

UK Stewardship Code Statement

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of Russell Investments

UK STEWARDSHIP CODE STATEMENT

At Russell Investments, we are committed to exceptional standards of corporate responsibility. We believe everything we do must benefit our stakeholders: from clients, employees and shareholders to the environment and our wider communities. Through corporate giving, volunteering and our use of sustainable business practices and decision-making, we work to improve the quality of life for people in our cities and neighborhoods.

Given our multi-asset perspective and our manager research capabilities, we are able to discharge our stewardship responsibilities in a unique fashion by:

- Engaging directly with companies through our proxy and engagement process – taken place with companies we own in our investment portfolios
- Providing oversight and monitoring of external asset managers that we employ in our investment portfolios

This dual layer of oversight and portfolio management allows for a more holistic approach to stewardship, which we address in the 7 principles that follow.

PRINCIPLE 1

Institutional Investors should publicly disclose their policy on how they will discharge their stewardship responsibilities.

Policies and information regarding our Active Ownership and Manager Research Activities can be found at:

- <https://russellinvestments.com/us/about-us/responsible-investing>
- <https://russellinvestments.com/us/solutions/multi-asset-solutions/manager-research>

Our multi-asset and multi-manager approach puts Russell Investments in a unique position to employ multiple levels of oversight when discharging our stewardship responsibilities.

Whether through the proxy voting process, engaging directly with the companies or collaborating with other industry leaders, Russell Investments is actively working to increase shareholder value as we support and foster positive change.

Russell Investments' actions as active owners are set on two cornerstones:

- Proxy and engagement directly with companies held in our portfolios
- Oversight and monitoring of external asset managers

These two primary active ownership practices guide us on analysing, understanding, and valuing the merits of all topics that come forward.

Proxy Voting

Russell Investments has built a robust proxy voting and governance process for over 20 years to address ownership needs related to environmental, social, and governance factors. A key element of our proxy voting process is the involvement of a broad set of investment professionals at Russell Investments, many directly involved in the portfolio management functions.

Through work performed by various groups at Russell Investments, spanning leadership, research, portfolio management, and capital markets teams, we not only stay on top of current issues and topics that are important to asset owners today, but work to analyse the risk and reward merits of these topics. The Proxy Voting Committee (PVC) and Proxy Voting Guideline Subcommittee meet regularly to ensure that our Proxy Voting Guidelines are aligned with current best practices regarding voting issues.

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Engagement

In addition to proxy voting, engagement is an essential component of Russell Investments' active ownership responsibilities. Our firm employs multiple levels of engagement spanning from our sub-advisor dialogue and recommendations to our direct engagements with management teams of companies held in our investment portfolios. These levels include obtaining multiple opinions from the investment managers we hire as sub-advisor to our portfolios, as well as engaging directly with management teams of companies we own (See Figure 5 in Principle 5).

Much of our engagement work occurs through our sub-advisory relationships with investment managers. They have, in most cases, intimate knowledge of the companies that they own, and have multiple direct engagements with these companies on a host of issues. Many of the investment managers we research use engagement with company management teams and boards as a significant component of their investment process. Through this corporate engagement activity, our investment managers actively pursue change that generates value creation and/or risk mitigation. Russell Investments is able to leverage the high level of knowledge of our investment managers who engage with company management teams to create positive outcomes for our own stakeholders.

In addition to leveraging the manager relationships, Russell Investments directly engages with companies on a host of topics. These engagements span the spectrum of ESG topics and, in a number of cases, have led to positive actions being undertaken by the companies. We are committed to our active ownership responsibilities and view it as a primary component of being a responsible investor.

Manager Research

Investment manager research capabilities are a fundamental feature of Russell Investments' business enterprise and represent a competitive advantage to our firm. Our goal is simple-identify and select optimal investment managers for our portfolios. Our investment manager research and analysis, both qualitative and quantitative, is designed to find those managers that are expected to outperform going forward. This method includes adherence to the Stewardship Code, where we believe it will have a material impact on the investment outcome for our clients. Our process and methodology is distinguished by the following elements:

- Depth and breadth of coverage. Our efforts span the globe as we monitor and evaluate manager products
- A deep and experienced team of dedicated manager research analysts
- A manager evaluation and ranking system that supports the achievement of value-added results for our clients as well as best-in-class manager selection for our own investment portfolios
- A strong culture of independence and objectivity, affirmed by the fact that Russell Investments has no financial interest in any external investment manager. Further, we do not charge, nor will we accept, compensation from any investment manager to be included in our manager research, database or consulting recommendations.

