RUSSELL INVESTMENTS FRANCE SAS (the "Company")

AIFMD Remuneration Policy

10 March 2021

REMUNERATION POLICY

1 INTRODUCTION

The Company is authorised by the Autorité des Marchés Financiers ("**AMF**") as an alternative investment fund manager ("**AIFM**") under the AIFMD Regulations.

The Company is also authorised by the AMF to provide Portfolio Management on behalf of third parties and to provide Regulated Investment Advice.

The AIFM Directive as transposed into French law requires that all authorised AIFMs have remuneration policies and practices that are "*consistent with and promote sound and effective risk management and do not encourage risk-taking which is inconsistent with the risk profiles, rules or instruments of incorporation of each AIF it manages*".

The purpose of this remuneration policy (the "**Remuneration Policy**") is to provide a clear direction and policy regarding the Company's remuneration policies and practices consistent with the principles in the AIFM Regulations.

This document forms the written element of the remuneration policy for the Company, which includes the regulatory requirements impacting its Identified Staff as defined below. The Russell Group also operates group-wide compensation programmes. Among other objectives these programmes are designed to incentivise behaviours which are within the Russell Group's targeted levels of risk. This Remuneration Policy supplements and should be read in conjunction with, the Company's regulatory framework documentation, in particular its Programme of Activity and the Russell Group's compensation programmes.

The executive officers of the Company (the "**Executive Officers**") recognise the important role played by sound risk management in protecting its stakeholders. Moreover, the Executive Officers acknowledge that inappropriate remuneration structures could, in certain circumstances, result in situations whereby individuals assume more risk on the relevant institution's behalf than they would have done had they not been remunerated in this way.

In addition to ensuring that this Remuneration Policy aligns the risk taking behaviour of staff with ("**Associates**") with the Company's risk appetite, the remuneration policy is designed to ensure that the Company is able to attract, retain and motivate highly qualified Associates in order to produce long term value creation for shareholders.

In preparing this Remuneration Policy, the Company has taken into account its size, its internal organisation and the nature, scale and complexity of its business. In determining the range of activities to be undertaken by the Company, the Company has given due consideration to the number of AIFs (as defined below), the type of investments, the investment strategies, the investment location, the distribution model and the investor base of the AIF. Due consideration has also been given to the resources available to the Company and the resources and expertise of the various third parties engaged to support the Company and carry out certain functions on its behalf.

2 APPLICABLE AIFMD REGULATIONS

For the purposes of this Remuneration Policy, the following legislative/regulatory references are of particular note:

> "**AIFMD**" means the Alternative Investment Fund Managers Directive (Directive 2011/61/EU) as amended, updated or supplemented from time to time;
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> "**AIFMD Level 2**" means Commission Delegated Regulation (EU) No. 231/2013 as amended, updated or supplemented from time to time;
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> "**AIF**" means any alternative investment fund as defined in Regulation 5 of the AIFM Regulations to which the Company has been appointed as an alternative investments fund manager;

"**Applicable AIFMD Regulation**" means collectively the AIFMD, AIFMD Level 2, the Code, the Ordinance and the RGAMF as appropriate;

"**Code**" means Décret n°2013-687 dated 25 July 2013 which amended the French monetary and financial code in order to implement the AIFMD as updated, amended or supplemented from time to time;

"**Committee**" means the remuneration committee of the board of directors of Russell Investments Group or where appropriate any other duly authorised committee of it;

"**ESMA**" means the European Securities and Markets Authority, its successors or assigns;

"**Guidelines**" means the ESMA's Guidelines on sound remuneration policies under the AIFMD (ESMA/2013/201);

"**Ordinance**" means the Ordonnance n° 2013-676 dated 25 July 2013 which amended the French monetary and financial code in order to implement the AIFMD;

"**Portfolio Management**" means the management of portfolios of investments, including those owned by pension funds, in accordance with mandates given by investors on a discretionary, client-by-client basis, where such portfolios include one or more instruments listed in Annex I, Section C to Directive 2004/39/EC;

"**Regulated Investment Advice**" means investment advice concerning one or more instruments listed in Annex I, Section C to Directive 2004/39/EC;

"**RGAMF**" means the general regulation of the AMF (*règlement général de l'AMF) as* amended updated or supplemented from time to time;

"Russell Group" means the Russell Investments group of companies;

"**SFDR**" or the "**Sustainability Finance Disclosure Regulation**" means Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector as amended, updated or supplemented from time to time; and

"Sustainability Risks" means financially-material risks related to environmental, social or governance (ESG) issues that are relevant to the investment practice of the Russell Group.

