

**Item 1 – Cover Page**

**RUSSELL REAL ESTATE ADVISORS**

**Part of Russell Investments**

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**Seattle, WA 98101**

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**March 30, 2011**

This Brochure provides information about the qualifications and business practices of Russell Real Estate Advisors (“RREA”). If you have any questions about the contents of this Brochure, please contact 206-505-4466 or [investmentdivisioncompliance@Russell.com](mailto: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.

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

Additional information about RREA also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 – Material Changes**

On July 28, 2010, the United States Securities and Exchange Commission (the “SEC”) published “Amendments to Form ADV” which amends the disclosure document that RREA provides to clients (the “Brochure”) as required by SEC Rules. This Brochure dated March 30, 2011 is a new document prepared according to the SEC’s new requirements and rules. As such, this Brochure is materially different in structure, and requires certain new information in comparison to RREA’s previous Form ADV.

In the future, this Item 2 will discuss only specific material changes to the most recently filed Brochure. RREA will also reference the date of its last annual update of its Brochure.

In the past RREA has offered or delivered information about its qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, RREA will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of its fiscal year. RREA may provide other ongoing disclosure information about material changes as necessary.

RREA will provide you with a new Brochure upon request without charge. RREA’s Brochure may be requested by contacting Amy McKenna, Investment Services Analyst, at 858-352-5919 or amckenna@russell.com. RREA’s Brochure is also available on the following web site [www.russell.com](http://www.russell.com), also free of charge.

Additional information about RREA is also available via the SEC’s web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC’s web site also provides information about any persons affiliated with RREA who are registered, or are required to be registered, as investment adviser representatives of RREA.

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## **Item 4 – Advisory Business**

Russell Real Estate Advisors (“RREA”) 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 Northwestern Mutual Life Insurance Company. RREA has been a registered investment adviser since August 22, 1994, and provides the following investment advisory services:

RREA engages in an investment advisory business focused on the real estate asset class, emphasizing suitable investments using a systematic approach with the general objective of maximizing total returns subject to each client’s risk profile and investment guidelines. Advice is given pertaining to managers of publicly traded real estate securities and commingled real estate funds such as limited partnerships and limited liability companies, group trusts, separate accounts at life insurance companies, special purpose property title holding companies, bank-sponsored collective investment trusts, joint ventures and direct investments. RREA evaluates investments on a global basis.

Using its extensive knowledge of real estate investing, RREA performs discretionary investment management activities for certain clients. This may include evaluating client real estate investments, investment strategies and objectives, evaluating new investments, and making and implementing investment decisions.

As of December 31, 2010, RREA had \$7,842,400,000 in discretionary assets under management.

## **Item 5 – Fees and Compensation**

In general, all fees are subject to negotiation based on the circumstances of the client and other factors, including but not limited to the type and size of the account and the type of advisory and client-related services to be provided. For discretionary clients, RREA charges an annual fee based on a percentage of assets under management. In addition to advisory fees charged by RREA, clients invested in real estate funds may also pay management fees, acquisition fees and organizational and offering expenses related to such real estate funds. From time to time, RREA may negotiate incentive (performance based) fee arrangements in accordance with Rule 205-3 of the Investment Advisers Act of 1940, as amended (the “Advisers Act”).

Both RREA and the portfolio investments may impose management fees, incentive or performance fees, and organizational and administrative costs and expenses. As a result, investors will pay higher expenses than they would if they invested directly in the portfolio investments and, accordingly, the rate of return on an investment will be lower than the rate of return on an investment directly in the portfolio investments.

Fees for funds are generally billed quarterly and generally deducted from assts of the funds. Funds generally pay administrative, custody and trustee expenses, plus costs of audit and tax compliance. Certain funds pay quarterly management fees in advance.

Fees for separate accounts are directly billed quarterly. At the client's request, RREA will coordinate an audit and the client will bear the cost.

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

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

As noted above, RREA may negotiate performance based fee arrangements with Qualified Clients: such fees are subject to individualized negotiation with each such client, and are up to 10%. RREA structures performance or incentive fee arrangements in accordance with Section 205(a)(1) of the Advisers Act and available exemptions thereunder, including the exemption set forth in Advisers Act Rule 205-3. The performance-based fees are calculated based on the specific terms negotiated with each client, and generally include realized and unrealized capital gains and losses.

