



LEA 02	Disclosures Monetary	Reason for Interaction	Principle PRI 1,2,3
Individual/ internal staff engagements	<p><input checked="" type="checkbox"/> To support investment decisionmaking in & company related ESG issues</p> <p><input checked="" type="checkbox"/> To influence corporate practice for identifying the need to re-evaluate our</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage in internal staff</p>		
Collaborative engagements	<p><input type="checkbox"/> To support investment decisionmaking in & company related ESG issues</p> <p><input type="checkbox"/> To influence corporate practice for identifying the need to re-evaluate our</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage in collaborative engagements</p>		
Service provider engagements	<p><input type="checkbox"/> To support investment decisionmaking in & company related ESG issues</p> <p><input type="checkbox"/> To influence corporate practice for identifying the need to re-evaluate our</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage in service provider</p>		

RI TRANSPARENCY REPORT

2014/15

Russell Investments

About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2014-15 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
Ⓜ	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	Asset mix disclosed in OO 06							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Segregated mandates or pooled funds	✓	Public							✓
OO 08	Breakdown of AUM by market	✓	Public							✓
OO 09	Additional information about organisation	✓	Public							✓
OO 10	RI activities for listed equities	✓	Public							✓
OO 11	RI activities in other asset classes	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓

Overarching Approach				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OA 01	RI policy and other guidance documents	✓	Public							✓
OA 02	Publicly available policies / documents	✓	Public							✓
OA 03	Policy components and coverage	✓	Public	✓	✓					
OA 04	Conflicts of interest	✓	Public							✓
OA 05	RI goals and objectives	✓	Public							✓
OA 06	Main goals/objectives this year	✓	Public							✓
OA 07	Governance, management structures and RI processes	✓	Public							✓
OA 08	RI roles and responsibilities	✓	Public							✓
OA 09	RI in performance management, reward and/or personal development	✓	Public							✓
OA 10	Collaborative organisations / initiatives	✓	Public				✓	✓		
OA 11	Promoting RI independently	✓	Public				✓			
OA 12	Dialogue with public policy makers or standard setters	✓	Public				✓	✓	✓	
OA 13	ESG issues in strategic asset allocation	✓	Public	✓						
OA 14	Allocation of assets to environmental and social themed areas	✓	Public	✓						
OA 15	ESG issues for internally managed assets not reported in framework	🔒	n/a							✓
OA 16	ESG issues for externally managed assets not reported in framework	✓	Public							✓
OA 17	RI/ESG in execution and/or advisory services	✓	Public	✓	✓					
OA 18	Innovative features of approach to RI	✓	Public							✓
OA 19	Internal and external review and assurance of responses	✓	Public							✓

Indirect – Manager Selection, Appointment and Monitoring				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SAM 01	Description of RI considerations	✓	Public	✓					✓	
SAM 02	Role of investment consultants	✓	Public				✓			
SAM 03	RI factors in selection, appointment and monitoring across asset classes	✓	Public							✓
SAM 04	Breakdown of passive, active quant and active fundamental	✓	Public							✓
SAM 05	ESG incorporation strategies	✓	Public	✓	✓					
SAM 06	Selection processes (listed assets)	🔒	n/a	✓						✓
SAM 07	Appointment considerations (listed assets)	🔒	n/a				✓			
SAM 08	Monitoring processes (listed assets)	✓	Public	✓						
SAM 09	Percentage of (proxy) votes cast	🔒	n/a		✓					
SAM 10	Selection processes (non-listed assets)	🔒	n/a	✓						✓
SAM 11	Appointment considerations (non-listed assets)	🔒	n/a				✓			
SAM 12	Monitoring processes (non-listed assets)	🔒	n/a	✓						✓
SAM 13	Description of RI considerations in 'other' asset classes	🔒	n/a	✓						✓
SAM 14	Percentage of externally managed assets managed by PRI signatories	✓	Public	✓						✓
SAM 15	Examples of ESG issues in selection, appointment and monitoring processes	✓	Public		✓					
SAM 16	Disclosure of RI considerations	✓	Public							✓

Direct - Listed Equity Active Ownership				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEA 01	Description of approach to engagement	✓	Public		✓					
LEA 02	Reasoning for interaction on ESG issues	✓	Public	✓	✓	✓				
LEA 03	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 04	Objectives for engagement activities	✓	Public		✓					
LEA 05	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 06	Objectives for engagement activities	✓	Public		✓					
LEA 07	Role in engagement process	🔒	n/a		✓		✓			
LEA 08	Monitor / discuss service provider information	🔒	n/a		✓				✓	
LEA 09	Share insights from engagements with internal/external managers	✓	Public	✓	✓					
LEA 10	Tracking number of engagements	✓	Public		✓					
LEA 11	Number of companies engaged with, intensity of engagement and effort	✓	Public		✓					
LEA 12	Engagements on E, S and/or G issues	✓	Public		✓					
LEA 13	Companies changing practices / behaviour following engagement	✓	Public		✓					
LEA 14	Examples of ESG engagements	✓	Private		✓					
LEA 15	Disclosure of approach to ESG engagements	✓	Public		✓				✓	
LEA 16	Description of approach to (proxy) voting	✓	Public		✓					
LEA 17	Typical approach to (proxy) voting decisions	✓	Public		✓					
LEA 18	Percentage of voting recommendations reviewed	🔒	n/a		✓					
LEA 19	Confirmation of votes	✓	Public		✓					
LEA 20	Securities lending programme	✓	Public		✓					
LEA 21	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 22	Percentage of (proxy) votes cast	✓	Public		✓					
LEA 23	Proportion of ballot items that were for/against/abstentions	✓	Public		✓					
LEA 24	Shareholder resolutions	✓	Public		✓					
LEA 25	Examples of (proxy) voting activities	✓	Private		✓					
LEA 26	Disclosing voting activities	✓	Public		✓				✓	

Russell Investments

Reported Information

Public version

Organisational Overview

PRI disclaimer

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Basic Information

OO 01

Mandatory

Gateway/Peering

General

OO 01.1

Select the services you offer.

- Fund management
- Fund of funds, manager of managers, sub-advised products

% of assets under management (AUM) in ranges

<10%

10-50%

>50%

- Other, specify

Money Manager

Consulting services

Indexes

Implementation Services - Transition Management, Overlay Services

% of assets under management (AUM) in ranges

<10%

10-50%

>50%

- Execution and advisory services

OO 02

Mandatory

Peering

General

OO 02.1

Select the location of your organisation's headquarters.

United States

OO 02.2

Indicate the number of countries in which you have offices (including your headquarters).

1

2-5

6-10

>10

OO 02.3

Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

1840

OO 03	Mandatory	Descriptive	General
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OO 03.1 Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- Yes
- No

OO 04	Mandatory	Gateway/Peering	General
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OO 04.1 Indicate the year end date for your reporting year.

31/12/2014

OO 04.2 Indicate your total AUM at the end of your reporting year, excluding subsidiaries you have chosen not to report on, and advisory/execution only assets.

	trillions	billions	millions	thousands	hundreds
Total AUM		183	553	000	000
Currency	USD				
Assets in USD		183	553	000	000

OO 04.4 Indicate the total assets at the end of your reporting year subject to an execution and/or advisory approach.

	trillions	billions	millions	thousands	hundreds
Total AUM		89	015	000	000
Currency	USD				
Assets in USD		89	015	000	000

OO 04.5 Indicate the level of detail you would like to provide about your asset class mix.

