the security if the security is sold at a price lower than that at which it had been valued. An illiquid security may also have large price volatility.

Item 9 – Disciplinary Information

RIS is required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of RIS or the integrity of RIS's management. RIS has no disciplinary information to report that it believes is material to a client's or prospective client's evaluation of its advisory business or the integrity of its management.

Item 10 – Other Financial Industry Activities and Affiliations

Other Financial Industry Activities

Under its registration as an investment adviser and as an agency-only introducing broker, RIS provides the following services.

Transition Services:

Acting as either an investment adviser or a broker-dealer, RIS provides a combination of analysis, strategy development, implementation, trading and brokerage services designed to reduce the total cost and risk associated with a reallocation of assets from an existing portfolio of securities, cash and/or other assets to a portfolio of securities, cash and/or other assets identified by the client and/or the investment manager who will receive the assets (a "Transition"). Transition services are generally provided as an investment adviser; however, RIS does perform transition services in its capacity as an agency-only introducing broker where contracted.

Fees for transition management services are generally charged on a commission basis. Depending upon the asset traded, the fee is either a per share amount or a percentage of principal traded. Unless otherwise noted, included in RIS's fees are all charges for execution, clearing or other services, if any, imposed by brokers.

In configuring the portfolio to be received by the investment manager, RIS does not review or assess the investment decisions made by the client and/or the investment manager who will receive that portfolio. RIS does not select securities or other instruments for investment of transition assets, except to the extent that RIS has been authorized to invest in financial futures, securities or other instruments to achieve desired exposures during the course of a Transition or until a final target portfolio can be identified.

Any foreign currency fees charged in connection with transition and/or interim management services are described under the section entitled "Currency Services" above.

Commission Recapture Program:

As a SEC registered broker-dealer, RIS offers a commission recapture Program (the "Program") to clients who elect to participate. The Program is designed primarily to reduce the total commission costs for the client. Under the Program, clients specifically ask their money managers to execute a portion of their trades through RIS's commission recapture broker network. Money managers maintain autonomy over whether to execute trades through RIS's internal agency trading desk or through external brokers on the network. Any fees charges in connection with RIS trading desk are described in the section entitled Execution Services.

Trades are executed through the Program at the normal commission rates in effect between the manager and the network broker. These trades generate credits based on separate rates negotiated between RIS, the brokers, and the clients. Clients may elect to receive these credits in cash or apply them to pay for various third party services. Clients are not required to apply credits to pay for Russell Investments' services, and neither Russell 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 money 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.

Execution Services:

Acting as either an investment adviser or broker-dealer, RIS provides a combination of analysis, trading and brokerage services to allow clients to access the global trading platform within RIS. Fees for Execution Services are generally charged on a commission basis. Depending on the asset traded, the fee is either a per share amount, or a percentage of the assets traded.

Any foreign currency fees charged in connection with ES are described in the section entitled, “Currency Services” above.

Other Financial Industry Affiliations

Many of RIS’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.

Frank Russell Company (“FRC”) is an SEC registered investment adviser. It is a diversified financial services company which provides a variety of different financial services and products to and through unincorporated divisions and wholly owned subsidiaries.

Since 1969, FRC and its corporate predecessor have provided comprehensive asset management consulting to the managers of large pools of investment assets through FRC Consulting. These asset pools chiefly represent the holdings of corporate employee benefit plans.

FRC provides advice concerning the structuring of a client’s portfolio, but not with respect to underlying securities. FRC also recommends investment advisers to make portfolio investments in accordance with specified investment objectives for portions of the total portfolio.

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 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 RIS, 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 RIS'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

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

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 of which it is aware. 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.

- 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 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 investment adviser 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

RIS

The following describes the terms, conditions and trading practices that apply when RIS has been engaged by a client (the “Client”) to effect transactions in securities, futures, currency, swaps and related instruments.

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.

ORDER AGGREGATION AND ALLOCATION

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.

SECURITIES TRANSACTIONS

RIS effects transactions in securities including stocks and bonds as follows:

Agency Basis. RIS acts as agent for its Clients for all transactions. RIS may consider trades with independent broker-dealers or counterparties who are themselves acting as principal or agent, but RIS will always act in an agency capacity. RIS may arrange agency cross transactions where permitted and where such transactions are consistent with the overall implementation strategy. An arranged agency cross trade is a trade where RIS presents both sides of the trade, as agent, to an external crossing network, exchange or market place where the price is determined independently.

Broker-Dealers. RIS has arrangements with a wide network of non-affiliated correspondent broker-dealers and counterparties (collectively, "Broker-Dealers") and may use any one or more of such Broker-Dealers to perform execution, clearing or other services in relation to trades executed under its Client agreements. RIS does not receive research or other products or services (other than execution) from Broker-Dealers or other third parties in connection with Client securities transactions. RIS selects and evaluates Broker-Dealers for trading services based on processes designed to achieve best execution as defined above. These due diligence processes include evaluation of several factors, including quality of execution (measured in terms of net price versus stated benchmarks), market access, technology, and ability to accommodate special transaction needs and Client service.