Performance based fee arrangements may create an incentive for RREA 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. RREA has a Fair Allocation Policy to prevent this conflict from influencing the allocation of investment opportunities among clients.

## **Item 7 – Types of Clients**

RREA provides investment advisory services to Qualified Purchasers. RREA generally requires a minimum of \$100 million for managing a discretionary separate account.

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

### **Methods of Analysis**

Except as specifically noted, RREA does not generally research or recommend specific portfolio securities. Rather, RREA researches (using FRC's assistance and facilities) investment managers for different classes of assets and investment styles.

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

Qualitatively, the greatest emphasis is on the process and organization of an investment manager. RREA conducts extensive, in-depth manager meetings and analyzes publicly available information contained in financial newspapers and magazines, and manager-prepared information, to better understand the process and organization of investment managers.

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

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

### **Investment Strategies**

RREA's investment strategy is to exploit opportunities in the global private equity property market. RREA works with each client to tailor an appropriate strategy for its investment portfolio. By combining investment funds with complementary strategies, investment portfolios are diversified by manager, investment approach and strategy, geography, property type, and time horizon. The resulting investment portfolio may include funds with global mandates, regional mandates, or country-specific mandates and there may be funds targeting specific product types. The investment funds may include equity and debt investments in existing and development properties, portfolios of listed or unlisted property, and property-related operating companies.

RREA seeks to diversify risk along a number of attributes, including property type, geographic location, manager, vintage, and investment strategy. Private fund investments will generally be purchased directly from fund sponsors, although they may also be acquired from investors in existing funds through privately-negotiated transactions. In addition, portfolios may coinvest with a fund investment in an underlying asset or portfolio.

The return expected from each investment will vary according to its associated risks, including factors such as location, property type, stage in life cycle, operational and physical characteristics, and capital structure. The size of each recommended investment will be scaled to the size and attractiveness of the opportunity that the particular investment is designed to exploit, as well as the client's objectives and portfolio size.

RREA conducts investment due diligence with a view toward optimal portfolio construction. The investment research process is centered on three key elements: strategy, sponsorship and structure. RREA seeks to select funds that stand out among their peer group in each of these areas.

Investment due diligence will generally take place through a series of meetings in RREA's offices as well as on-site meetings at the fund sponsor's headquarters and other locations. The meetings typically will include several members of RREA's staff and the fund sponsor's senior management staff representing all functional areas within the property investment process (e.g., acquisitions, due diligence, asset management, portfolio management, finance and reporting).

Once a serious level of interest is established, the process will intensify to include detailed analysis of historical track record (focusing on IRR, nominal dollars distributed and return dispersion), targeted investment return (to ensure that investments selected by RREA have performance targets similar to those of the client's portfolio), review of the transaction pipeline, evaluation of all investment processes, and examination of third-party industry references.

Detailed operational due diligence (ODD) is a critical component of the investment decision. A detailed ODD questionnaire is used for each potential investment, providing comprehensive information including, but not limited to, risk management, business continuity, valuation policies, cash management, fund administration, compliance, legal, and insurance. Russell's ODD team, which is separate from the real estate team, then conducts an onsite review of the sponsor organization. A satisfactory report from this visit is a prerequisite for completing the investment.

### **Risk of Loss**

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

### ***Risk of Investing in Real Estate***

#### **General Property Risk**

These risks include, but are not limited to:

- general and local economic and social conditions;
- the supply of, and demand for, properties of any particular type;
- the financial resources of tenants and buyers and sellers of properties;
- vandalism;
- vacancies;
- rent strikes;
- environmental liabilities;
- unforeseen liabilities and expenses due to changes in tax, zoning, building, environmental and other applicable laws;
- rent control laws;

- real property tax rates;
- changes in interest rates;
- governmental actions;
- accelerated construction activity;
- technical innovations that dramatically alter space requirements;
- the risk of loss due to earthquake, flood, environmental contamination or other casualties and general liabilities, including the possibility of uninsured losses and liabilities due to unavailability, availability only at prohibitive cost or failure of any owner, operator or manager to purchase adequate insurance coverage; and
- the availability of mortgage loans, any of which may render the sale of properties difficult or unattractive.

These risks may be increased if the underlying assets are leveraged. Such risks may also cause fluctuations in occupancy rates, rent schedules and operating expenses, which could adversely affect the value of property and property-related investments and may lead to operating losses. Thus, there can be no assurance of the profitability of any property asset. Cash may be required to be advanced in order to protect an equity investment in property, and it may be necessary to dispose of investments on disadvantageous terms if necessary to raise needed cash.