In relation to various aspects of this Remuneration Policy where there is any perceived ambiguity or lack of clarity in the Applicable AIFMD Regulation and/or the Guidelines, the Company will have regard to any published guidance on the relevant point by ESMA, the AMF or in the absence of any such published guidance that of the UK Financial Conduct Authority or any other EU national competent authority, if appropriate.

The Company confirms that it has reviewed and understands all regulatory requirements applicable to its Remuneration Policy set out in the Applicable AIFMD Regulation and has addressed these requirements in this Remuneration Policy and/or materials referenced herein.

3 SCOPE OF REMUNERATION

Remuneration consists of all forms of payments or benefits made directly by, or indirectly, but on behalf of the Company, in exchange for professional services rendered by staff. This shall include:

(i) all forms of payments or benefits paid by the Company;

(ii) any amount paid by the AIFs; and

(iii) any transfer of units or shares of any AIFs,

in exchange for professional services rendered by the Identified Staff.

For the purpose of item (ii) above, whenever payments, excluding reimbursements of costs and expenses, are made directly by an AIF to the Company for the benefit of the relevant categories of

Identified Staff for professional services rendered, which may otherwise result in a circumvention of the relevant remuneration rules, they shall be considered remuneration for the purpose of this Remuneration Policy.

Fixed remuneration means payments or benefits without consideration of any performance criteria.

Variable remuneration means additional payments or benefits depending on performance or, in certain cases, other contractual criteria.

4 IDENTIFIED STAFF

The provisions of this Remuneration Policy apply to "**Identified Staff"** which is defined as follows in the Guidelines:

> *"categories of staff, including senior management, risk takers, Control Functions [as defined below] and any employee receiving total remuneration that takes them into the [same] remuneration bracket as senior management and risk takers, whose professional activities have a material impact on the AIFM's risk profile or the risk profiles of the AIF that it manages and categories of staff of the entity(ies) to which portfolio management or risk management activities have been delegated by the AIFM, whose professional activities have a material impact on the risk profiles of the AIF that the AIFM manages."*

For the above purposes, "**Control Functions**" means:

> *"staff (other than senior management) responsible for risk management, compliance, internal audit and similar functions within an AIFM (e.g. the CFO to the extent that he/she is responsible for the preparation of the financial statements)."*

For the above purposes, "**remuneration bracket**" means:

> *"the range of the total remuneration of each of the staff members in the senior manager and risk taker categories – from the highest paid to the lowest paid in these categories."*

Specifically for the Company, Identified Staff members may fall into one or more of the following categories:

- executive officers;
- senior management;
- Associates responsible for Control Functions;
- other risk takers – being Associates who acting individually or as part of a group can materially influence the Company's risk profile;
- Associates whose remuneration takes them into the same bracket as senior managers and risk takers but who don't fall into one of the categories above must be assessed to determine whether they have a material impact on the risk profile of the AIF or the Company.

A list of the Company's Identified Staff is appended herewith (at **Schedule 1**). It should be noted that the inclusions of persons in Schedule 1 shall relate specifically to their role within the Company or the relevant AIF and their remuneration (if any) received directly by the Company and shall not affect any remuneration such persons may otherwise receive from entities connected with the Company, delegates of the Company or otherwise.

Any new Associates will be considered for inclusion on this list when they are hired or if their role changes. It will be the responsibility of the Executive Officers in consultation with the Head of Compliance to make recommendations to include Associates on this list.

5 REMUNERATION PROCESS AND PRINCIPLES

5.1 Fixed and Variable remuneration

Variable remuneration is an important tool to incentivise Associates. It also gives the Company flexibility such that, in years where the Company performs poorly, variable remuneration may be reduced or eliminated and the capital of the Company can be preserved. In some circumstances, however, variable remuneration, if inappropriately structured, can lead to excessive risk taking as employees may be incentivised to keep taking risk to maintain their variable remuneration.