Futures Transactions. RIS manages futures transactions for Clients in several contexts, including Overlay Services, Transition Services and various interim portfolio management and other 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 the following general practices apply:

Designated Brokers. As an agent, RIS effects all futures transactions in accounts established with a clearing broker selected by agreement of RIS and the Client (the "Designated Broker"). To establish these account(s), RIS will provide the Client with materials developed by the Designated Broker, including certain disclosure materials related to the risks of futures. Accounts may be established either directly by the Client, or by RIS on behalf of the Client if the Client executes a Power of Attorney (in the form prescribed by the Designated Broker) authorizing RIS to execute customer agreements and establish such accounts. RIS may also use execution-only brokers for futures transactions. RIS manages and maintains the required give-up agreements between clearing and execution-only firms necessary to effect such transactions.

The Designated Broker is responsible for the timely payment of amounts owed to Clients and for the payment of any penalties and interest due to any default by the Designated Broker. The Client is responsible for ensuring the timely payment of any amounts owed by the Client to the Designated Broker upon instruction from RIS and for payment of any penalties and interest due to any such default on the part of the Client.

Collateral. The Designated Broker may require initial, variation, maintenance and other required margin in the form of monies, securities or otherwise ("Collateral") in connection with the Client account. As provided in the Client agreement, RIS will from time to time execute Collateral transactions and provide (or direct the Client to provide) the Designated Broker with the necessary Collateral. The collateral will be held in an account at the Designated Broker in the name of the Client. All interest and earnings on the Collateral belong to the Client and will be delivered to the Client on a periodic basis.

CURRENCY AND SWAP TRANSACTIONS. RIS effects transactions in currency and swaps as follows:

Counterparty Banks and Prime Brokers. RIS has arrangements with a wide network of non-affiliated counterparty banks and prime brokers (collectively "Counterparties") and may use any one or more of such Counterparties to perform execution, clearing or other services in relation to trades executed under Client agreements. RIS selects and evaluates Counterparties for trading services based on processes designed to achieve best execution. These due diligence processes include evaluation of several factors, including creditworthiness, quality of execution (measured in terms of proximity to the contemporaneous market price), Client service, market access, technology and ability to accommodate special transaction needs.

Alternative Execution Outlets. RIS may employ a variety of alternative execution outlets in pursuit of best execution and individual counterparty trade execution systems.

Currency and Swap Collateral. The Counterparties may require margin in the form of monies, securities or otherwise (“OTC Collateral”) in connection with the Client account. As provided in the Client agreement, RIS will from time to time execute OTC Collateral transactions and provide (or direct the Client to provide) the Counterparties with the necessary OTC Collateral. All interest and earnings on the OTC Collateral belong to the Client and will be delivered to the Client on a periodic basis.

FEES AND OTHER CHARGES. RIS fees related to securities, futures, currency, swap or other transactions, will be on terms separately agreed with the Client for the assignment and may be collected by brokers, counterparties or charged directly. For securities transactions, brokerage fees include charges for execution, clearing or other services, if any, imposed by the Broker-Dealers, exchanges, ECN’s or other execution venues. For futures transactions, brokerage fees include charges imposed by the Designated Broker and, if applicable, the execution-only broker, for execution, clearing and other services. For currency transactions, trading costs and fees are generally reflected in the currency exchange rate. For swap transactions, fees and charges are generally included in the price of the swap. For all transactions, fees for taxes, exchange fees, settlement, prime brokerage, transfer, custodial fees and other similar items are borne by the Client.

Related Persons of RIS

Direct Management of Client Accounts

Where RIS’s 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 RIS’s related persons manage cash overlay strategies and interim portfolio assignments, 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 RIS’s related persons directly manage Russell Funds, 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.

The factors that may be considered in selecting the broker or dealer to be used and commission rates to be paid may include the breadth of the market in the security, the price of the security, the financial condition and execution capability of the broker or dealer, the reasonableness of the commission, and the value of research services, if any. In assessing whether the best overall terms have been obtained, RIS’s related persons are not obligated to select the broker offering the lowest commission. For transactions which may be effected through RIS, Russell has established a broker service review program which is used to evaluate brokers and monitor changes within the broker’s organization. Each broker is reviewed at least annually. Russell has

also implemented a trade evaluation process to evaluate trade allocation between brokers and trading costs. Russell evaluates the trading costs by broker on an annual basis and considers if costs are reasonable and within industry standards. Trade allocation is also evaluated semi-annually to monitor compliance with the trade allocation policy. Russell reviews all transactions on a daily basis for execution quality.

Where RIS's related persons manage transitions, cash overlay strategies, portfolio solutions or interim portfolio assignments, brokers and dealers are chosen and commission rates are negotiated on the basis of the quality of institutional execution and clearing services provided and on the nature of the trading activity.