#### *Risks of Development Activities*

Portfolio funds may undertake to develop undeveloped properties. Such portfolio funds will be subject to additional risks, including the availability of financing on favourable terms and the risk that there may be unanticipated delays in the completion of such development projects due to factors beyond the control of the developers or the portfolio funds. These factors may include strikes, adverse weather, changes in building specifications, shortages, costs increases and the availability of zoning or other regulatory approvals.

#### *Risks of Investment in Distressed Properties*

Portfolio funds may invest in distressed or underperforming assets, which involve a high degree of financial risk. Any investments made in property assets operating in workout modes or under Chapter 11 of the US Bankruptcy Code or similar laws of foreign jurisdictions will be subject to additional risks, including the risks of equitable subordination or disallowance of claims, liability to debtors or their creditors for actions taken, restructuring of debt and characterization of payments made in respect thereof, including distributions by the portfolio funds, as fraudulent or preferential, which could result in being required to return such distributions.

#### *Risks of Distressed Mortgage Loans*

Portfolio funds may purchase non-performing and sub-performing mortgage loans, as well as mortgage loans that have had a history of delinquencies or defaults. These mortgage loans may be in default or may have a greater than normal risk of future defaults, delinquencies, bankruptcies or fraud losses, as compared to a pool of newly originated, high-quality loans of comparable type, size and geographic concentration. Returns on an investment of this type



depend on the borrower's ability to make required payments and, in the event of default, the ability of the loan's servicer to foreclose and liquidate the mortgage loan.

### *Risks of Securities Backed by Mortgages*

Portfolio funds may acquire commercial mortgage-backed securities (CMBS), including subordinated and/or unrated tranches of CMBS. In general, subordinated tranches of CMBS are entitled to receive repayment of principal only after all required principal payments have been made to more senior tranches and have subordinated rights as to receipt of interest distributions. Such subordinated tranches are subject to a greater risk of non-payment, are relatively illiquid, and may be subject to restrictions on rights to realise upon or control underlying collateral.

### *Environmental Risks*

Under various federal, state and local laws, or laws of certain foreign jurisdictions, an owner of real property may be liable for the costs of removal or remediation of certain hazardous or toxic substances on or in such property. Such enactments often impose such liability without regard to whether the owner knew of, or was responsible for, the presence of such hazardous or toxic substances. The cost of any required removal or remediation and the owner's liability thereof as to any property is generally not limited under such enactments and could exceed the value of the property and the aggregate assets of the owner. The presence of such substances on a property, or the failure to remediate properly such substances, also may adversely affect the owner's ability to sell the property or to borrow using such property as collateral.

### ***Investment Risk***

There can be no assurance that a strategy will achieve its investment objective. An investment in a fund or strategy involves investment risks, including possible loss of the amount invested. The capital return and income are based on the capital appreciation of, and income from, the investments, less expenses incurred. Therefore, returns may be expected to fluctuate in response to changes in such capital appreciation or income. Past performance of RREA or its affiliates, employees or representatives or any other person is not indicative of future results of a fund.

### ***Highly Volatile Markets***

The prices of the holdings of a fund may be highly volatile. Price movements of such holdings are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programmes and policies of governments, and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly those markets in currencies and interest rate related futures and options. Such intervention often is intended directly to influence prices and may, together with other factors, cause those markets to move rapidly in the same direction because of, among other things, interest rate fluctuations.

### ***Dependence on Investment Manager***

Investors will generally have no right to participate in the management or operations of a fund or to exercise voting or other rights attendant to the securities held by a fund and, thus, must depend solely upon the ability of the investment manager with respect to making investment decisions. In addition, investors will not have an opportunity to evaluate specific investments made by a fund prior to the consummation of such investments.

### ***Investment Manager Valuation***

There is an inherent conflict of interest between the involvement of the investment manager in determining the valuation of a fund's investments and the investment manager's other responsibilities as the investment manager's fee will increase as the value of a fund increases. There are similar conflicts of interest at the underlying investment fund level.