- Approximate percentage breakdown to the nearest 5% (e.g. 45%)
- Broad ranges breakdown (i.e. <10%; 10-50%; >50%)

OO 06	Mandatory	Descriptive	General
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OO 06.1

To contextualise your responses to the public, indicate how you would like to disclose your asset class mix.

- Publish our asset class mix as percentage breakdown
- Publish our asset class mix as broad ranges

	Internally managed (%)	Externally managed (%)
Listed equity	<10%	>50%
Fixed income – corporate	<10%	10-50%
Fixed income – government	<10%	<10%
Fixed income – other	0	0
Private debt	0	0
Private equity	0	0
Property	0	<10%
Infrastructure	0	<10%
Commodities	0	<10%
Hedge funds	0	<10%
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	<10%	<10%
Other (1), specify	0	<10%
Other (2), specify	0	0

'Other (1)' specified

Alternatives

- Publish our asset class mix as per attached file (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

OO 07.1	Provide a breakdown of your organisation's externally managed assets between segregated mandates and pooled funds.
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	% of externally managed assets
Segregated mandate(s)	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %
Pooled fund(s)	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %
<i>Total externally managed assets</i>	100%

OO 08.1	Indicate the breakdown of your organisation's AUM by market.
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Market breakdown	% of AUM
Developed Markets	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %
Emerging, Frontier and Other Markets	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %

OO 09.1	Provide any additional information about your organisation, its mission, strategies, activities or investments which are important to contextualise your responsible investment activities.
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Russell Investments offers multi-asset investment solutions; these solutions are implemented using a mix of sub-advised products, and direct asset management services provided by Russell. These direct asset management services use quantitative factors and a variety of derivative overlay strategies. As a result, Russell's investment process does not include any primary research on public companies. However, Russell believes that voting proxies and undertaking engagement activities as well as monitoring external managers responsible investment practices is an important responsibility for the firm and we give it serious attention.

Further, Russell deploys a range of third party data suppliers to identify and assess ESG and Responsible Investment factors across global markets, exposure within Russell's direct assets and also external managers.

Russell has also devoted considerable effort to developing quantitative direct investment solutions that leverage our in-house expertise combined with this data. This is exemplified by the development of a RI Index and ETF for the Australian equity market as well as developing and assessing a range of potential ESG and carbon-sensitive solutions for global markets.

Gateway asset class implementation indicators

OO 10	Mandatory	Gateway	General
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OO 10.1

Select the responsible investment activities your organisation implemented, directly and/or indirectly, for listed equities in the reporting year.

- We incorporate ESG issues into investment decisions on our internally managed assets
- We engage with companies on ESG issues via our staff, collaborations or service providers
- We cast our (proxy) votes directly or via service providers
- We address ESG incorporation, engagement and/or (proxy) voting in our external manager selection, appointment and/or monitoring processes
- None of the above

OO 10.3

Additional information. [Optional]

A limited proportion of Russell's global AUM is internally managed. Internally managed assets include both equities and short term cash management. For the equities Russell's security selection process entails systematic modeling of portfolios using proprietary factors and does not incorporate ESG considerations into the investment decision making. For the cash management activities Russell is not incorporating ESG factors beyond what is covered in our credit and fundamental research.

OO 11	Mandatory	Gateway	General
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OO 11.1

Indicate if in the reporting year you incorporated ESG issues into your investment decisions and/or your active ownership practices in the following internally managed asset classes.

- Fixed income – corporate
- Fixed income – government
- Cash
- None of the above

OO 11.2

Indicate if in the reporting year you addressed ESG incorporation and/or active ownership in your external manager selection, appointment and/or monitoring processes in the following externally managed asset classes.

- Fixed income – corporate
- Fixed income – government
- Property
- Infrastructure
- Commodities
- Hedge funds
- Cash
- Other (1)
- None of the above

'Other (1)' [as defined in OO 05]

Alternatives

OO 11.3

Additional information. [Optional]

Russell addressed ESG incorporation and active ownership practices for the external managers, inter alia, via an annual questionnaire that contained relevant questions and requested certain documentation to be supplied.

OO 12

Mandatory

Gateway

General

OO 12.1

The modules and sections that you will be required to complete are listed below.

This list is based on the percentages provided in your AUM breakdown and your responses to the gateway indicators. You are only required to report on asset classes that represent 10% or more of your AUM. You may report voluntarily on any applicable modules or sections by selecting them from the list. Fixed Income and Infrastructure are voluntary.

Core modules

- Organisational Overview
- Overarching Approach (including assets which do not have a separate module)

RI implementation directly or via service providers

Direct - Listed Equity active ownership

- Engagements
- (Proxy) voting

RI implementation via external managers

- Listed Equities
- Fixed Income - Corporate
- Fixed Income - Government
- Other (1)

Closing module

- Closing module

Russell Investments

Reported Information

Public version

Overarching Approach

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Responsible investment policy

OA 01	Mandatory	Gateway/Core Assessed	General
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OA 01.1 Indicate if you have a responsible investment policy.

- Yes
- No

OA 01.2 Indicate if you have other guidance documents or more specific policies related to responsible investment.

- Yes
- No

OA 01.3 Provide a brief description of the key elements of your responsible investment policy or, if you do not have a policy, of your overall approach to responsible investment. [Optional]

Russell has global policies and procedures that cover responsible investment activities including proxy voting and engagement. A summary of our principles and detailed custom proxy voting guidelines are also available. In addition, Russell has published regional policies where applicable, such as the UK Stewardship Code Statement and the Japan Stewardship Code Statement.

OA 02	Mandatory	Core Assessed	PRI 6
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OA 02.3 Indicate if your other policies or guidance documents related to responsible investment are publicly available.

- Yes
 - Yes, all
 - Yes, some

OA 02.4 List these other policies or guidance documents related to responsible investment that are publicly available and their URLs.

Policy or document name	URL
Russell Proxy Voting Guidelines	http://www.russell.com/uk/about-russell/corporate-responsibility/responsible-investment/default.page?
Approach to Responsible Investment	http://www.russell.com/uk/about-russell/corporate-responsibility/responsible-investment/default.page?
Proxy Voting Policies and Procedures	http://www.russell.com/uk/about-russell/corporate-responsibility/responsible-investment/default.page?

No

OA 03	Mandatory	Core Assessed	PRI 1,2
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OA 03.1	Indicate the components/types and coverage of your responsible investment policy and guidance documents.
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Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> (Proxy) voting policy <input type="checkbox"/> Engagement/active ownership policy <input checked="" type="checkbox"/> Specific guidelines on corporate governance <input checked="" type="checkbox"/> Specific guidelines on environmental issues <input checked="" type="checkbox"/> Specific guidelines on social issues <input type="checkbox"/> Asset class-specific guidelines <input checked="" type="checkbox"/> Screening/exclusion policy <input type="checkbox"/> Other, specify <input type="checkbox"/> Other, specify	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

OA 03.2	Comment on any variations or exceptions in the coverage of your responsible investment policy. [Optional]
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Since December 2012, Russell Investments has excluded investment in companies which produce, sell or distribute cluster munitions or anti-personnel mines in all Russell's pooled funds offered to investors in Europe, Middle East & Africa (EMEA) and includes some segregated accounts.

OA 04	Mandatory	Core Assessed	General
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OA 04.1

Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.

Yes

OA 04.2

Describe your policy on managing potential conflicts of interest in the investment process. [Optional]

Policies on Personal Dealing by associates, the giving and receiving of Gifts & Benefits, and Russell's Code of Ethics all address potential conflicts of interest.