Governing Committees

Russell Investments is recognized for being among the most thorough in operational due diligence in the industry. Assessing and managing total portfolio exposures involves a combination of principles, evolving market insights and portfolio views. We have a comprehensive governing system to direct these processes which includes: Investment Strategy Committee, Direct Investments Sub-Committee, Multi-Asset Sub-Committee, Equity Sub-Committee and Fixed Income Sub-Committee. These committees are charged with overseeing all new products, including several strategies for ESG and low carbon as well as multiple bespoke equity assignments. Our system is dynamic, which allows us to continuously respond to changes in market conditions and client needs.

The Global Risk Management Committee (GRMC) and Internal Audit Committee are the two main groups responsible for the firm's internal control structure. The GRMC oversees Russell Investments' risk management program and reports regularly to the Internal Audit Committee. Together, they work to establish our overall risk vision, risk management framework, and risk management objectives. The GRMC comprises senior officers who meet quarterly to review and evaluate material risks inherent in our business lines. The Internal Audit team conducts structured reviews of key processes and risks, including detailed testing of mitigating controls. These audits are designed to assess if systems and procedures function as designed and help ensure:

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- Risks are appropriately identified and managed;
- Quality and continuous improvement are fostered in the organization's control process;
- Significant financial, managerial, and operating information is prepared accurately and reliably;
- Resources are adequately protected.

Along with our audit and risk teams our sub-advisor oversight teams also ensure our sub-advisor's goals and practices are aligned with Russell Investments. Our Investment Leadership Team ("ILT") is the executive management team of Russell Investments' Investment Division. The ILT is made up of all the direct reports of the Global CIO and other senior team leaders and works with the Global CIO to set strategy and ensure completion of investment division goals. The Global Manager Oversight Due Diligence team (GMODD) performs operational due diligence on external managers hired in our portfolios, providing reporting to our internal compliance teams and portfolio managers.

PRINCIPLE 2

Institutional Investors should have a robust policy on managing conflicts of interest in relation to stewardship and this policy should be publicly disclosed.

Russell Investments has conflicts of interest policies regarding activities surrounding our investment management and proxy and engagement. The following paragraphs outline the procedures of our various units.

Proxy and engagement:

Our proxy initiatives provide an illustrative example of how our governance structure is implemented and disclosed in practice, we can look to our Proxy Voting Policies and Procedures which we maintain and review at least annually. These policies were designed to ensure that proxy voting decisions are made in accordance with the best interests of clients. To that end we have established a Proxy Voting Committee, which serves in a general oversight capacity. These policies are designed to enable the committee to resolve any material conflicts of interest between clients, on the one hand, and Russell Investments or its affiliates on the other. In these circumstances, we take additional steps by proactively engaging as well as obtaining supplemental information prior to lodging our votes.

When voting on proxy proposals, our Proxy Voting Committee members state the following to show their intent: *"In voting with respect to this matter, I am not aware of and have no knowledge of any material conflict of interest between the client on whose behalf the vote is being cast, on the one hand, and me personally, Russell Investments or Russell Investments' affiliates, on the other with respect to the matter being voted on".*

Our proxy documents are available on our website at:

<https://russellinvestments.com/us/about-us/corporate-responsibility/responsible-investment>.

Oversight and monitoring of external asset managers:

In addition to our proxy and engagement activities with the companies held in our portfolios, through our manager research process Russell Investments is able to perform due diligence on the external asset managers we hire to ensure those asset managers are aligned with respect to the stewardship of client assets.

Our analysts seek to identify superior investment manager talent through a proprietary research process based on objective analysis. We behave with nonnegotiable integrity and aspire to a higher set of values than required by law. All employees of Russell Investments are required to follow our Global Code of Conduct—developed to support our value statements, protect the interests of our clients and reinforce our reputation of non-negotiable integrity by avoiding even the appearance of impropriety in the conduct of our business..

Supplemental to the aforementioned policies, all research documentation is subject to a second analysis process wherein another analyst checks the documents for errors or omissions before publishing. Research sounding board meetings are held before a hire rank can be applied to any product. At these meetings, a group of peers rigorously scrutinizes the case for recommending the manager. Products that go to sounding boards require additional documentation and analysis to make sure that the most thorough research has been undertaken before a product is formally recommended to our consulting clients and for use in our funds.