### ***Limitations on Liability; Indemnification of the Investment Manager***

The investment manager, its agents and its respective officers, directors, employees, members, advisers and affiliates are generally entitled to be excused from liability to a fund and the investors and indemnified against damages or losses that a fund or such investors may incur by performance of services for a fund. As a result, a fund and the investors may have a more limited right of action in certain cases than they might otherwise have. Additionally, in the event that a claim is made, the investment manager may be entitled to be indemnified by a fund—in which case the assets of the fund would have to be used to indemnify the investment manager for amounts incurred in connection with such claim.

### ***Hedging Transactions***

A fund may utilise financial instruments such as forward contracts, currency options, swaps, caps and floors to seek to hedge against fluctuations in the relative values of their portfolio positions as a result of changes in currencies, interest rates, equities and other financial instruments. Hedging against a decline in the value of a portfolio position does not eliminate fluctuations in the values of portfolio positions or prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus moderating the decline in the portfolio positions' value. Such hedging transactions also limit the opportunity for gain if the value of the portfolio position should increase.

### ***Risks associated with Futures and Options***

A fund may from time to time use both exchange-traded and over the counter futures and options as part of its investment policy or for hedging purposes. These instruments are highly volatile, involve certain special risks and expose investors to a high risk of loss. The low initial margin deposits normally required to establish a futures position permit a high degree of leverage. As a result, a relatively small movement in the price of a futures contract may result in a profit or a loss which is high in proportion to the amount of funds actually placed as initial margin and may result in un-quantifiable further loss exceeding any margin deposited. Further, when used for

hedging purposes there may be an imperfect correlation between these instruments and the investments or market sectors being hedged. Transactions in OTC derivatives may involve additional risk as there is no exchange or market on which to close out an open position. It may be impossible to liquidate an existing position, to assess or value a position or to assess the exposure to risk.

### ***Counterparty Creditworthiness***

A fund and the underlying portfolio funds may invest directly and indirectly in securities, commodities and other financial instruments that involve counterparties. The terms of these contracts are often customised and complex, and many of these arrangements occur in markets or relate to products that are not subject to regulatory oversight. The portfolio funds and the fund are subject to the risk that the counterparty to one or more of these contracts defaults, either voluntarily or involuntarily, on its performance under the contract. Any such default may occur rapidly and without notice.

### ***Currency Risk***

The investments of a fund may be acquired in a wide range of currencies. A fund may use currency hedging techniques to attempt to reduce any currency exposure but it may not be possible or practicable to do so.

### ***Risks of Investing in Other Collective Investment Vehicles/ Partnerships***

RREA funds will invest in regulated and unregulated portfolio funds. As an investor in another collective investment vehicle/ partnership, a fund will bear, along with other investors, its portion of the fees and expenses of the other portfolio funds, including management fees, performance fees and/or other fees. These fees will be in addition to the management fees and/or other fees and expenses which the RREA fund bears directly with its own operations. The portfolio funds in which the RREA fund may invest may be leveraged or unleveraged and may be established in regulated or unregulated jurisdictions.

A fund will not have an active role in the day-to-day management of the portfolio funds in which it may invest, and will generally not have the opportunity to evaluate the specific investments made by a portfolio fund before they are made. In particular, a fund will not carry out due diligence on the underlying investments selected for investment by the relevant portfolio fund and will instead rely exclusively on, and not be responsible for, the due diligence carried out on those underlying investments by the relevant portfolio fund's investment manager. Accordingly, the returns of a fund will primarily depend on the performance of the portfolio funds (and their respective investment managers) and would be substantially adversely affected by the unfavorable performance of the portfolio funds and their managers.

Before investing in a portfolio fund, the investment manager does initial due diligence with respect to the portfolio fund and its managers and advisers. After an investment in a portfolio fund, the investment manager continues monitoring the portfolio fund and its managers and advisers. However, there can be no assurance that such due diligence and monitoring will detect

misconduct, negligence or fraud on the part of the portfolio funds and their managers and advisers.

### ***Performance Fee Risk***

The investment manager may receive a performance fee based on the appreciation in the net asset value of a fund. The performance fee will generally be calculated with regard to unrealised gains, as well as realised gains. Therefore, a performance fee may be paid on unrealised gains which may subsequently never be realised. The performance fee may provide an incentive for the investment manager to make investments for a fund which are more risky than would be the case in the absence of a fee based solely on the performance of a fund.