In order to manage potential conflicts of interest, Russell has authorized its proxy administrator to administer votes on behalf of its funds in accordance with Russell's pre-established custom Proxy Voting Guidelines, and to perform research in accordance with these Guidelines. Additionally, potential conflicts of interest are mitigated by requiring specific additional procedures to be followed in cases of exceptions (meaning that further review by the Committee is required in order to vote against Russell's Guidelines) or other unique matters.

No

Objectives and strategies

OA 05

Mandatory

Gateway/Core Assessed

General

OA 05.1

Indicate if your organisation sets objectives for its responsible investment activities.

Yes

OA 05.2

Indicate how frequently your organisation sets or revises objectives for responsible investment.

- At least once per year
- Less than once per year

OA 05.3

Indicate how frequently your organisation formally reviews performance against its objectives for responsible investment.

- Quarterly
- Biannually
- Annually
- Every two years or less
- It is not reviewed

No

OA 05.4

Additional information. [Optional]

Towards the end of 2014 the Sustainability Council, for the first time, set a Strategy Roadmap for 2015 and beyond. This set objectives, with some detail, in a number of areas (e.g. Client Solutions, Investment Process, Client Reporting), building on both work completed and work in progress.

OA 06.1 List your three main responsible investment objectives you had set for the reporting year. For each, indicate any key performance indicators you set to measure your progress and also indicate your progress towards achieving your objectives.

Add responsible investment objective 1

Objective 1	Develop further capital markets and manager research ESG insights
Key performance indicators	Present research to clients at May 2014 Summit
Describe the progress achieved	Research results presented at May 2014 client conference. Research extended to Europe-focused research publication during the year.

Add responsible investment objective 2

Objective 2	Extend associate ESG training
Key performance indicators	Associate participation in ESG training events
Describe the progress achieved	Some formal training through PRI Academy. Learning via network of Manager Research Analysts with ESG responsibilities. Informal training provided to some client-facing associates.

Add responsible investment objective 3

Objective 3	Extend engagement activity
Key performance indicators	Report increased engagement activity in 2014 vs 2013.
Describe the progress achieved	Engagement activities increased from 24 to 34 topics covered across Environmental, Social and Governance.

OA 06.2 List your three main objectives for responsible investment implementation for the next reporting year and indicate any key performance indicators you intend to use to measure your progress.

Add responsible investment objective 1 for the next reporting year

Objective 1 for the next reporting year	Develop client solutions that have RI requirements and extend capabilities to further integrate RI/ESG factors in investment process, specifically research evaluation of manager ESG capabilities.
Key performance indicators	Clear identification of such clients solutions and investment capabilities

Add responsible investment objective 2 for the next reporting year

Objective 2 for the next reporting year	Increase RI/ESG skills of relevant Investment Division associates, through both formal training and practical professional development
Key performance indicators	Record of courses taken, greater professional skill set around ESG integration

Add responsible investment objective 3 for the next reporting year

Objective 3 for the next reporting year	Publication of Russell Responsible Investment Policy
Key performance indicators	Publication

Governance and human resources

OA 07	Voluntary	Descriptive	General
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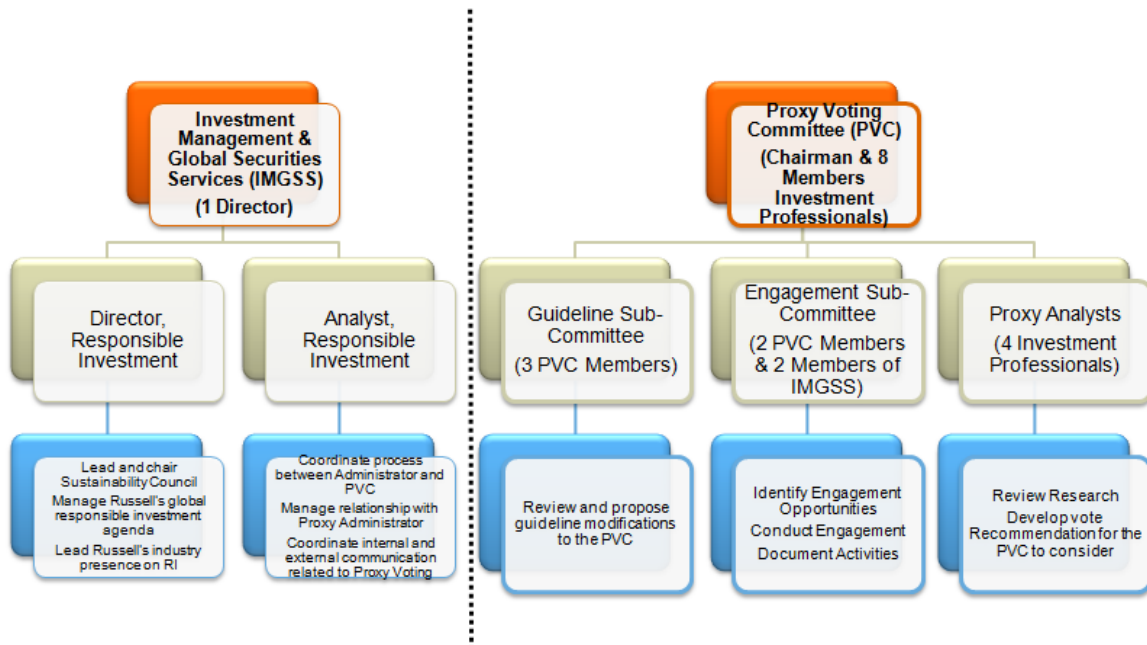
OA 07.1	Provide a brief description of your organisation's governance, management structures and processes related to responsible investment.
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Russell established a Sustainability Council in 2009 to oversee, drive and direct Russell's approach to responsible investment (and business practices). This group comprises around 20 associates in 10 offices globally and also operates as a network to share RI perspectives and practice. Having appointed a Director, Responsible Investment in 2013, Russell appointed an Analyst, Responsible Investment in 2014. Also in 2014, Russell appointed eight ESG Knowledge Specialists (EKS), of whom seven are Manager Research Analysts, covering most asset classes. The EKS are responsible for developing their own RI/ESG skills, and becoming an expert resource for their teams to draw on.

Russell operates a comprehensive proxy voting policy to ensure that we discharge our ownership responsibilities in a way that is globally consistent, responsible, and effective. In order to accomplish this, Russell has established a Proxy Voting Committee (PVC), comprised of eight investment professionals. This committee is responsible for establishing and overseeing our proxy voting policies, procedures, and custom voting guidelines. The PVC has established two sub-committees which focus exclusively on guideline development and engagement activities. The PVC is supported by four proxy analysts, as well as two proxy specialists.

I would like to attach an organisation chart (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

Responsible Investment Governance Diagram



To upload the image click the Save button below

OA 08	Mandatory	Gateway/Core Assessed	General
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OA 08.1	Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.
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Roles present in your organisation

- Board members or trustees
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify
Chief Operating Officer

- Oversight/accountability for responsible investment
- Implementation of responsible investment
- No oversight/accountability or implementation responsibility for responsible investment
- Portfolio managers
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Investment analysts
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Dedicated responsible investment staff
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- External managers or service providers
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Other role, specify
- Other role, specify

OA 08.2	Indicate the number of dedicated responsible investment staff your organisation has. [Optional]
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	Number
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3

OA 08.3	Additional information. [Optional]
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Russell treats Investment Analysts as Research Analysts

OA 09	Voluntary	Additional Assessed	General
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OA 09.1	Indicate if your organisation's performance management, reward and/or personal development processes have a responsible investment element.
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Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- Responsible investment included in personal development and/or training plan
- None of the above

Other C-level staff or head of department

Chief Operating Officer

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- Responsible investment included in personal development and/or training plan
- None of the above

Portfolio managers

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- Responsible investment included in personal development and/or training plan
- None of the above

Investment analysts

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- Responsible investment included in personal development and/or training plan
- None of the above

Dedicated responsible investment staff

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- Responsible investment included in personal development and/or training plan
- None of the above

OA 09.3	Provide any additional information on your organisation's performance management, reward and/or personal development processes in relation to responsible investment.
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In responding to the questions above, where they apply to a group of associates with a similar role, we have responded positively where the attribute applies to a significant proportion of that group.

