

Summary of the 2018 PRI Assessment

The United Nations-backed Principles for Responsible Investment (PRI) is a globally recognised benchmark for the consideration of environmental, social, and corporate governance (ESG) issues. Russell Investments is pleased to announce that in 2018, the PRI awarded our firm an 'A' rating for our approach to responsible investing.

Principles for Responsible Investment

Launched in April 2006, the PRI is an investor initiative developed in partnership with the United Nations Environment Program Finance Initiative and the United Nations Global Compact. They are global best practices that challenge investors to acknowledge environmental, social, and corporate governance issues.

The PRI have six principles¹:

1. Incorporate ESG issues in investment analysis and decision-making processes
2. Actively own and incorporate ESG issues in ownership policies and practices
3. Seek appropriate disclosure on ESG issues from the entities invested in
4. Promote acceptance and implementation of the principles within the investment industry
5. Work together to enhance effectiveness in implementing the principles
6. Report on activities and progress towards implementing the principles

The number of PRI pledges has grown rapidly since 2006. Today, signatories total in excess of 1900 organizations - spanning investment managers, asset owners and service providers from 48 countries and representing about \$81 trillion in assets².

As such, these principles have become a well-respected global benchmark.

Russell Investments and the PRI

PRI's Mission:

*"We believe that an economically efficient, sustainable global financial system is a necessity for long-term value creation. Such a system will reward long-term, responsible investment and benefit the environment and society as a whole."*²

Russell Investments has publicly committed to embedding the PRI's six principles where consistent with our fiduciary responsibilities.

Each year, signatories of the PRI disclose their approach to responsible investment, policies and procedures. The PRI then reviews each company's credentials both on an individual and a peer-relative basis before awarding them an official PRI rating for the year.

Russell Investments achieves consistently high grading across process

This year, Russell Investments recorded an A+ for our Strategy & Governance and Listed Equity Incorporation, and an A rating across all other assessment modules³.

Module breakdowns are available in the table overleaf.

¹ [UN Principles of Responsible Investment](#). The PRI Principles are voluntary and an aspirational set of investment principles.

² Source: [unpri.org](#).

³ Source: [2018 PRI Assessment of Russell Investments](#)

Demonstrated commitment

Please find below a breakdown of Russell Investments' overall scores across all 11 modules reported on.

The methodology, assessment report and transparency report can be found in the [full PRI report](#).

MODULE	Russell score	Median score
Strategy and Governance	A+	A
Listed Equity	A	B
Fixed Income Supranational/ Sovereign/Agency	A	C
Fixed Income Corporate (Financial)	A	C
Fixed Income Corporate (Non- Financial)	A	C
Fixed Income Securitized	A	C
Private Equity	A	C
Property	A	C
Infrastructure	A	C
Listed Equity Incorporation	A+	B
Listed Equity Active Ownership	A	B

Global Chair of Russell Investments' Responsible Investment Committee Pete Gunning, said:

"The 2017 assessment from the UNPRI acknowledges the integrated approach we have taken to embed ESG considerations throughout our investment process. The consistent high performance across all asset classes is testament to the time and effort that our teams have committed to this increasingly important topic."

Concluding thoughts

Russell Investments has made great strides over the years in incorporating the PRI principles into our processes including manager research, portfolio management as well as proxy voting and engagement. In addition, considering and incorporating ESG-specific strategies such as our proprietary decarbonization strategy and ESG tilting methodology, form an important part of our product development process.

We believe that our ongoing commitment to the PRI principles is one of the best ways that we can demonstrate to our clients and our peers alike our dedication to responsible investing.

We will continue to focus on the implementation of PRI's six principles in order to best support our clients and society in responsible and sustainable investing.

About Russell Investments

Russell Investments, a global asset manager, offers multi-asset portfolios and services which include advice, investments and implementation. Russell Investments stands with institutional investors, financial advisors and individuals working with their advisors—using the firm's core capabilities that extend across capital market insights, manager research, asset allocation, portfolio implementation and factor exposures—to help each achieve their desired investment outcomes. The firm has more than CAD\$360 billion in assets under management (as of 6/30/2018).

Headquartered in Seattle, Washington, Russell Investments operates globally with 21 offices, providing investment services in the world's major financial centres such as London, Paris, Amsterdam, Sydney, Tokyo, Shanghai, Toronto and New York. For more information about how Russell Investments helps to improve financial security for people, visit russellinvestments.com/ca.

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