### ***Non-U.S. Investments***

Funds in which a Fund may invest will invest in securities issued by non-U.S. companies, including U.S. dollar-denominated and local currency-denominated securities issued by non-U.S. entities, or in derivatives on such instruments or securities. Such investments have risks associated with political and economic developments, higher operating expenses, exchange controls, currency fluctuations, foreign withholding and other taxes which may reduce investment returns, reduced availability of public information concerning issuers and the fact that foreign issuers are not generally subject to uniform accounting, auditing and financial reporting standards or to other regulatory practices and requirements comparable to those applicable to U.S. chartered issuers. Securities of many non-U.S. issuers may be less liquid and their prices more volatile than those of securities of comparable U.S. issuers. Transaction costs for non-U.S. securities are generally higher than for comparable securities issued in the U.S. The Fund may engage in certain hedging activities intended to reduce certain of the risks described above and such hedging activities may present certain risks of their own.

### ***Limitations on Transfers***

There is no public market for the interests in the funds, and the interests generally may not be sold, assigned, or transferred without the prior written consent of the fund.

## **Item 9 – Disciplinary Information**

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

## **Item 10 – Other Financial Industry Activities and Affiliations**

Many of RREA'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 managers 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 investment companies, other pooled investment vehicles, institutional and high net worth clients, (ii) licensing of model securities portfolios to investment advisers and broker-dealers, and (iii) consulting services to managers and sponsors of large pools of investment assets. Where necessary or appropriate, all of RIMCo’s business activities are conducted pursuant to written agreements and conform to applicable law.

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

**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 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 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.

**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.

**Russell Investments Delaware Inc. (“RIDI”)** is a wholly owned subsidiary of FRC. RIDI was established to act 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 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.

RI Cayman is the manager of Russell Alternative Strategies Fund N1. A full redemption request has been received in respect of this fund and, accordingly, it will be closed once all remaining investments have been liquidated.

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 wholly owns Russell Investments Management Cayman LLC (“RIMC I”) and Russell Investments Management Cayman II LLC (“RIMC II”). RIMC I and RIMC II were respectively the general partners of Russell U.S. Equity Fund L.P. and Russell U.S. Quant Fund L.P. (these funds are now closed) and as there is no longer a need for these entities, they are in the process of being closed down.

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 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.

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”) 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 Alternative Investments Funds (“RAIF”), Russell Alternative Strategies Fund II (“ASF II”), 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 Tacoma, and oversight of the Administrator is provided by RIL.

**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, 2<sup>nd</sup> Financial Instruments Business, Investment Advisory and Agency Business). RIJ is a member of the Investment Trusts Association, Japan, Japan Securities Investment Advisers Association.

**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. The following are some of RIL’s distribution partners: Metzler Bank in Germany; National Bank of Dubai, ICICI Limited in Singapore, DnB Investor, a fully owned subsidiary of Den Norske Bank in Norway; Credit du Nord in France; and J&E Davy in Ireland.

RIL is authorized and regulated by the United Kingdom Financial Services Authority (FSA). RIL has permission from the FSA to engage in the following regulated activities:

Advising on investments; arranging (bringing about) deals in investments; dealing in investments as agent; making arrangements with a view to transactions in investments; and managing investments, including collective investment schemes.

RIL acts as the Principal Money Manager of MSMM, Russell Multi Strategy Global Bond Fund and Russell U.S. Small/Micro Cap Equity N Fund. RIL acts as Money Manager for RMMF. RIL acts as investment manager of IM Russell ICVC.

Pursuant to agreements in connection with RIC, RIC II, RIC III, RIC IV, Russell Jadwa, RIF, MSMM, RMMF, RUT, RQIF, OpenWorld, RIL provides investment advice and other services to the respective management companies of these fund complexes. The advice provided relates to products, investment objectives, and money managers, etc.

RIL distributes shares in RIC, RIC II, RIC III, RIC IV, RIF, MSMM, RQIF, Russell Jadwa, OpenWorld, RAIF, RMMF, ASF II, RGDSF, IM Russell ICVC and units in RUT, Russell Multi Strategy Global Bond Fund, Russell Alternative Strategies Fund N1, GAFF, GAFF N Feeder and Russell U.S. Small/Micro Cap Equity N Fund. RIL also provides client-servicing support to clients/investors.

#### Advisory Services to Institutional Clients

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.