The Russell Group has a "Total Compensation Philosophy", which means that it takes all elements of an Associate's compensation into account in determining and providing their overall remuneration package. Total compensation is defined as the sum of fixed and variable remuneration, as well as the value of benefits such as pensions, healthcare, life insurance and disability coverage.

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

For senior professional, managerial and executive roles, annual variable remuneration can represent a significant percentage of total compensation, as is typical in investment management and the broader financial services industry in which the Russell Group competes. By placing a strong emphasis on annual variable remuneration, the Company is able to limit fixed remuneration expense while rewarding Associates for their individual contributions and the achievement of annual financial and non-financial goals.

Certain Associates in sales-based roles may be paid based on the generation of assets under management and/or revenues. Each Associate in this category has a formal agreement setting out the terms of their commission arrangements. Commission plans generally contain an element of discretionary pay, the extent of which depends on his or her role within the sales organisation. This is intended to reward teamwork and adherence to organisational values, which include sound risk management practices.

5.2 Remuneration process

Following the finalisation of the annual financial statements and during the first quarter of each financial year in respect of the Company, the Company shall decide what, if any, variable remuneration to award Associates. This will be based on a recommendation provided by the Russell Group following a comprehensive review of the performance of the relevant Associates.

In general, the overall variable remuneration or incentive pool of the Russell Group is allocated to each business unit taking into account incentive compensation targets set for each Russell Associate in the business unit based on market competitive data or other individual-specific factors. These targets are generally inflated or deflated according to overall company performance and business unit performance. The final split by business and function is a combination of a bottom-up and top-down process.

The businesses such as the Company in respect of its Associates have discretion on how bonuses are allocated, taking into account role, responsibilities and individual performance. Individual incentive awards are therefore based on a combination of:

- Company performance;
- Business unit;
- Individual performance (including performance relative to financial and non-financial goals, such as compliance with relevant policies, procedures or risk management practices as appropriate); and
- Other factors as may be determined by the Executive Officers.

5.3 Remuneration principles – in compliance with AIFMD requirements

It is primarily the responsibility of the Company to assess its own characteristics and to develop and implement remuneration policies and practices which appropriately align the risks faced and provide adequate and effective incentives to its staff.

When establishing and applying the total remuneration, inclusive of salaries and discretionary pension benefits for Identified Staff, the Company shall comply with the following principles in a way and to the extent that is appropriate taking into account its size, internal organisation and the nature, scope and complexity of its activities:

(a) Associates engaged in Control Functions are compensated in accordance with the achievement of the objectives linked to their functions, independent of the performance of the business areas they control in order to avoid any conflict of interest;

(b) where remuneration is performance related, the total amount of remuneration is based on a combination of the assessment of the performance of the individual and of the business unit or AIF concerned and of the overall results of the Company, and when assessing individual performance, financial as well as non-financial criteria are taken into account;

(c) the assessment of performance is set in a multi-year framework appropriate to the life-cycle of the AIF in order to ensure that the assessment process is based on longer term performance and that the actual payment of performance-based components of remuneration is spread over a period which takes account of the redemption policy of the AIFs it manages and their investment risks;

(d) guaranteed variable remuneration is exceptional and occurs only in the context of hiring new Associates and is limited to the first year of engagement;

(e) fixed and variable components of total remuneration are appropriately balanced and the fixed component represents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy, on variable remuneration components, including the possibility to pay no variable remuneration component;

(f) payments related to the early termination of a contract reflect performance achieved over time and are designed in a way that does not reward failure;

(g) the measurement of performance used to calculate variable remuneration components or pools of variable remuneration components includes a comprehensive adjustment mechanism to integrate all relevant types of current and future risks;

(h) subject to the legal structure of the AIFs and its rules or instruments of incorporation, a substantial portion, and in any event at least 50% of any variable remuneration component consists of units or shares of the AIF concerned, or equivalent ownership interests, or share-linked instruments or equivalent non-cash instruments, unless the management of the AIF's accounts for less than 50% of the total portfolio managed by the Company, in which case the minimum of 50% does not apply. The payment of variable remuneration consisting of units or shares of an AIF shall not apply in the case of provision of discretionary Portfolio Management and Regulated Investment Advice;

