Russell Investments Implementation Services, LLC

A Russell Investments company

Form ADV Part 2A Brochure

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This Brochure provides information about the qualifications and business practices of Russell Investments Implementation Services, LLC ("RIIS").

If you have any questions about the contents of this Brochure, please contact us at russellcompliance@russellinvestments.com or 206.505.4860. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

RIIS is an investment adviser registered with the SEC. Registration as an investment adviser does not imply any level of skill or training. Additional information about RIIS is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

We are pleased to provide you with this Investment Adviser Brochure ("Brochure"), which is also known as Part 2A of Form ADV. It contains important information about our business practices and investment strategies, as well as a description of potential conflicts of interest relating to our advisory business.

We are providing you this Brochure in accordance with Rule 204-3 of the Investment Advisers Act of 1940, as amended ("Advisers Act"), which requires a registered investment adviser to provide a written disclosure statement before or at the time of entering into an advisory relationship with a client and an annual update thereafter. Future updates to this Brochure may be obtained by writing to us at Russell Investments, Attention: U.S. Compliance, 1301 Second Avenue, 18th Floor, Seattle, WA 98101; by emailing us at russellcompliance@russellinvestments.com; by calling us at 206.505.4860; or by visiting our website at www.russellinvestments.com.

The following is a summary of the material changes to this Brochure since that last annual update on March 31, 2023.

Item 5: Fees and Compensation. This item was updated to provide additional information about the types of "other fees and expenses" that clients may bear in association with their investments or accounts, including fund administration fees, transfer agency fees, index license fees, and certain fees that may be incurred by private funds.

Item 5: Fees and Compensation. This item was updated to provide additional disclosure on Affiliated Compensation that we earn in our capacity as a broker-dealer affiliate of Russell Investments, and the conflict of interest that our use of RIIS as a broker presents. The item also provides further detail on compensation that RIIS receives in the form of commissions, how RIIS' commission rates are set, and RIIS' financial arrangements with clearing brokers and trading platforms. We have also explicitly disclosed that advisory fees paid by clients are not reduced to offset any commissions paid to RIIS. We have further clarified that clients have the option to purchase investment products that we recommend through other brokers or agents that are not affiliated with RIIS.

Item 8: Method of Analysis, Investment Strategies and Risk of Loss. This item was amended as follows:

- provided additional information on our Personalized Managed Account offering;
- provided additional information on how we use Environmental, Social, and Governance (ESG) in our investment process;
- updated the Investment Risks applicable to our strategies, including the addition of risk factors describing catastrophe risks, risks resulting from changes in law and government intervention, frontier market risks, and risks presented by the change to T+1 settlement.

Item 10: Other Financial Industry Activities and Affiliations. This item was updated to provide additional information about our use of affiliates, including our use of non-U.S. affiliates that provide services as "Participating Affiliates" under SEC no-action relief. We have also made updates that further outline Russell Investments use of RIIS as an affiliated broker-dealer.

Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading. This item was updated to further outline the conflicts of interest associated with RIIS' earning commissions as an affiliated broker-dealer. We have also amended the language outlining how we handle potential trade errors and manage related conflicts of interest.

Item 12: Brokerage Practices. This item was updated to clarify that in the majority of our engagements we have discretion to choose the broker that executes client transactions. We have further clarified that where we have discretion to choose a broker, RIIS has been chosen to execute substantially all of our client's transactions. Because our selection of RIIS presents a conflict of interest, we have further updated this item to outline how commission rates are set and additional details on our financial arrangements between RIIS and clearing brokers and trading venues. We have also provided further information on how our Affiliated Business Oversight Committee monitors and evaluates our ongoing relationship with RIIS and the engagement of independent third-party vendors to provide analysis on RIIS' execution quality and a comparison against industry commission rates. Lastly, we have provided information pertaining to the commission recapture program offered by RIIS.

Item 14: Client Referrals and Other Compensation. This item was updated to remove a reference to an internal referral program that has been discontinued.

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Item 4 – Advisory Business

Russell Investments Implementation Services, LLC ("RIIS") is part of Russell Investments (defined below), a global investments solutions company. Headquartered in Seattle, Washington, Russell Investments operates globally with other offices in various financial centers around the globe.

RIIS and its affiliates are indirect wholly-owned subsidiaries of Russell Investments Group, Ltd., a Cayman-domiciled company ("Russell Investments" or "RI"). The limited partners of certain private equity funds affiliated with TA Associates Management, L.P. indirectly hold a majority ownership interest, and the limited partners of certain private equity funds affiliated with Reverence Capital Partners, L.P. indirectly hold a minority ownership interest in Russell Investments. Hamilton Lane Advisors LLC, a private markets firm, along with current and former management of Russell Investments also hold minority positions in Russell Investments. References to "we", "us", and "our" refer to RIIS unless the context otherwise requires.