#### Discretionary Management Services to Institutional Clients

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 Implementation Services Limited (“RISL”)** is a wholly owned subsidiary of Russell Systems Limited. RISL is authorised and regulated in the U.K by the Financial Services Authority (FSA). RISL engages in the following activities: advising on investments; managing investments for collective investment schemes; distribution of units of collective investment schemes; discretionary management services for institutional clients, including transition management services, and policy implementation services; and advisory services for institutional clients.



## **Private Investment Funds**

Related persons may recommend, when legally permitted, that their clients invest in private investments funds, including limited partnerships. RIMCo or a related person may be a member of the general partner of the following funds for which clients may be solicited to invest. Each client will receive an offering memorandum and other documents relating to such funds, which will disclose that RIMCo or a related person has an economic interest in such funds.

Gilbert Global Equity Partners, L.P.

Gilbert Global Equity Partners (Bermuda), L.P.

Russell AIF Asia II, L.P.

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

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

All the above partnerships invest in private equity.

## **PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS – CONFLICTS OF INTEREST**

### **RREA**

RREA is the manager of a private equity fund-of-funds organized as an Australian unit trust (the “Fund”). RIDI co-invests with the Fund in certain private equity funds (the “Sponsor Co-investments”) in which the Fund has invested, which has the intended effect of aligning the interests of RREA, as sponsor of the Fund, and the interests of the Fund’s investors. For tax efficiency reasons, such Sponsor Co-investments are made through a separate investment vehicle (the “SV”) as opposed to via an investment in the Fund. To the extent RREA, with the consent of the SV board of directors, causes the SV to make a Sponsor Co-investment, such Sponsor Co-investment will be made in the same proportion as the Fund’s investment to the extent possible and reasonably practicable. Except to the extent required or limited by the terms of any such investment, the SV is not required to make or dispose of Sponsor Co-investments at the same time and on the same terms as the Fund’s investments. As a result, notwithstanding the alignment of interests of RREA and the Fund’s investors described above, RREA and/or the board of directors of the SV (the majority of whom are related persons of RREA) may have a financial incentive to cause the SV to make Sponsor Co-investments (or dispose of such investments in secondary sales) at preferential times and/or on preferential terms in comparison to the Fund’s investments. Such preferential treatment of Sponsor Co-investments may have a detrimental impact on the Fund and, therefore, the Fund’s investors.

RREA, as to certain clients or their Intermediaries who grant RREA investment discretion may invest client assets in funds or managed account products from which RREA receives fees. All fees received by RREA with respect to such transactions are disclosed in the discretionary investment advisory agreements signed by the client or may, in certain cases, be provided via an advisory or sub-advisory agreement or other applicable documentation with a discretionary

Intermediary at no additional cost to the client, in which case the client may not need to sign an agreement specific to such transactions.

## 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. In addition, Russell maintains compliance and risk management teams. Finally, Russell believes in disclosure of potential conflicts of interest of which it is aware. 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 small 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 managers 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 does not offer execution services to investment managers as part of the program, and all trading is conducted by independent

brokers selected by the investment managers from a list provided by Russell. There is no direct benefit to the investment managers. However, as Russell is compensated for providing commission recapture services Russell may have a financial incentive to recommend investment manager(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. This is a legacy program that is not actively marketed; however, Russell does still earn a small amount of revenue for providing these soft dollar services and 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 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 the conflict policies contained therein.

## **Item 11 – Code of Ethics**

Russell and its affiliates, including RREA, 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 associate. 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 RREA'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 RREA'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](mailto:russellcompliance@russell.com), or by writing to: Russell, 1301 Second Avenue, 16<sup>th</sup> Floor, Seattle, WA 98101 Attn: Code of Ethics Team.

Please see Item 10 for general conflicts of interest disclosure surrounding related persons. Please refer to Item 12 as it relates to brokerage transactions.

## **Item 12 – Brokerage Practices**

### **Direct Management of Client Accounts**

Where RREA'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 client which are receiving the transitioned assets consistent with agreed upon benchmarks. Where RREA'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 RREA or its 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, RREA or its related persons are not obligated to select the broker

offering the lowest commission. For transactions which may be effected through RREA's affiliated broker-dealer, 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 RREA's related persons manage transitions, cash overlay strategies, select holdings 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.

RREA's related persons use Russell Implementation Services, Inc., as introducing broker in certain investments 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 RREA's related persons to have better overall control of the transition event. To monitor this relationship RREA's related person monitors trade execution consistency with preset benchmarks and reviews commissions paid against normal commission rates.