Due to the increasing importance of responsible investment (RI), over the last few years there has been increased sharing of RI related information throughout Russell. As a part of this, the Russell Investment Division incorporates training regarding the availability and usage of ESG related data in our research analyst training program. This training is supported by our increased contact with external organizations on RI issues.

While portfolio manager compensation is not specifically tied to ESG related metrics, their compensation plan includes an element related to rolling three-year returns. This allows Russell to ensure that compensation has some alignment with client time horizons.

Promoting responsible investment

OA 10

Mandatory

Core Assessed

PRI 4,5

OA 10.1

Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.

Select all that apply

- Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
 Moderate
 Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Russell was actively involved in the PRI Governance Review, and was consulted in the early stages by Carnstone, PRI's advisers. Russell was represented at the PRI in Person conference in Montreal, and spoke at the AGM. Russell's Director, Responsible Investment, regularly engages with PRI personnel on a variety of RI issues and initiatives.

- Asian Corporate Governance Association
 Association for Sustainable & Responsible Investment in Asia
 Australian Council of Superannuation Investors

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
 Moderate
 Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Member of the organisation and attend events but not actively involved in its work.

- CDP Climate Change

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Russell is a signatory of CDP since 2010

- CDP Forests

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Russell is a signatory of CDP since 2010

- CDP Water

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Russell is a signatory of CDP since 2010

- CFA Institute Centre for Financial Market Integrity
- Council of Institutional Investors (CII)
- Eumedion
- Extractive Industries Transparency Initiative (EITI)
- Global Investors Governance Network (GIGN)
- Global Real Estate Sustainability Benchmark (GRESB)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Alternatives team is not a member, but does receive reports.

- Institutional Investors Group on Climate Change (IIGCC)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Russell participated in IIGCC event where carbon footprinting methodologies were presented by 3 ESG data providers, applied to an IIGCC-specified portfolio.

- Interfaith Center on Corporate Responsibility (ICCR)
- International Corporate Governance Network (ICGN)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Provided general support for the initiative in various non-public forums

- Investor Group on Climate Change, Australia/New Zealand (IGCC)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Russell is an active member of the organisation with regular contributions to the discussion on policy initiatives and risk assessment in Australia.

- Investor Network on Climate Risk (INCR)/CERES

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
 Moderate
 Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Attended 2014 conferences as a participant.

- Local Authority Pension Fund Forum
 Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
USSIF

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
 Moderate
 Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

In a personal capacity, a Russell associate attended conferences as a participant, acted as ad-hoc public spokesperson for the initiative, and contributed to the organisation or content of events organised by the initiative. Russell associate has been an Individual/Associate member of USSIF since 2013, attending the annual conference in 2013 and 2014. Also an active member of USSIF's education committee and closely involved in providing inputs to the organization's direction in providing institutional quality industry education on SI/RI/ESG and more recently their process of evaluating the need for an industry certification.

- Shareholder Association for Research and Education (Share)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
 Moderate
 Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Survey participant

- United Nations Environmental Program Finance Initiative (UNEP FI)
- United Nations Global Compact
- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify

Sustainable Accounting Standards Board

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Participated in the automobile industry working group.

- Other collaborative organisation/initiative, specify

Fund Executives Association Limited

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Russell is a major sponsor of FEAL's annual conference and actively participates in the agenda and content of the event. We provide 2 speakers and are actively involved in the Committee.

- Other collaborative organisation/initiative, specify

Tomorrow's Company

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

	Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]
--	--

Major contributor to Tomorrow's Value project over 2 years, launched March 2014. Major contributor to Tomorrow's Capital Markets project initiative, underway. Contributions include both investment insight and financial support.

OA 10.2	Additional information. [Optional]
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Joined Responsible Investment Association of Australia initiative and its meetings, but not actively involved in its work at this stage (Basic role).

OA 11	Mandatory	Core Assessed	PRI 4
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OA 11.1	Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.
----------------	--

Yes

OA 11.2	Indicate which of the following actions your organisation has taken to promote responsible investment, independently of collaborative initiatives.
----------------	--

- Provided or supported education or training programmes for clients, investment managers, broker/dealers, investment consultants, legal advisers or other investment organisations
- Provided financial support for academic or industry research on responsible investment
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- Spoke publicly at events and conferences to promote responsible investment
- Wrote and published in-house research papers on responsible investment
- Encouraged the adoption of the PRI
- Other, specify

No

OA 11.3	Additional information. [Optional]
----------------	------------------------------------

Each year, as a part of our manager due diligence process, Russell sends out a questionnaire to the money managers in our funds. In this questionnaire, we have included questions regarding the incorporation of ESG factors in managers' investment processes, as well as regarding their participation in various RI initiatives.

In addition to our own manager monitoring process, we make ourselves available to potential PRI signatories to discuss Russell's experience, as well as the obligations of becoming a signatory.

Additionally, we have introduced some individuals in the pensions investment industry to the RI networks.

OA 12	Voluntary	Additional Assessed	PRI 4,5,6
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OA 12.1	Indicate if your organisation - individually or in collaboration with others - conducted dialogue with public policy makers or standard-setters in support of responsible investment in the reporting year.
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- Yes
 - Yes, individually
 - Yes, in collaboration with others

OA 12.2	Select the methods you have used.
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- Endorsed written submissions to governments, regulators or standard-setters developed by others
- Drafted your own written submissions to governments, regulators or standard-setters
- Participated in face-to-face meetings with government members or officials to discuss policy
- Other, specify

See OA12.4

OA 12.3	Where you have made written submissions (individually or collaboratively) to governments and regulatory authorities, indicate if these are publicly available.
----------------	--

- Yes, publicly available

	provide URL
--	-------------

<http://www.dol.gov/ebsa/pdf/ACGolob061814.pdf>

- No
- No

OA 12.4	Additional information.
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We have engaged with work flowing from the Kay Review (UK) e.g. The Review of Metrics & Models employed in asset management.

We have engaged with state and federal policy makers and regulators on governance issues (US) with a particular focus on the importance of promoting understanding of business models (and the incentives within them) in evaluating financial service firms.

ESG issues in asset allocation

OA 13	Voluntary	Descriptive	PRI 1
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OA 13.1	Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between geographic markets.
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- Yes
- No

OA 14	Voluntary	Descriptive	PRI 1
--------------	-----------	-------------	-------

OA 14.1

Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.

Yes

OA 14.2

Indicate the percentage of your total AUM invested in environmental and social themed areas.

% of total AUM

1

OA 14.3

Please specify which thematic area(s) you invest in and provide a brief description.

Area

Clean technology (including renewable energy)

Asset class invested

- Listed equity
- Fixed income - corporate
- Fixed income - government
- Other (1)

Brief description of investment

Multi-manager fund managed against the FTSE Environmental Opportunities All-Share Index.