(i) a substantial portion, and in any event at least 40%, of the variable remuneration component, is deferred over a period which is appropriate in view of the life cycle and redemption policy of the AIF concerned and is correctly aligned with the nature of the risks of the AIF in question or in the case of discretionary Portfolio Management and Regulated Investment Advice is appropriate in view of the investment horizon of the recipient of the service. The period referred to in this paragraph shall be at three to five years for AIFs unless the life cycle of the AIF concerned is shorter; remuneration payable under deferral arrangements vests no faster than on a pro-rata basis; in the case of a variable remuneration component of a particularly high amount, at least 60% of the amount is deferred;

(j) the variable remuneration, including the deferred portion, is paid or vests only if it is sustainable according to the financial situation of the Company as a whole, and justified according to the performance of the business unit, the AIF (where relevant) and the individual concerned. The total variable remuneration shall generally be considerably contracted where subdued or negative financial performance of the Company or of the AIF (where relevant) concerned occurs, taking into account both current compensation and reductions in payouts of amounts previously earned, including through malus or clawback arrangements;

(k) the pension policy is in line with the business strategy, objectives, values and long-term interests of the Company and the AIFs it manages. If the employee leaves the Company before retirement, discretionary pension benefits shall be held by the Company for a period of five years in the form of instruments defined in point (h). In the case of an employee reaching retirement, discretionary pension benefits shall be paid to the employee in the form of instruments defined in point (h) above, subject to a five year retention period;

(l) Associates are required to undertake not to use personal hedging strategies or remuneration and liability-related insurance to undermine the risk alignment effects embedded in their remuneration arrangements;

(m) variable remuneration may not be paid through vehicles or methods that facilitate the avoidance of the requirements of the Applicable AIFMD Regulations.

5.4. Remuneration process – in compliance with SFDR requirements

Under the Sustainability Finance Disclosure Regulation, the Company must disclosure information on how its remuneration policy is consistent with the integration of Sustainability Risks.

Where appropriate, individual incentive awards will take into account individual performance as it relates to the Sustainability Risk Policy and related practices.

6 SCOPE OF THE REMUNERATION POLICY AND APPLICATION OF THE PRINCIPLES

6.1 Delegates

The Company has the facility to appoint delegates to carry out portfolio management or risk management activities on its behalf in accordance with its delegation policy.

In accordance with the Guidelines, the Company will ensure that affected delegates are subject to regulatory requirements on remuneration that are "equally as effective" as those applicable under the applicable Guidelines or that appropriate contractual agreements are in place to ensure that the delegation arrangements do not circumvent the remuneration requirements.

Subject to the foregoing, with regards to remuneration practices at the delegates of the Company, the Company will ensure that the Remuneration Policy covers, where appropriate, categories of staff at affected delegates that are involved in the provision of delegated portfolio management or risk management activities, where such activities have a material impact on the risk profile of the relevant AIF.

It is noted that in certain confined circumstances it may be determined that the scope of the mandate granted to a particular delegate is such that no staff of the delegate will constitute Identified Staff for the purposes of this Remuneration Policy, i.e. have the capacity to carry out their professional activities under the delegation arrangement in a manner which could have a material impact on the risk profile of the relevant AIF or AIFs. This could be the case where the Company retains a sufficient degree of control and supervision over the activities of the delegate and restricts the discretionary nature of their activities (for example, through the application of detailed contractual restrictions set by the Company which tightly constrain how the delegate may discharge its delegated functions).

6.2 Proportionality

The Guidelines applicable to AIFMs provide that remuneration policies and practices of an AIFM shall comply with the Guidelines. The Guidelines applicable to AIFMs provide for the disapplication of certain AIFMD remuneration principles on the grounds of proportionality.

In line with the Guidelines applicable to AIFMs, the principles outlined in section 5.3(h) and (i) respectively may be disapplied in respect of the Company or any applicable delegates, if it is proportionate to do so. In accordance with the Guidelines, the Company will perform an assessment for each of the remuneration requirements that may be disapplied and determine whether proportionality allows them not to apply each individual requirement.

In assessing what is proportionate, both in respect of the Company itself and in relation to any relevant delegates, the Company will have regard to the provisions contained in the Guidelines and will focus on the combination of all the criteria mentioned therein (i.e. (i) size, (ii) internal organisation and (iii) the nature, scope and complexity of the activities). In addition, it is noted that this is not an exhaustive list and therefore there may also be other relevant criteria.