RREA's related persons 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 RREA to assist it in its investment decision-making process in its capacity as Adviser to Russell Funds. For purposes of trading to

obtain research for RREA, Funds' investment managers are requested to, and RREA 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, RREA 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 RREA 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 RREA 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 RREA 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 RREA or commission recapture to the Funds.

Where RREA's related persons suggest to an individual client that it use its affiliate, Russell Implementation Services, Inc. to liquidate the client's portfolio to raise cash to invest in Russell Funds, the client makes the decision to do so. RREA's related persons may from time to time recommend Russell Implementation Services, Inc. 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 Russell Implementation Services, Inc.'s services are required to make their own independent decision whether to hire a broker to provide the services, and if so, whether to choose Russell Implementation Services, Inc. Other than the overall benefits associated with being part of the same enterprise, RREA does not receive any products, research or services from Russell Implementation Services, Inc. for making such recommendations.

### **Item 13 – Review of Accounts**

Accounts are reviewed each quarter. Each account is reviewed for compliance with adopted client investment policy and regarding current market conditions. Review functions are performed by the financial reporting manager and by individual portfolio managers, with supervision by the head of the private real estate business. Accounts are reviewed systematically within guidelines established with each client.

Reports are provided on a quarterly basis to all clients, and consist of performance results, portfolio composition, characteristics and comparison to industry benchmarks. Associates regulatory attend client board meetings to provide current information.

## **Item 14 – Client Referrals and Other Compensation**

RREA does not have any arrangements, oral or in writing, where it is paid cash by or receives some economic benefit from a non-client in connection with giving advice to clients. However, related persons of RREA do have similar arrangements and RREA may indirectly receive some economic benefit based on those arrangements.

From time to time, RREA or any of its affiliated companies may make a client aware of Pantheon products, and as part of RREA's agreement, Pantheon may pay FRC or its subsidiaries a "finder's fee" based on the dollar amount of the investment.

RREA does not directly or indirectly compensate any person for client referrals. However, related persons of RREA have arrangements whereby affiliated associates may be compensated for client referrals, and RREA does not accept client referrals from any other person or firm.

## **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. RREA 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**

#### RREA

RREA, as to clients that have given it investment discretion, may determine what securities should be bought or sold as well as the amount of securities to be bought or sold for a client's account.

#### RREA's Related Persons

Generally, where RREA's related persons manage collective investment vehicles ("Russell Funds"), the securities to be bought and sold (including the amount to be bought and sold) are determined by investment managers hired by Russell or a Russell Fund consistent with the investment guidelines set for those investment managers by RREA's related persons. Each investment manager hired has their own process for exercising investment and brokerage discretion. In assessing whether the best overall terms have been obtained on any given transaction, investment managers hired by Russell, Russell Funds or accounts are not necessarily obligated to select the broker offering the lowest commission.



## **Investment Discretion**

### **Direct Management of Russell Funds**

Where RREA or its related persons directly manage Russell Funds, the authority to determine the securities to be bought and sold (including the amount of securities to be bought and sold) is generally limited by the investment strategy determined for the specific investment management activity. In the case of transitions managed by RREA's related persons, these limitations are generally determined in accordance with the buy list of the investment managers hired by Russell or Russell Funds which are receiving the transitioned assets consistent with agreed upon benchmarks. In the case of cash equitization and interim investment management assignments in connection with cash inflows and manager changes, these limitations are generally determined by reference to the benchmark set for the investment portfolio being equitized as well as the portfolio's investment guidelines and restrictions.

### **Item 17 – Voting of Client Securities**

RREA is the Investment Manager of various funds of hedge funds (the "Funds"). The Funds invest primarily in other collective investment schemes (each a "Portfolio Fund") managed by third party investment managers (each a "Third Party Manager"). The Portfolio Funds may offer both voting and/or non-voting shares. The Portfolio Funds seldom hold shareholder meetings and the Investment Manager is often required by the offering documents of the Portfolio Funds to assign the Funds' proxies in favor of the Third Party Manager. In the limited cases where a Portfolio Fund calls a shareholder meeting and the Funds have the right to vote at such meetings, the Investment Manager votes in accordance with the best interests of the Funds' shareholders. The Third Party Managers have discretion to exercise any voting rights attached to the investments held by each Portfolio Fund.

Other than as provided above RREA does not have any proxy voting responsibilities.

### **Item 18 – Financial Information**

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