Green buildings

Asset class invested

- Listed equity
- Fixed income - corporate
- Fixed income - government
- Other (1)

Private Real Estat

Brief description of investment

US and Pan-European core strategy funds include LEED and BREAM certified buildings, energy-star rated buildings

- Sustainable forestry
- Sustainable agriculture
- Microfinance
- SME financing
- Social enterprise / community investing
- Affordable housing
- Education
- Global health

Asset class invested

- Listed equity
- Fixed income - corporate
- Fixed income - government
- Other (1)
Private Equity

Brief description of investment

Social impact healthcare, "better care at lower costs"

- Water

Asset class invested

- Listed equity
- Fixed income - corporate
- Fixed income - government
- Other (1)
Private infrastructure/equity

Brief description of investment

Hydropower

- Other area, specify
- No

Asset class implementation not reported in other modules

OA 16	Voluntary	Descriptive	General
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OA 16.1	Describe how you address ESG issues for externally managed assets for which you are not required to report because your assets are below the minimum threshold.
----------------	---

Asset Class	Describe what processes are in place and the outputs or outcomes achieved
Other (1) [as defined in Organisational Overview module]	We adopt general principles, as outlined in SAM 01.1, with regards to ESG integration into our research process and manager evaluation process, applied as appropriate.

Investment execution and advisory services

OA 17	Voluntary	Descriptive	PRI 1,2
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OA 17.1	Indicate if your organisation takes account of responsible investment/ESG considerations when providing execution and/or advisory services.
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- Yes
- No

OA 17.2	Additional information.
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We have provided advice to some of our advisory clients regarding ESG considerations. This has included advice on detailed investment guidelines, as well as issue-specific advice. Also published "Governance process for evaluating sustainable investing" paper as a guide for non-profit fiduciaries.

Innovation

OA 18	Voluntary	Descriptive	General
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OA 18.1	Indicate whether any specific features of your approach to responsible investment are particularly innovative.
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- Yes

OA 18.2	Describe any specific features of your approach to responsible investment that you believe are particularly innovative.
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Russell has an extensive manager research database which includes detailed characteristics of the portfolios managed as a part of a Russell mandate. This information, combined with stock level ESG data, enables us to research managers globally through an ESG lens, and draw conclusions about a manager's integration of ESG factors, regional differences, and progression over time.

Our work with this innovative approach to responsible investment is ongoing. As it progresses, we have and will continue to publish and present our results.

No

Assurance of responses

OA 19	Voluntary	Additional Assessed	General
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OA 19.1	Indicate whether your reported information has been reviewed, validated and/or assured by internal and/or external parties.
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Yes

OA 19.2	Indicate who has reviewed, validated and/or assured your reported information.
----------------	--

- Reviewed by Board, CEO, CIO or Investment Committee
- Validated by internal audit or compliance function
- Assured by an external independent provider, specify name

OA 19.3	Describe the steps you have taken to review, validate and/or assure the content of your reported information.
----------------	---

Prior to publication we provide the completed Report to several senior individuals in the Investment Division, as well as our Chief Legal/Compliance Officer, for review and comment.

No

Russell Investments

Reported Information

Public version

Indirect – Manager Selection, Appointment and Monitoring

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Overview

SAM 01	Voluntary	Descriptive	PRI 1-6
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SAM 01.1 Provide a brief description of how your organisation includes responsible investment considerations in your investment manager selection, appointment and monitoring processes.

ESG integration is a multi-stage process. We have begun the process of incorporating ESG issues into our research through modifications to our manager evaluation process. Embedding perspectives on how ESG issues have the potential to impact the opportunities and risks of manager strategies is at the heart of our approach. It is the case that a range of ESG-related risks (and the returns linked to those risks) are already incorporated in our investment processes without, in the past, attracting the ESG label. The ESG focus tends to widen the range of risk of factors considered, and also recognises that they play out over a more extended timescale.

We are equipping analysts with knowledge and awareness of the key issues and providing the means to assess, at a detailed level, equity portfolio exposures to ESG factors (through the use of third party ESG data). Managers, predominantly in the equity sphere, are now explicitly asked about ESG integration and their approach to RI more broadly.

SAM 02	Mandatory	Core Assessed	PRI 4
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SAM 02.1 Indicate if your organisation uses investment consultants and/or fiduciary managers in the selection, appointment and/or monitoring of external managers.

Yes

No

SAM 03	Mandatory	Gateway	General
---------------	------------------	----------------	----------------

SAM 03.1 Indicate for which of the following externally managed asset classes your organisation, and/or your investment consultants, consider responsible investment factors in investment manager: (a) Selection, (b) Appointment (investment management agreements/contracts), and (c) Monitoring

Select all that apply

Asset classes	(a) Selection	(b) Appointment	(c) Monitoring
Listed equity	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Fixed income - corporate	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Fixed income - government	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

SAM 03.2

Additional information. [Optional]

In new manager appointments, Russell includes language in the manager guidelines which specifies that ESG factors must be taken into account in the management of the strategy. These guidelines form part of the contractual relationship that Russell has with the manager.

Because Russell has a policy to internally manage our proxy voting process, allowing us control to voting for all of the securities that we own, we do not have additional controls put into place with our individual managers.

Listed equity (LE), fixed income corporate (FIC) and fixed income government (FIG)

Overview

SAM 04

Mandatory to Report Voluntary to Disclose

Gateway/Peering

General

SAM 04.1

Provide a breakdown of your externally managed listed equities, corporate fixed income and government fixed income by passive, active quant, active fundamental and other active strategies.

Listed equity (LE)

Type of strategy	As % of externally managed listed equity
Passive	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Active - quantitative (quant)	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50%
Active - fundamental and other active	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50%

Fixed income - corporate (FIC)

Type of strategy	As % of externally managed corporate fixed income
Passive	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Active - quantitative (quant)	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Active - fundamental and other active	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50%

Fixed income - government (FIG)

Type of strategy	As % of externally managed government fixed income
Passive	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Active - quantitative (quant)	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Active - fundamental and other active	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50%

SAM 05

Mandatory

Gateway

PRI 1,2

SAM 05.1

Indicate which of the following ESG incorporation strategies you encourage or require your external manager(s) to implement on your behalf:

Active investment strategies

Active investment strategies	LE	FIC	FIG
Screening	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Thematic	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Integration	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Passive investment strategies

Passive investment strategies	LE	FIC	FIG
Screening	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Thematic	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Integration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

SAM 05.2

Indicate if - on your externally managed assets - you engage directly, via service providers, or via your external manager.

	LE	FIC
We engage directly or via service providers on our externally managed assets	<input checked="" type="checkbox"/>	<input type="checkbox"/>
We require our external managers to engage on our behalf	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input checked="" type="checkbox"/>

SAM 05.3

Indicate if - on your externally managed listed equities - you cast your (proxy) votes directly, via service providers, or via your external manager.

	LE
We cast our (proxy) votes directly or via service providers on our externally managed assets	<input checked="" type="checkbox"/>
We require our external managers to cast our (proxy) votes on our behalf	<input type="checkbox"/>
None of the above	<input type="checkbox"/>

Monitoring

SAM 08	Mandatory	Core Assessed	PRI 1
SAM 08.1	Indicate whether your organisation, and/or your investment consultant, in the dialogue and monitoring of your external manager typically do any of the following:		
	General		

	LE	FIC	FIG
Include responsible investment as a standard agenda item at performance review meetings	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Highlight examples of good responsible investment practice by other managers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Review the manager's responsible investment reporting, for example PRI-generated responsible investment reports	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Encourage your managers to consider joining responsible investment initiatives/organisations or participate in collaborative projects with other investors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Include responsible investment criteria as a formal component of overall manager performance evaluation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Request information on whether your manager's approach to ESG issues has impacted financial performance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Request information on whether your manager's approach to ESG issues has impacted risk or volatility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Request information on whether your manager's approach to ESG issues has impacted ESG performance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other general aspects of your monitoring, specify	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

ESG incorporation

	LE	FIC	FIG
Request information on ESG incorporation in specific investment decisions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other ways you monitor ESG incorporation, specify	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SAM 08.2	Provide additional information relevant to your organisation's dialogue and monitoring of external managers. [Optional]
-----------------	---

Each year, as a part of our manager due diligence process, Russell sends out a questionnaire to the money managers in our funds. In this questionnaire, we have included questions regarding the incorporation of ESG factors in managers' investment processes, as well as regarding their participation in various RI initiatives.