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Information and research obtained for our research analysts is retained in an exclusive database to ensure the manager research process is not exposed to our direct investing teams.

Separate from our research teams, our ODD team (mentioned in principle 1) provides an additional layer of coverage to ensure alignment between our sub-advisors and Russell Investments; this analysis is done prior to funding as well as on an ongoing basis after implementation. Our associates researching investment opportunities perform due diligence to verify that both the opportunities' business structure and investment merits are sound. Any conflicts of interest uncovered are discussed to determine whether the opportunity merits further attention. In the event we discover inefficiencies our teams will bring them to the attention of our sub-advisor, or potential sub-advisor, as well as advise them on how these problems should be fixed.

Over the last year we have undergone a corporate reorganization, and as of June 1, 2016 have been purchased by a consortium of private investors. Russell Investments acts independently of our new ownership, the new owners will leave the incorporation and management of stewardship considerations to our management, in line with other firm initiatives.

Our Global Code of Conduct is available for distribution upon request. Please see the below link to the Russell Investments "Our Culture" Section detailing our values.

<https://russellinvestments.com/nordics/careers/our-culture>

PRINCIPLE 3

Institutional Investors should monitor their investee companies.

The themes covered in the UK Corporate Governance Code are in alignment with Russell Investments' objectives – it is incorporated in our monitoring approach of our sub-advisors as well as the companies held in our portfolios. The combination of the monitoring of our investee companies along with monitoring our sub-advisors creates a dual-layered approach that sets us apart from our competitors. Through work performed by various groups at Russell Investments, spanning leadership, research, portfolio management, and investment strategy research teams, we stay current on issues and topics that are important to asset owners today, and also work to analyse the risk and reward merits of these topics. In the following paragraphs we detail our techniques to oversight.

Proxy and Engagement:

As an active shareholder, Russell Investments believes that shareholders have a responsibility to monitor the management of companies they own and exert their influence through the exercise of voting rights. Our goal is to protect and enhance shareholder value as well as shareholder rights; given this goal, we expect companies to be accountable and responsive to its shareholders. On those few occasions where there are restrictions placed on trading of voted securities (share blocking), and other voting impediments such as power of attorney requirements and/or delivery of late proxy materials, we do not vote our proxies.

We actively monitor companies, given certain criteria of various ESG issues, through a set of watch lists. Company meetings that deem additional review on our watch lists are those that are in the bottom quartile of Environment, Social or Governance scores (provided by an independent provider), in recent news articles, or if we have voted against hot topic issues in prior meetings. These watch lists are pertinent in our efforts in overseeing our investee companies, ensuring we are able to vote or engage accordingly.

At Russell Investments, we believe that active ownership is not just an obligation – it is part of the value creation process. For over 20 years, our Proxy Voting Committee (PVC) has evolved our custom proxy voting guidelines to not only stay on top of current issues and topics that are imperative to asset owners today, but work to analyse the risk and reward merits of these topics. The PVC and Proxy Voting Guideline Subcommittee meet regularly to ensure that our Proxy Voting Guidelines are aligned with current best practices regarding voting issues. In keeping current with corporate governance standards, our Guidelines are the primary tool in voting – helping to ensure stewardship responsibilities are valued and incorporated into our investee company policies.

In the event we encounter an issue that is not reflective of Russell Investments' good stewardship practices, we proactively engage with companies and other minority shareholders where applicable will vote proxies to ensure our shareholder views are expressed. We generally will not immediately divest in order to provide companies the opportunity to make changes. It would ultimately be a business decision to take further action.

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Our proxy documents are available on our website at:

<https://russellinvestments.com/us/about-us/corporate-responsibility/responsibleinvestment>.