We provide investment advisory services to institutional clients including other financial services companies, corporations, employee benefit plans and not-for-profit organizations. We also provide services to series portfolios (each a "Fund") of open-ended investment companies ("mutual funds") registered under the Investment Company Act of 1940, as amended ("Investment Company Act") and to pooled investment vehicles not required to be registered under the Investment Company Act ("Private Funds").

Our investment advisory services include advisory implementation, transition management, and investment management services. The section below provides a summary of each of these services. Please see Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss, for more information regarding our investment strategies. Our investment advisory services are based on investment guidelines and restrictions that are developed in consultation with the client, or in accordance with the mandate selected by the client. Each portfolio managed or otherwise advised by us is managed in accordance with investment guidelines and restrictions of the portfolio. Depending on the investment strategy or strategies a client wishes to pursue, a client's contractual relationship may be with RIIS and one or more of its affiliates.

RIIS has been a registered investment adviser since June 13, 2001. RIIS is also registered as a broker-dealer with the SEC under the Securities Exchange Act of 1934, as amended (the "Exchange Act"); is a member of the Financial Industry Regulatory Authority ("FINRA"); and a member of the Municipal Securities Rulemaking Board ("MSRB"). As of December 31, 2023, RIIS had $80,625,546,336 in discretionary and $2,031,604,321 in non-discretionary regulatory assets under management.

ADVISORY IMPLEMENTATION SERVICES

The implementation services we provide clients generally involve a combination of advisory, brokerage and other activities, and may be provided as part of a manager change, portfolio rebalancing, policy implementation, or other investment management services designed to complete the client's desired investment program structure. We provide the following advisory implementation services to clients:

Overlay Services

Institutional investment portfolios are often overseen by several money managers, which can create challenges in keeping investment exposures within desired ranges. We provide overlay investment advisory services using securities, derivatives, and other instruments, designed to keep a client's overall assets aligned with its investment policy. We create an investment framework for improved visibility into investment exposures and the ability to control those exposures using our overlay services.

Our overlay services include a combination of administrative coordination, cash, and exposure management. The overlay services seek to reduce performance tracking error, inefficient cash flow management, asset allocation mismatch, unintended structural biases, and implementation delay. The objective is to reduce risk (defined as tracking error relative to the policy portfolio or target), improve portfolio returns, and reduce the administrative burden associated with frequent cash flows. Specific overlay services include:

Policy Implementation

Many institutional portfolios are managed to a Strategic Asset Allocation ("SAA"), but as time passes, these exposures drift in relation to one another. A disciplined rebalancing plan helps to keep such risk under control. With daily oversight of portfolio positioning, we manage exposures to asset classes in the SAA via overlay exposures that address cash and rebalancing policy issues.

Cash Equitization

Cash is necessary for liquidity purposes. Our solutions convert cash exposures to equity and/or bond exposures using derivatives, adjusting for total cash holdings on a daily basis. Our turnkey management service adjusts exposures and handles the downstream aspects of managing those positions.

Beta Transformation

The mix of asset classes (or "betas") in the SAA do not always coincide with the best excess return (or "alpha") opportunities. Our beta transformation strategies reduce undesired asset classes and add desired asset classes using an overlay program.

Downside Protection

Institutional clients generally need to maintain exposure to risk assets over the long term in order to meet expected return targets. We offer risk management tools designed to reduce the frequency and/or magnitude of drawdowns in portfolio value resulting from significant market declines.

Liability Based Solutions

Our liability-based solutions clients are defined benefit pension plans, whose current and former employees are depending on future payouts of their pensions to fund their retirement. We have developed a holistic approach to help pension plans achieve and maintain funded status and take into account unexpected contributions, balance sheet volatility and increasing expenses through the use of liability-driven investing (“LDI”). LDI is refocusing management of a pension plan’s assets away from an “asset only” approach to an approach that considers both the assets and specific liabilities of the pension plan, as well as the financial situation of the plan’s sponsor. Success of the plan’s investment strategy is then measured relative to the behavior of the plan’s liabilities, how funded status improved during the period, and the decreasing volatility of the funded status.

Our LDI team includes a team of credentialed actuaries with knowledge of pension regulations and the pension environment, as well as knowledge of plan design and the impact of different management strategies, including open pension plans versus closed or frozen plans, and cash balance plans.

Currency Services

Agency Foreign Exchange Service (Currency Trading)

We provide discretionary and non-discretionary currency trading and implementation services pursuant to our registration as an investment adviser. Through this service, clients outsource their foreign exchange (“FX”) trading to us. The service involves various combinations of trading and settlement services designed to help clients improve the implementation of their currency investment strategies.