Outputs and outcomes

SAM 14	Mandatory to Report Voluntary to Disclose	Descriptive	PRI 1-6
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SAM 14.1	Indicate approximately what percentage (+/- 10%) of your externally managed assets are managed by PRI signatories.
-----------------	--

	%
--	---

28

SAM 15	Voluntary	Descriptive	PRI 2
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SAM 15.1	Provide examples of how ESG issues have been addressed in the manager selection, appointment and/or monitoring process for your organisation during the reporting year.
-----------------	---

Add Example 1

Topic or issue	Selecting a private equity manager for a responsible investment / social impact mandate.
Conducted by	<input checked="" type="checkbox"/> Internal staff
Asset class	<input type="checkbox"/> All asset classes <input checked="" type="checkbox"/> Listed Equity <input type="checkbox"/> Fixed income – corporate bonds <input type="checkbox"/> Fixed income – government bonds
Scope and process	In selecting a private equity manager for a responsible investment / social impact mandate, we noted that while the GP had an investment strategy that sought to balance social impact with economic return, the GP did not have an existing framework or set of metrics for qualitatively and quantitatively tracking the social impact.
Outcomes	Russell is working with the GP (and two other LPs) to develop a framework to be applied consistently across the portfolio, and on an ongoing basis throughout the lifecycle of the underlying portfolio company investments. This collaborative process and buy-in on social impact measurement, along with other traditional investment due diligence factors, enabled Russell to invest in the fund.

Add Example 2

Topic or issue	Discussing how ESG issues have been addressed in managers' portfolios.
Conducted by	<input checked="" type="checkbox"/> Internal staff
Asset class	<input type="checkbox"/> All asset classes <input checked="" type="checkbox"/> Listed Equity <input type="checkbox"/> Fixed income – corporate bonds <input type="checkbox"/> Fixed income – government bonds
Scope and process	<p>During 2014, the US research team has actively engaged our managers by discussing how ESG issues have been addressed in their portfolios. While the vast majority of the US-based investment managers have negative screening capabilities based on client requests, we have found that unless they are large and have dedicated ESG research staff, they do not think that they do anything ESG-specific in their stock selection and portfolio construction processes. However, by asking specific questions that are related to ESG, we have found that in general, our managers do indeed assess ESG risks and take them into consideration when constructing their portfolios.</p>
Outcomes	<p>Examples of incorporation include reviewing executive compensation, avoiding companies with too few non-independent directors, to assessing environmental risks associated with fracking. Russell's Analyst Assessment document now contains a score for "ESG Considerations". Once we have assessed the manager's capabilities, they receive a numerical score ranging from 1 (significantly below peers) to 5 (excellent).</p>

Add Example 3

Topic or issue	European Equities
Conducted by	<input checked="" type="checkbox"/> Internal staff
Asset class	<input type="checkbox"/> All asset classes <input checked="" type="checkbox"/> Listed Equity <input type="checkbox"/> Fixed income – corporate bonds <input type="checkbox"/> Fixed income – government bonds
Scope and process	With regards to the European equities effort, we are actively reaching out to managers in our universes to best understand how ESG issues affect or not their security selections. We are meeting the firms' ESG experts directly and doing as such 'primary research'. The process applied by managers can be that of using ESG overlay (designated analysts to cover that aspect of stock selection alongside the usual analysts) or more combined through enhanced requirements by the Management down to the analyst level and along the way having the explicit intention for portfolio managers not to back poorly rated ESG companies.
Outcomes	In that respect we spent time understanding the ESG analysts/specialists background (it needs to be relevant as much as possible rather than seen as a commercial push) and the independency of their views (reporting line), as a mean to validate the ultimate value in the alpha proposition.

Add Example 4

Topic or issue	Fixed Income
Conducted by	<input checked="" type="checkbox"/> Internal staff
Asset class	<input type="checkbox"/> All asset classes <input type="checkbox"/> Listed Equity <input checked="" type="checkbox"/> Fixed income – corporate bonds <input type="checkbox"/> Fixed income – government bonds
Scope and process	The fixed income team is making a concerted effort to better capture the landscape of ESG efforts within fixed income managers globally.
Outcomes	We've conducted a survey with approx. 100 fixed income managers globally to assess how those managers are integrating ESG into their investment process.

Add Example 5

Topic or issue	Hedge Funds
Conducted by	<input checked="" type="checkbox"/> Internal staff
Asset class	<input type="checkbox"/> All asset classes <input type="checkbox"/> Listed Equity <input type="checkbox"/> Fixed income – corporate bonds <input type="checkbox"/> Fixed income – government bonds
Scope and process	The hedge fund team actively engages with appropriate managers and strategies regarding the extent that those managers address ESG related issues and risks within their investment process. Many of them are also quite cognizant of the types of governance related issues in that that they also emphasize holding company management to appropriate standards.
Outcomes	Going forward, we are also discussing how to best engage with activist and/or suggestivist hedge fund managers that take positions in struggling companies (that may also have weak ESG scores) and then push through positive changes.

SAM 15.2 Additional information.

In evaluating microfinance (targeting frontier markets) investment opportunities, Russell's agenda included questioning the GPs on transparency / stakeholder engagement issues (i.e., how much is charged to borrowers on an absolute and relative basis, whether there are interest rate caps, how well do the borrowers understand the full costs, and how do those interest charges relate back to the target return of the GP-sponsored institutional fund). Based on the content of the responses on these issues, Russell excluded multiple GPs from consideration for investment. Russell has identified a microfinance GP that seeks to offer a holistic approach to microcredit (combining it with services that help to address limits/flaws of microcredit and facilitate poverty alleviation). Russell is currently in full due diligence on that GP for potential investment in 2015.

Communication

SAM 16

Mandatory

Core Assessed

PRI 6

SAM 16.1

Indicate if your organisation proactively discloses any information about responsible investment considerations in your indirect investments.

Yes, we disclose information publicly

provide URL

<http://www.russell.com/uk/about-russell/corporate-responsibility/responsible-investment/default.page?>

SAM 16.2

Indicate if the level of information you disclose to the public is the same as that disclosed to clients and/or beneficiaries.

- Yes
 No

SAM 16.3

Indicate what type of information your organisation proactively discloses to the public and clients and/or beneficiaries about your indirect investments.

Information	Public	Clients/beneficiaries
How responsible investment considerations are included in manager selection, appointment and monitoring processes	<input type="checkbox"/>	<input type="checkbox"/>
Details of the responsible investment activities carried out by managers on your behalf	<input checked="" type="checkbox"/>	<input type="checkbox"/>
E, S and/or G impacts and outcomes that have resulted from your managers' investments and active ownership	<input type="checkbox"/>	<input type="checkbox"/>
Other, specify below	<input type="checkbox"/>	<input type="checkbox"/>

- Yes, we disclose information to clients/beneficiaries only
 We do not proactively disclose information to the public and/or clients/beneficiaries

SAM 16.4

Additional information. [Optional]

Some information is specific to a single client, so clearly not otherwise disclosed.