Oversight of monitoring of sub-advisory process:

Russell Investments' analysts seek to identify superior investment manager talent through a proprietary research process based on objective analysis. Within this process we employ a disaggregated ranking system process that incorporates factors that we believe impact the manager's ability to generate excess returns for our clients, both on an absolute basis and relative to peers. In this ranking system we have an ESG scale (1 to 5, with 5 being the highest) formally incorporated in our manager evaluation process. Our expectations of our managers can be seen in the below illustration (Figure 1) regarding this ESG ranking. Through a combination of interview questions with the investment manager and a quantitative review of their portfolio, Russell Investments manager research analysts are able to determine whether the manager appropriately assesses the risk and return impacts of ESG issues on individual portfolio holdings and the overall portfolio construction process. This ESG rank is then incorporated into our overall view of the investment manager. Russell Investments' formally ranks managers as Hire (4), Retain (3), Review (2) or Terminate (1).

Figure 1:



Russell Investments' research analysts are continually monitoring the asset managers in whose funds we invest to ensure their stewardship responsibilities are being met. This process is also multi-faceted, as both manager research and GMODD (Global Manager Oversight and Due Diligence), provide essential analysis but are slightly different (see Figure 2 for our Due Diligence Efforts). Further below we attempt to illustrate how important Operational Due Diligence is to this process as it uncovers aspects of a sub-advisor's stewardship considerations that may not be part of a research due diligence effort (Figure 2).

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Figure 2:

Examples of Manager Due Diligence in Action



Unlocked office; Russell Investment analyst walked in and had complete access to the premises (computers and files) for more than 30 minutes.



Manager refused background check.



20-yr old firm located in an earthquake prone area had no disaster recovery back-up site or remote connectivity for employees.



Staff at a large firm met their Compliance Officer (CO) for the first time. The CO was based at headquarters & had never been to the office in the three years she had been in that role.

Russell Investments continually augments our due diligence process with new information and in this case it involves working with our sub-advisors to better understand their positions.

The list of internal committees (further defined in Principle 1) that oversee the stewardship of both our internal processes as well as our investment manager's processes include the Investment Leadership Team, Engagement subcommittee and ESG Knowledge Specialists.

PRINCIPLE 4

Institutional Investors should establish clear guidelines on when and how they will escalate their activities as a method of protecting and enhancing shareholder value.

Our internal guidelines allow for all Russell Investments associates to perform duties consistent with our beliefs and values. We discuss our methodologies in the preceding paragraphs.

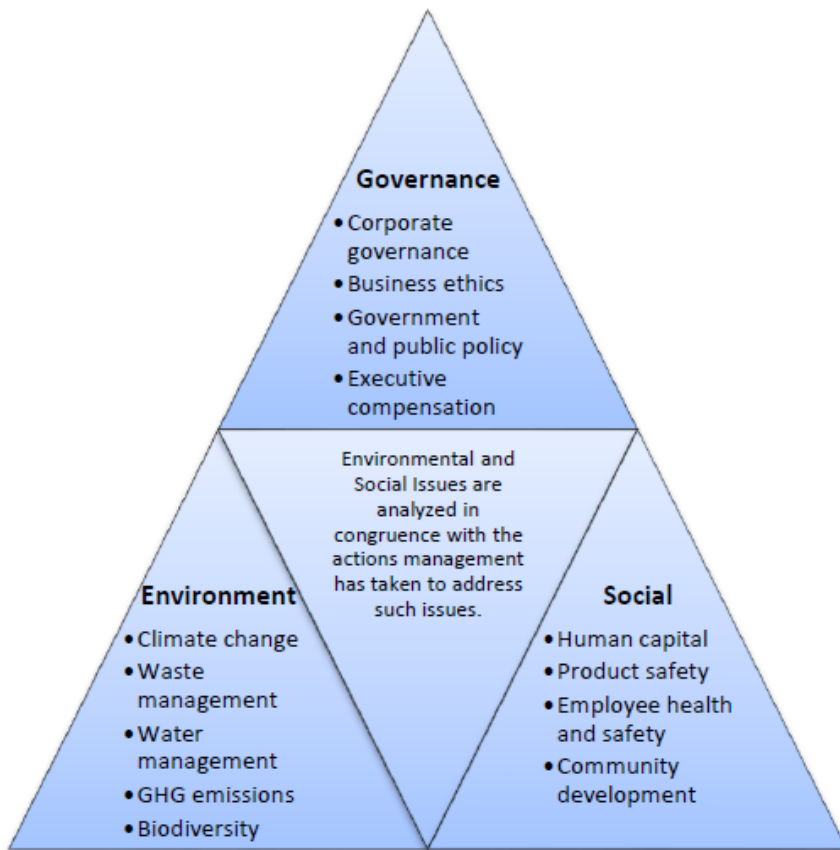
Proxy and Engagement Escalation:

For those companies that fall under our watch lists of various contentious issues and/or where Russell Investments holds a material proportion of the outstanding shares, we take various measures to engage with appropriate parties to voice our views (this engagement is different from our voting decisions) prior to casting our votes. Company meetings that deem additional review on our watch lists are those that are in the bottom quartile of ESG scores, in recent news articles, or if we have voted against hot topic issues in prior meetings.