Currency Management

We offer passive, dynamic, and absolute currency overlay services to help clients manage the risk that results from currency exposure within their portfolios. We work with each client to implement a suitable custom hedging program including unique currency exposures, performance benchmarks (custom or public), tracking error tolerance and preferred strategic hedge ratio (fixed or variable). This service seeks to effectively reduce portfolio volatility.

TRANSITION MANAGEMENT SERVICES

We generally provide the following transition management related services under our registration as an investment adviser; however, we may perform transition services in our capacity as an agency-only broker-dealer for certain assignments.

Transition Management Services

Transition management is the process of converting a portfolio from one manager to another. We provide a combination of analysis, strategy development, implementation, trading and brokerage services designed to reduce the total cost and risk associated with a reallocation of assets from an existing portfolio of securities, cash and/or other assets to a portfolio of securities, cash and/or other assets identified by the client and/or the money manager who will receive the assets. Transition services are generally provided as an investment adviser; however, we may perform transition services in our capacity as an agency-only broker-dealer for certain assignments.

In configuring the portfolio to be received by the new money manager, we generally do not review or assess the investment decisions made by the client and/or the money manager who will receive that portfolio. We do not select securities or other instruments for investment of transition assets, except to the extent that we have been authorized to invest in financial futures, securities, or other instruments to achieve desired exposures during the course of a transition or until a final target portfolio can be identified.

Interim Management Services

Interim investment services provide temporary management of assets to gain exposure to, or hedge against, a particular class of investments or benchmark. Interim investment management is most often used when:

- There are changes in outlook or market fundamentals and a client, for example, decides to implement a new asset allocation policy, reduce exposure to the equity market, or rebalance policy target allocations;
- A large cash inflow needs to be invested, for example, from an investment, or as part of a spin-off or acquisition; or
- There are unexpected changes to the current investment manager, including the departure of key personnel, changes in investment management style, or performance.

We provide interim management services using financial futures, securities, or other instruments to obtain desired exposures for specified periods according to client instructions while the client's final target portfolio and money manager structure is being determined.

INVESTMENT MANAGEMENT SERVICES

We offer a range of investment management services focused on identifying and solving clients' needs with risk adjusted solutions. We blend our core capabilities including capital markets insights, asset allocation, manager research, portfolio implementation and factor exposures to design, construct and manage portfolio. Portfolios are often invested using a "multi-style multi-manager" open-architecture approach, which may include assets managed by us, our affiliates and third-party investment managers ("money managers").

Asset Allocation

Our asset allocation process incorporates information about the potential implications of changes in capital markets with client specific information that includes a client's goals, return objectives, spending policy, ability to tolerate risk and liquidity needs.

We help clients to, among other things:

- Develop investment objectives;
- Define and control risk for their specific requirements;
- Diversify their investment portfolio;
- Meet cash flow needs; and
- Conduct scenario analysis on asset allocations of portfolios as well as evaluate alternative portfolios.

Once a strategic asset allocation is determined, an investable portfolio is constructed by identifying the specific investment strategies and money managers that will be used in the portfolio.

Portfolio Management and Construction

In moving from a strategic asset allocation to an implementable portfolio, the portfolio is developed using our proprietary strategies (discussed below) and active strategies from selected third-party money managers.

In addition to utilizing discretionary third-party money managers to manage client portfolios, we construct certain portfolios by combining non-discretionary money manager models in a centralized portfolio ("Enhanced Portfolio Implementation" or "EPI"). Under EPI, we hire money managers to provide lists of recommended investments and the weightings of such investments. For example, a portfolio may utilize strategies from multiple non-discretionary money managers. We implement the portfolio by aggregating the model portfolios of each manager and may adjust the combined aggregated model in order to vary certain exposures, to adhere to any portfolio level guidelines and other restrictions, and for transaction cost management. We also offer our EPI services to third parties as an implementation service.

We generally allocate portfolio assets to two or more money manager strategies, however, RIIS or its affiliates also may directly manage all or some portion of a portfolio's assets ("direct investment") for a variety of purposes. In such a scenario, Russell Investments may retain more of its advisory fee as it pays less in fees to money managers. Our direct investment of portfolios can include the implementation of certain quantitative analysis and/or rules-based processes to assess a portfolio's characteristics or fundamental strategies; investing in securities and instruments which provide desired exposures (such as volatility, momentum, value, growth, quality, capitalization size, industry, sector, region, currency, commodity, credit or mortgage exposure, country risk, yield curve positioning or interest rates); modifying the portfolio's overall investment strategy or risk/return characteristics relative to investments made by one or more money managers; and enhanced funding, cash management, currency overlay or other direct investment management techniques (collectively, "Proprietary Strategies"). We may also use strategies based on indexes. We, or our affiliates, may also directly manage portions of a portfolio during transitions between money managers.