Russell Investments

Reported Information

Public version

Direct - Listed Equity Active Ownership

PRI disclaimer

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Engagement

Overview

LEA 01	Voluntary	Descriptive	PRI 2
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LEA 01.1 Provide a brief overview of your organisation's approach to engagement.

When Russell contemplates entering into an engagement, it is either because Russell has been contacted by an issuer or other shareholder regarding an engagement opportunity or Russell has identified specific issuers with which to engage. In order to oversee Russell's engagement process, Russell has established an Engagement Sub-Committee. This Sub-Committee is comprised of members of the Proxy Voting Committee as well as proxy voting support staff. Once an engagement opportunity has been identified, the Engagement Sub-Committee will evaluate whether or not Russell should engage with that party based on various criteria, including exposure, ownership percentage, and ESG ranking information provided by an external vendor.

LEA 02	Mandatory	Gateway	PRI 1,2,3
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LEA 02.1 Indicate your reasons for interacting with companies on ESG issues and indicate who carries out these interactions.

Type of engagement	Reason for interaction
Individual/Internal staff engagements	<input type="checkbox"/> To support investment decision-making (e.g. company research) <input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via internal staff
Collaborative engagements	<input type="checkbox"/> To support investment decision-making (e.g. company research) <input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via collaborative engagements
Service provider engagements	<input type="checkbox"/> To support investment decision-making (e.g. company research) <input type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input checked="" type="checkbox"/> We do not engage via service providers

Process

Process for engagements run internally

LEA 03	Mandatory	Core Assessed	PRI 2
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LEA 03.1 Indicate whether your organisation has a formal process for identifying and prioritising engagement activities carried out by internal staff.

Yes

LEA 03.2 Describe how you identify and prioritise engagements.

When Russell contemplates entering into an engagement, it is either because Russell has been contacted by an issuer or other shareholder regarding an engagement opportunity or Russell has identified specific issuers with which to engage. Once an engagement opportunity has been identified, the Engagement Sub-Committee will evaluate whether or not Russell should engage with that party based on various criteria, including Russell's overall exposure, ownership percentage, and ESG ranking information provided by an external vendor.

No

LEA 04	Mandatory	Core Assessed	PRI 2
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LEA 04.1 Indicate if you define specific objectives for your engagement activities.

Yes

No

LEA 04.2 Indicate if you monitor the actions that companies take following your engagements.

Yes

Yes, in all cases

Yes, in the majority of cases

Yes, in the minority of cases

LEA 04.3 Describe how you monitor and evaluate the progress of your engagement activities.

Once an Engagement has been initiated, the company is placed on a 'watchlist'. Prior to the next AGM we review the proxy to identify if any progress has been made in the areas we sought to influence.

No

LEA 04.4 Additional information. [Optional]

When initiating ESG engagements for influence, goals are defined on an ad hoc basis across ESG engagements.

Process for engagements conducted via collaborations

LEA 05

Mandatory

Core Assessed

PRI 2

LEA 05.1

Indicate whether your organisation has a formal process for identifying and prioritising collaborative engagements.

- Yes
 No

LEA 06

Mandatory

Core Assessed

PRI 2

LEA 06.1

Indicate if the collaborative engagements in which you are involved have defined objectives.

- Yes
 Yes, for all collaborative engagement activities
 Yes, for the majority of collaborative engagement activities
 Yes, for a minority of collaborative engagement activities
 No

LEA 06.2

Indicate if you monitor the actions companies take following your collaborative engagements.

- Yes
 No

General processes for all three groups of engagers

LEA 09

Voluntary

Additional Assessed

PRI 1,2

LEA 09.1

Indicate if the insights gained from your engagements are shared with your internal or external investment managers as input for consideration in investment decisions.

Type of engagement	Insights shared
Individual/Internal staff engagements	<input type="radio"/> Yes, systematically <input checked="" type="radio"/> Yes, occasionally <input type="radio"/> No
Collaborative engagements	<input type="radio"/> Yes, systematically <input checked="" type="radio"/> Yes, occasionally <input type="radio"/> No

LEA 09.2 Additional information.

Should an engagement situation arise which warrants communication to external investment managers, Russell would communicate with them. In addition, Russell assesses the external managers' engagement reports for common engagement activities. Since the external managers are selecting the specific securities in Russell's portfolio, the majority of engagement activities occur between the external managers and issuers. As a multi-manager provider, we are systematically requesting external manager engagement reports and do review them on a regular basis.

LEA 10 **Mandatory** **Gateway/Core Assessed** **PRI 2**

LEA 10.1 Indicate if you track the number of engagements your organisation participates in.

Type of engagement	Tracking engagements
Individual / Internal staff engagements	<input type="radio"/> Yes, we track the number of our engagements in full <input checked="" type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers <input type="radio"/> No, we do not track and cannot estimate our engagements
Collaborative engagements	<input type="radio"/> Yes, we track the number of our engagements in full <input checked="" type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers <input type="radio"/> No, we do not track and cannot estimate our engagements

LEA 10.2 Additional information. [Optional]

All Engagements are tracked with the exception of Private Real Estate and Private Equity.

Outputs and outcomes

LEA 11 **Mandatory to Report Voluntary to Disclose** **Core Assessed** **PRI 2**

LEA 11.1 Indicate the number of companies with which your organisation engaged during the reporting year.

	Number of companies engaged (avoid double counting, see explanatory notes)
Individual / Internal staff engagements	7
Collaborative engagements	9

LEA 11.2 Indicate what percentage of your engagements were comprehensive during the reporting year. [Optional]

Type of engagement	% Comprehensive engagements
Individual / Internal staff engagements	<input type="radio"/> > 50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> None
Collaborative engagements	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> None

LEA 11.3 Indicate what percentage of your collaborative engagements you were a leading organisation on during the reporting year. [Optional]

Type of engagement	% Leading role
Collaborative engagements	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> None

LEA 12 Voluntary Additional Assessed PRI 2

LEA 12.1 Indicate if your engagements in the reporting year covered E, S and/or G issues.

Type of engagement	Coverage
Individual / Internal staff engagements	<input checked="" type="checkbox"/> Environmental <input type="checkbox"/> Social <input checked="" type="checkbox"/> Corporate Governance <input type="checkbox"/> We do not track this information
Collaborative engagements	<input type="checkbox"/> Environmental <input type="checkbox"/> Social <input checked="" type="checkbox"/> Corporate Governance <input type="checkbox"/> We do not track this information

LEA 12.2 Provide an estimated breakdown by E, S and/or G issues.

Individual / Internal staff engagements

% Corporate Governance only

86

% Overlapping ESG issues

14

100%

Collaborative engagements

% Corporate Governance only

100

100%

LEA 13 Voluntary Descriptive PRI 2

LEA 13.1 Indicate whether you have a reliable estimate of the number of cases during the reporting year where a company has changed its practices, or made a commitment to do so, following your organisation's and/or your service provider's engagement activities.

Yes

No

Communication

LEA 15 Mandatory Core Assessed PRI 2,6

LEA 15.1 | Indicate whether your organisation proactively discloses information on its engagements.

- We disclose it publicly
- We disclose it to clients and/or beneficiaries only

LEA 15.5 | Indicate what engagement information your organisation proactively discloses to clients/beneficiaries.