A large portion of our engagement activities focus on governance issues, as we have observed a direct impact on overall shareholder value for decades. At Russell investments, we seek to incorporate both social and environmental issues into our review of corporate governance – ensuring that companies maintain good stewardship practices. The below chart (See Figure 3) illustrates common, though not all, ESG factors.

Figure 3:

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Engagements take place in the form of open dialogue with our engagement subcommittee (outlined in principle 1) and help us explore any insights or concerns our portfolio managers may have about the investee company. The opinions of our investment managers are very important as they are the key decision makers on determining valuations of companies. These proxy and engagement activities are reviewed on a quarterly basis by our proxy committee, which consists of our global investment professionals (see Principle 1).

Our proxy and engagement activity reports can be found on the Russell Investments' responsible investment site: <https://russellinvestments.com/us/about-us/corporate-responsibility/responsible-investment>

External Asset Manager Escalation:

We have four formal manager ranks, the lowest of which are “review” and “terminate.” A formal rank is applied when the “rank owner” responsible for a coverage area is confident that sufficient investigation has been undertaken on a manager to support a formal recommendation on the soundness of the investment proposition. Russell Investments' formally ranks managers as Hire (4), Retain (3), Review (2) or Terminate (1).

When products are downgraded from hire or retain to “review,” our analysts followup with on-site meetings or conference calls. If the manager cannot instil enough confidence with our research analysts that the problem is being remedied, the product will be downgraded again to “terminate.” This analysis is critical, as our assessments are based on the manager's ability to add value in the future, rather than what they have done in the past. When material changes occur, such as organizational changes, our continuous research places us in a strong position to quickly understand the ramifications of the change and the impact it may have on the product rank. For significant one-off organizational events, Russell Investments is among the first to be notified. Our access to managers and the amount of assets we often have invested with them means we are quickly able to meet with senior professionals at the firm and update our view. If any deficiencies arise, they are discussed to determine whether the opportunity merits further attention and discussion with our sub-advisors.

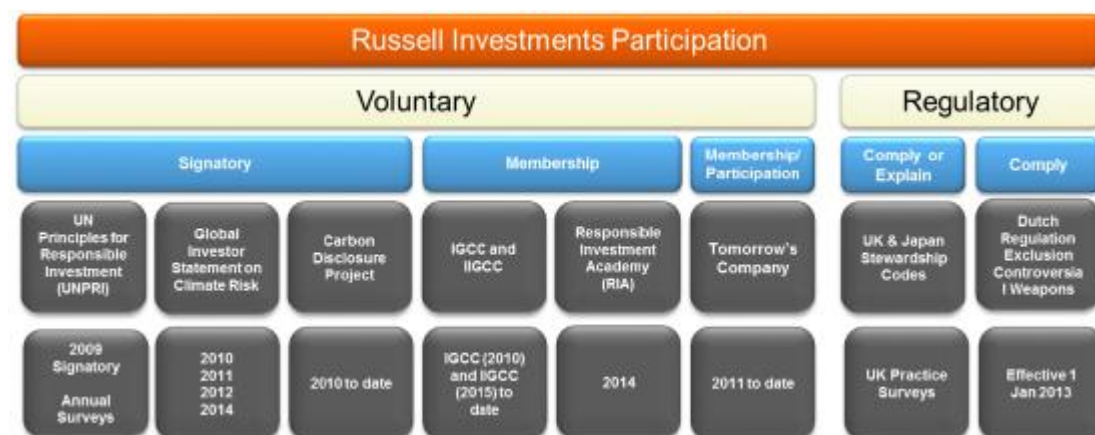
The Investment Strategy Committee reports directly to the Executive Committee (“EC”) of Russell Investments. The ISC also has indirect reporting line into the Investment Committee (“IC”). Part of its charter is to review issues and action plans related to high risk managers from a compliance and operational risk perspective. In addition to our escalation activities performed on our sub-advisors, we have escalation processes that take place directly with the companies we own in our portfolios as well. Instances in which we believe companies whom we invest with may not be acting in the best interest of its shareholders, we believe it is important to engage directly with company management rather than divesting. Having our views heard by key decision makers as well as voicing them via proxy voting is our best practice in expressing our support or disapproval of certain issues.