RIS's related persons use RIS 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 RIS's related persons to have better overall control of the transition event. To monitor this relationship RIS's related persons monitor trade execution consistency with preset benchmarks and reviews commissions paid against normal commission rates.

RIS's related persons do recommend brokers to clients, but 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.

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 ConvergeEx Execution Solution LLC ("BNY") as a commission recapture provider for the Russell Funds. Russell asks the unaffiliated investment managers 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 Russell to assist it in its investment decision-making process in its capacity as Advisor to Russell Funds. For purposes of trading to obtain research for Russell, Funds' investment managers are requested to, and Russell 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, Russell 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 Russell 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 Russell 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 Russell 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 Russell or commission recapture to the Funds.

Where RIS's related persons suggest to an individual client that it use RIS to liquidate the client's portfolio to raise cash to invest in Russell Funds or Russell's managed account programs, the client makes the decision to do so. RIS's related persons may from time to time recommend RIS to their 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 RIS'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 RIS. Other than the overall benefits associated with being part of the same enterprise, related persons of RIS do not receive any products, research or services from RIS for making such recommendations.

Research services provided to RIS'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

Account Reviews

RIS's written policies and procedures address the client account review process and include what accounts should be reviewed, how often and by whom. Routine account reviews are conducted at least daily by a designated supervisor. In addition, a compliance officer sample reviews client accounts by random selection on a monthly basis. RIS uses pre- and post-trade compliance systems and uses exception reporting generated from these systems to determine if any account

is out of compliance with its investment guidelines. When exceptions occur a designated supervisor and compliance officer review the exception and determine appropriate action to be taken. In addition, certain events may occur which would trigger more frequent reviews to be conducted, such as, liquidity issues, rebalancing of a client's portfolio or changes in strategy or objectives for the portfolio.

RIS has designated supervisors and compliance professionals in each area of its business who routinely review client accounts. RIS's written procedures address what a supervisor or compliance professional should take into consideration when reviewing accounts, which include but are not limited to: 1) transaction history, 2) changes in client's investment guidelines, 3) any changes in client's authorized persons, 4) changes in authorized agents of client, i.e., custodian bank, 5) breaches of investment guidelines, 6) performance, and 7) review of client documentation to ensure current contracts, authorized signers list, authorized agents, etc.

Client Reporting

In general, clients receive, at a minimum, monthly reporting detailing the performance of the services managed by RIS. Many clients also request and receive daily or weekly summaries showing transaction activity. RIS also makes available client account information and transaction history to its clients via online services such as ClientLink and Upstream.

RIS employs an independent auditor to perform a SAS70 review of certain areas of its business. This report is made available to its clients as appropriate on an annual basis or upon request.

Item 14 – Client Referrals and Other Compensation

RIS receives brokerage services in the form of trading platforms and street research in connection with client transactions. These services assist RIS and its affiliates in making trading and portfolio management decisions on behalf of RIS's clients. RIS does not believe it pays higher commissions in exchange for receiving the services described above and does not direct transactions to specific brokers in order to receive those services.

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.

RIS has arrangements whereby affiliated associates may be compensated for 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. RIC 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, RIS is authorized by clients to use discretionary authority with regard to the management of client accounts. For transition management clients, RIS 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 RIS to handle interim management of a client account, RIS will generally have full discretionary authority. In most instances, however, RIS does not have discretion in regard to the securities to be bought or sold.

For futures transactions, RIS 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.

RIS 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. RIS 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, RIS does not exercise proxy voting authority over client securities, which securities may be held by clients of RIS's affiliates. In cases where RIS has not been expressly delegated proxy voting authority, RIS may take direction from the client or its designee and perform the administrative function of voting any such proxy as directed.

Where RIS has expressly been delegated proxy voting authority over client securities or otherwise has proxy voting responsibility, RIS's proxy voting process is governed by its Proxy Voting Policies and Procedures (the "Policies"). The Policies are reasonably designed to assist RIS 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.

RIS has also adopted and implemented written Proxy Voting Guidelines (together with the Policies, the "Guidelines") that address the manner in which RIS votes proxies in accordance

with its client's best interests. RIS exercises its proxy voting authority based on its analysis of relevant facts, circumstances and applicable law. The Guidelines are intended to assist RIS to make proxy voting decisions in accordance with the best interests of RIS's clients, and to enable RIS to resolve any material conflicts of interest between its clients on the one hand, and RIS 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 RIS's proxy voting policies as well as procedures with respect to issues upon which RIS may be asked to exercise its proxy voting authority. RIS 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.

RIS implements the Guidelines through the Russell Investments Proxy Committee (the "Committee") which operates pursuant to a written charter. The Guidelines provide that RIS 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 RIS retains final authority with respect to its exercise of any proxy voting authority. RIS 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 RIS with respect to a client's account, please contact RIS at 206-505-2888.

Item 18 – Financial Information

RIS is required in this Item to provide you with certain financial information or disclosures about RIS's financial condition. RIS 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.