Engagement information disclosed

- Details of the selections, priorities and specific goals of engagement
 - Number of engagements
 - Breakdown of engagements by type/topic
 - Breakdown of engagements by region
 - An assessment of the current status of the engagement
 - Outcomes that have been achieved from the engagement
 - Other information
- Summary statement regarding the engagement activity

LEA 15.6 | Indicate how frequently you typically report engagements information

- Disclosed continuously (prior and post engagements)
 - Disclosed quarterly
 - Disclosed annually
 - Disclosed every two years or less
 - Other, specify
- We do not proactively disclose it to the public and/or clients/beneficiaries.

(Proxy) voting and shareholder resolutions

Overview

LEA 16	Voluntary	Descriptive	PRI 2
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LEA 16.1 | Provide a brief overview of your organisation's approach to (proxy) voting (including the filing and/or co-filing of shareholder resolutions if applicable).

Russell operates a comprehensive proxy voting policy to guide the performance of its ownership activities. Russell employs a Proxy Services provider to support this work, principally through the delivery of corporate governance research, the execution of proxies, and related administration. Russell's proxy voting policy, principles, and custom voting guidelines are set and overseen by Russell's Proxy Voting Committee. Because we recognize the requirements of regulatory authorities around the world, we consider these regional rules and standards when developing our proxy voting guidelines. Utilizing these guidelines, we vote on the vast majority of issues raised at company meetings.

Process

LEA 17	Mandatory	Descriptive	PRI 2
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LEA 17.1	Indicate how you typically make your (proxy) voting decisions and what this approach is based on.
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Approach

- We use our own research or voting team and make our own voting decisions without the use of service providers.
- We hire service provider(s) which make voting recommendations or provide research that we use to inform our voting decisions.

Based primarily on

- the service provider voting policy signed off by us
- our own voting policy
- our clients requests or policy
- other, explain
- We hire service provider(s) which make voting decisions on our behalf, except for some pre-defined scenarios for which we review and make voting decisions.
- We hire service provider(s) which make voting decisions on our behalf.

LEA 17.2	Additional information.[Optional]
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As a part of Russell's custom voting guidelines, there are instances in which our internal Proxy Voting Committee will have to make the final voting decision on items at a given company's meeting. These items typically include proposals that are either not addressed in our custom voting guidelines or which we have said specifically we would like to review on a case-by-case basis. Fewer than one percent of proxies are reviewed and voted internally by our Committee. The remaining 99% of proxies are voted by our service provider based on our Custom Proxy Voting Guidelines.

LEA 19	Voluntary	Descriptive	PRI 2
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LEA 19.1	To ensure that your (proxy) votes are cast and reach their intended destination on time, indicate if you did the following.
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- Obtain confirmation that votes have been received by the company:
- Participate in projects to improve the voting trail and/or to obtain vote confirmation
- None of the above

LEA 20	Voluntary	Additional Assessed	PRI 2
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LEA 20.1	Indicate if your organisation has a securities lending programme.
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- Yes

LEA 20.2	Indicate how voting is addressed in securities lending programme.
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Please select one of the following

- We recall most securities for voting on all ballot items
- We recall some securities for voting on some ballot items on a systematic basis in line with specified criteria
- We occasionally recall some securities for voting on some ballot items on an ad-hoc basis
- We empower our securities lending agent to decide when to recall securities for voting purposes
- We do not recall our shares for voting purposes
- Other (please specify)
- No

LEA 21	Mandatory	Core Assessed	PRI 2
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LEA 21.1	Indicate if you ensure that companies are informed of the rationale when you and/or the service providers acting on your behalf abstain or vote against management recommendations.
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- Yes, in most cases
- Sometimes, in the following cases:
- No
- Not applicable as we and/or our service providers do not abstain or vote against management recommendations

LEA 21.2	Additional information. [Optional]
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The top four agenda items in which we voted against management included: Election of Directors, Election of Statutory Auditors, Advisory Vote on Executive Compensation, and Compensation Policy . The top four shareholder proposals in which we voted against management included: Independent Board Chairman/Separation of Chairman and CEO, Right to Act by Written Consent, Majority Vote for Election of Directors, and Misc. Board/Shareholder Rights Issues.

Outputs and outcomes

LEA 22	Mandatory	Core Assessed	PRI 2
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LEA 22.1	For listed equities where you and/or your service provider has the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.
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- We do track or collect this information

	Votes cast (to the nearest 1%)
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	%
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94

Specify the basis on which this percentage is calculated

- of the total number of ballot items on which you could have issued instructions
- of the total number of company meetings at which you could have voted
- of the total value of your listed equity holdings on which you could have voted

LEA 22.2

If there are specific reasons why you did not vote certain holdings, explain these, and if possible, indicate the percentage of holdings affected by these factors. [Optional]

The primary reasons Russell did not vote certain ballots include: take no action due to shareblocking, Power of Attorney requirements, additional fees or requirements to attend in person.

- We do not track or collect this information

LEA 23	Voluntary	Descriptive	PRI 2
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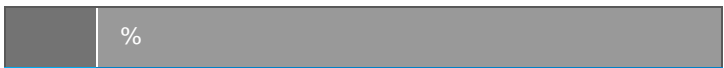

LEA 23.1

Indicate if you track the voting instructions that you and/or your third party have issued on your behalf.

- Yes, we track this information

LEA 23.2

Of the voting instructions that you and/or third parties have issued on your behalf, indicate the proportion of ballot items that were:

Voting instructions	Breakdown as percentage of votes cast
For (supporting) management recommendations	 <p>84</p>
Against (opposing) management recommendations	 <p>15</p>
Abstentions	 <p>1</p>

100%

LEA 23.3	For the reporting year, describe your approach towards voting on shareholder resolutions.
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While our proxy voting guidelines are designed to cover some shareholder resolutions, any uniqueness in a shareholder resolution oftentimes results in a deeper analysis, performed by our proxy analysts and ultimately our proxy voting committee, and thus voted on a case-by-case basis, always keeping in mind the best interest of shareholders as information is gathered from multiple sources such the company, investment managers, and independent research.

No, we do not track this information

LEA 24	Voluntary	Descriptive	PRI 2
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LEA 24.1	Indicate if your organisation directly or via a service provider filed or co-filed any shareholder resolutions during the reporting year.
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- Yes
 No

Communication

LEA 26	Mandatory	Core Assessed	PRI 2,6
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LEA 26.1	Indicate if your organisation proactively discloses information on your voting activities.
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We disclose it publicly

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

	provide URL
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<https://viewpoint.glasslewis.net/webdisclosure/search.aspx?glpcustuserid=CAN0112>

LEA 26.2	Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.
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Yes

LEA 26.3	Indicate the voting information your organisation proactively discloses to the public and/or to clients/beneficiaries.
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Indicate how much of your voting record you disclose

- All voting decisions
- Some voting decisions
- Only abstentions and opposing vote decisions
- Summary of votes only

Indicate what level of explanation you provide

- Explain all voting decisions
- Explain some voting decisions
- Only explain abstentions and votes against management
- No explanations provided

LEA 26.4

Indicate how frequently you typically report voting information.

- Continuously (primarily before meetings)
- Continuously (soon after votes are cast)
- Quarterly or more frequently
- Between quarterly and annually
- Less frequently than annually
- Other, specify
- No
- We disclose it to clients/beneficiaries only
- We do not proactively disclose our voting activities to the public and/or to clients/beneficiaries

LEA 26.8

Additional information. [Optional]

The URLs provided in 26.1 allow our voting activities to be publicly available and easily searchable.