PRINCIPLE 5

Institutional Investors should be willing to act collectively with other investors where appropriate.

Russell Investments is actively involved and engaged with a wide range of global initiatives on responsible investing. The chart below shows our participation in some key initiatives over the years, both voluntary as well as those required by regulation. We work closely with clients to help them comply with regional regulations that have a direct or indirect impact on their investment programs.

Figure 4:



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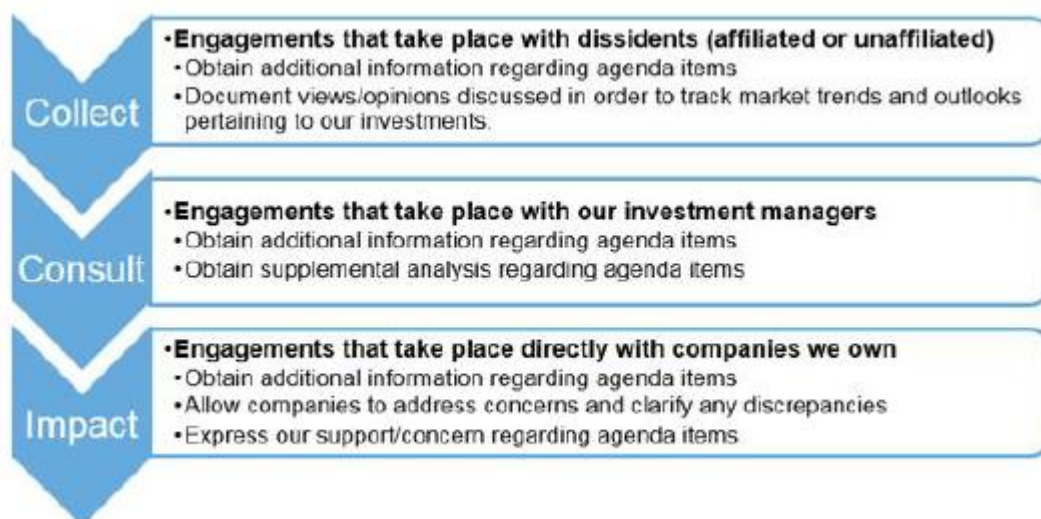
In addition to our collaboration efforts, we have a full-bodied approach to the engagement process, which involve collective monitoring of investee companies.

In the past, we have been approached by and entered into collective engagements with other asset owners regarding contentious topics. These can be either managers that Russell Investments oversees or asset owners unaffiliated with Russell Investments. As the below graphic illustrates (see Figure 5), we have a unique scope of opportunity for engagement.

Many times Russell Investments has been contacted by unaffiliated asset owners who are acting as, or in support of, agenda dissidents. We will speak to those parties to obtain additional information and/or analysis.

In addition to our engagements with unaffiliated asset owners, we engage frequently with our sub-advisors. When analysing agenda items, we consider our sub-advisor's recommendations and rationale thoughtfully, as they have been tasked to make investment decisions and research companies. These collective engagements allow us to consider the valuation of a company as well as ensure that it aligns it with our Guidelines.

Figure 5:



Although we take into account all additional analysis and materials obtained from our engagements, we vote independently - maintaining our Russell Investments Proxy Voting Guidelines as the overarching authority when casting our votes.

Our proxy voting and engagement activities are disclosed annually on our proxy and engagement report listed on our responsible investment site:

<https://russellinvestments.com/us/about-us/corporate-responsibility/responsible-investment>.

PRINCIPLE 6

Institutional Investors should have a clear policy on voting and disclosure of voting activity.

Policies and Procedures regarding our Active Ownership activities as well as our Russell Investments Proxy Voting Guidelines can be found at:

<https://viewpoint.glasslewis.net/webdisclosure/search.aspx?glpcustuserid=IND0112>

Russell Investments believes that shareholders have a responsibility to monitor company management and exert their influence through the exercise of voting rights. We vote on the vast majority of issues raised at company meetings. The few situations in which we do not vote are a result of restrictions placed on trading of voted securities (share blocking), and other voting impediments such as power of attorney requirements and/or delivery of late proxy materials.