The Company has determined that based on its characteristics that it is permitted to disapply with respect to its identified staff, (i) the principles of indexing variable remuneration to the performance of its AIFs; and (ii) deferring variable remuneration over a multi-year period.

The Company further reserves the right, where appropriate, to determine (in conjunction with the applicable delegate) that, given the size, internal organisation and nature, scope and complexity of the delegate's business, it may be appropriate to disapply the principles outlined in section 5.3(h) and (i). Factors that the Executive Officers may consider in arriving at such a conclusion may include where appropriate to the delegated activity, the size of the delegate's balance sheet, the proportionate value of AIF assets managed relative to non-AIF assets managed (and resultant AIF/non-AIF revenue generated) and therefore whether the AIF assets managed by the relevant delegate are not "*potentially systemically important (e.g. in terms of total assets under management)*"[1].

This approach will be reviewed and reassessed, as necessary for subsequent financial periods following the issuance of any further regulatory guidance or legal clarification that conflicts with this current position.

6.3 Profit-based measurement and risk adjustment

(a) The Company must ensure that any measurement of performance used to calculate variable remuneration components:

i. includes adjustments for current and future risks and reflects the cost and quantity of the capital and liquidity risk required;

ii. takes into account the need for consistency with the timing and likelihood of the Russell Group and/or the Company receiving potential future revenues incorporated into current earnings; and

iii. assesses financial performance principally on profit.

(b) The Company has taken into account its individual business model and circumstances when considering the application of these requirements.

(c) The final amount of the Company cash bonus pool is at the discretion of the Committee the amount approved may take into account unexpected market developments, one-time positive or negative developments, retention considerations and evolving labour market conditions.

6.4 "Equally as Effective" Regimes

Pursuant to the Guidelines, the AIFMD remuneration principles are not required to be applied to delegates performing investment management functions when such delegates are subject to regulatory requirements on remuneration that are "*equally as effective*" as the AIFMD remuneration principles.

It is noted that the Guidelines applicable to UCITS provide that entities that are subject to the remuneration rules under AIFMD or CRD IV (Directive 2013/36/EU) can be considered to meet this condition.

Based on prior guidance issued by the Central Bank on the corresponding and identical requirement in the context of the AIFMD remuneration principles and in the absence of further specific guidance or legal clarification from the European Commission, ESMA or the Central Bank in the context of the UCITS remuneration requirements, the Company considers that the following categories of delegate entities also meet this condition in the AIFMD context:

(i) CRD/MiFID firms (including firms still subject to CRD III and which have availed of the CRD IV exemptions); and

(ii) non-EU firms which are subject to group remuneration policies that are equally as effective as MiFID or CRD.

This approach will be reviewed and reassessed, as necessary for subsequent financial periods following the issuance of any further regulatory guidance or legal clarification that conflicts with this current position.

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[1] Paragraph 29 of the ESMA Guidelines on sound remuneration policies under the AIFMD; guidance on the "size" criteria for proportionality purposes.

7 ABSENCE OF A REMUNERATION COMMITTEE

It is noted that the requirement for an AIFM to establish a remuneration committee (pursuant to Applicable AIFMD Regulations), applies to "*AIFMs that are significant in terms of their size or the size of the AIFs they manage, their internal organisation and the nature, the scope and the complexity of their activities.*"

Having assessed the requirements outlined in the Applicable AIFM Regulations and the Guidelines, the Company has determined that it is not "significant" with respect to its internal organisation and therefore shall not have a remuneration committee.

8 EXECUTIVE OFFICER OVERSIGHT AND UPDATES TO THIS REMUNERATION POLICY

The Executive Officers will be responsible for the oversight of compliance with this Remuneration Policy. They will review the appropriateness of the Remuneration Policy at least annually or when it is required or deemed necessary and will ensure that it is operating as intended. It will also review the Remuneration Policy to ensure that it continues to be compliant with applicable national and international regulations, principles and standards. Material changes to this Remuneration Policy will be approved by the Executive Officers.

SCHEDULE 1

Identified Staff List

Name	**Reason for inclusion**
Alain Zeitouni	President
Riccardo Stucchi	Country Manager
Felipe Arias	Performance of Compliance and Internal Control