Russell Investments' Proxy Voting Committee establishes and oversees our proxy voting policies, procedures and custom guidelines. In cases where a voting matter is not specifically addressed in the custom guidelines or Russell

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Investments' Guidelines specify the items are to be voted on a case-by-case basis, the votes are referred to Russell Investments and the Proxy Voting Committee will make the vote determination. The committee is comprised of a minimum of three or more members at any particular time (generally there are 8 members), and each member is an investment professional employed by Russell Investments. The committee reviews the policies, procedures and custom guidelines at least annually and makes amendments as necessary.

Russell Investments has hired a third party service provider as proxy administrator (an external vendor, currently Glass Lewis & Co.) to provide corporate governance research and other proxy voting services including vote execution, recordkeeping and reporting. The activities of Glass Lewis are subject to ongoing supervision by the proxy coordinator and oversight by the committee. The proxy coordinator conducts appropriate research, with respect to each matter presented for a vote, evaluates each matter under the guidelines and can take action consistent with the guidelines. We retain final authority and fiduciary responsibility for proxy voting at all times.

In regard to our securities lending department, we maintain a policy that has established the circumstances in which a recall notice will be sent to the securities lending agent for a loaned security in order to vote the proxy. This recall and restrict procedure takes place in the event of a merger or acquisition, as well as for those meetings in which we hold over 2% of the outstanding shares. After the initial recall and restrict request, the proxy and securities lending team regularly monitors the request for completion. Statistics are maintained and reported to the proxy voting committee. The proxy coordinator also manages all third party communications in connection with proxy voting, including communications with clients, managers, proxy solicitors and issuers and maintains appropriate records.

We disclose our voting records after company meetings. We take into consideration any and all incoming information in making our determination, even in cases where we have already cast our initial vote. To ensure that we are not providing our decisions prematurely, we do not disclose our voting decisions prior to meetings. As Russell Investments takes client confidentiality seriously, we do not want our votes and other information to be leveraged against Russell Investments or our clients by competitors.

Our voting records are disclosed annually on our Responsible Investment site, which can be viewed by fund or security:

<https://viewpoint.glasslewis.net/webdisclosure/search.aspx?glpcustuserid=IND0112>.

Choosing to provide additional disclosure, we created a proxy and engagement report which provides a breakdown of our voting activities as well as other ESG activities taken place within the firm.

PRINCIPLE 7

Institutional Investors should report periodically on their stewardship and voting activities.

Russell Investments regularly reports on the stewardship and voting activities. These processes ensure that our processes are monitored for accuracy, efficiency and relevance on a consistent basis.

Proxy and engagement directly with companies we own:

We publish engagement and voting information on a yearly basis on the Russell Investments' Responsible Investment web page:

<https://russellinvestments.com/us/about-us/corporate-responsibility/responsible-investment>.

Also included on our webpage are voting disclosures, with search capabilities by fund or security – which are updated annually. Internally, we report all active ownership activity on a quarterly basis to our proxy committee. Our activities and research are then published in our proxy and engagement report, posted to our responsible investment page on an annual basis. In addition to providing this report, we provide active ownership information to our clients as requested.

Our internal compliance team audits our proxy voting accounts monthly. Supplemental to our internal audit teams, we are subject to random audit by the SEC regarding our voting activities. We are required to submit an N-PX filing, which discloses all voting activities, to the SEC on an annual basis.

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Oversight of monitoring of sub-advisory process:

The results of our manager research efforts are summarized in reports which are housed in our proprietary database. The compilation of these assessments result in a numerical rank for each manager (4-hire, 3-retain, 2-review, and 1-terminate) and are shared on a case by case basis. Russell Investments' executive board conducts reviews on an ongoing basis on the overall investment process, including manager research, and has not determined that an external audit is not necessary to-date. however, in the event that the board deems an external audit necessary, Russell Investments is prepared to conduct an external audit to the satisfaction of the board members.

For more information:

Call Phil Kim, Managing Director, Global Head of Product and Responsible Investment at +1 (206) 505-1604 or visit our responsible investment site at:

<https://russellinvestments.com/us/about-us/corporate-responsibility/responsible-investment>

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