Third-Party EPI

EPI is a strategy designed to improve investment outcomes by reducing the costs of operating a multi-manager structure by capturing investment insights of multiple managers in a centralized portfolio. Third-party portfolios can potentially benefit from EPI through improved incremental returns over time due to lower aggregate transaction costs (resulting from lower trading volumes and efficiencies gained through aggregation of orders). Most third-party EPI trades are executed through RIIS. Additionally, portfolios benefit from improved portfolio efficiency and control by enabling more options for controlling investment exposures, including any ESG factors; managing cash flows and rebalances between manager strategies; managing manager transitions; and further reducing risk and cost where appropriate. EPI also provides for enhanced tax management by providing a more flexible structure to manage optimal tax lot selection, minimize wash sales, manage holding period, defer realized gains and harvest losses.

TYPES OF INVESTMENTS

Our advisory services encompass all types of investments and asset classes, including equity, fixed income, multi-asset, alternatives, and derivatives. Types of investments in which we offer investment advice include, but are not limited to: exchange listed securities, privately placed securities, Private Funds, Funds, Fund of Funds, Real Estate Investment Trusts (“REITS”), exchange traded funds (“ETFs”), exchange traded notes (“ETNs”), master limited partnerships (“MLPs”), securities traded over-the-counter, foreign issues, depository receipts, warrants; corporate debt securities, commercial paper, certificates of deposit, municipal securities, mutual fund shares, U.S. and non-U.S. sovereign government securities, commodities, listed futures and options contracts. Other types of investments may include FX instruments, including forwards, spots and swaps, centrally cleared swaps and other bilateral OTC instruments.

See Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss, for more detail on the types of instruments used in implementing our strategies.

SERVICES OF AFFILIATES

Russell Investments utilizes its affiliates to offer certain services to clients, some of these affiliates also are investment advisers or broker-dealers registered with the SEC, FINRA, and some are registered or are exempt from registration with other federal, state or non-U.S. regulatory authorities. We may use the services of personnel of one or more of our affiliates for investment advice and client servicing in their local or regional markets or their areas of special expertise, except to the extent restricted by the client pursuant to its investment management agreement or other type of advisory agreement (“IMA”), or inconsistent with applicable law.

Arrangements among affiliates take a variety of forms, including dual employee, delegation, participating affiliate, sub-advisory, sub-agency or other formal or informal servicing arrangements. Certain of those affiliates’ employees are deemed “associated persons” within the meaning of Section 202(a)(17) of the Advisers Act, as Russell Investments’ affiliates may, through such employees, contribute to our investment advisory and investment research process. These arrangements comply with applicable law and regulation including, but not limited to, Employee Retirement Income Security Act of 1974, as amended (“ERISA”) and its prohibited transaction exemptions, U.S. federal securities laws and regulations, and the regulations of applicable self-regulatory organizations such as FINRA, the National Futures Association (“NFA”) and the MSRB.

This practice of utilizing affiliates is designed to make Russell Investment’s global capabilities available to our clients in as seamless a manner as practical within a varying global regulatory framework. In these circumstances, we remain fully responsible for the portfolio from a legal and contractual perspective. If provided in a client’s IMA, a fund’s governing documents and/or private placement memorandum or offering memorandum (both and similar documents referred to as the “OM”), we will charge additional fees for such services and as allowed by applicable law and regulation.

RIIS provides trade execution services to other affiliates as an adviser and under our broker-dealer registration, for which we earn additional compensation in the form of commissions. For additional information, please refer to Item 10 – Other Financial Industry Activities and Affiliations and Item 12 – Brokerage Practices of this Brochure.

Item 5 – Fees and Compensation

Fee arrangements vary by investment strategy, product type, account type and size, customization requirements and the range of additional services provided to the client or Fund.

All fees are negotiated in advance and are specified in the written agreement between us and each client.

FEE SCHEDULES

The following sets forth a basic description of advisory fee arrangements. The timing of payment for advisory fees are mutually agreed with each client and are included in the IMA.

Advisory Implementation Services

Overlay Services

We generally receive a base fee plus a variable fee based on an account's notional exposure for our overlay services. Fees are calculated monthly based on the actual number of days in the month and paid quarterly.

We may also receive a performance-based fee for our overlay services which is calculated annually based on gains associated with our overlay positioning strategies. When applicable, performance-based fees for the current period may be offset by cumulative net losses accrued over prior years.

Currency Services

As payment for our currency implementation services, we generally charge a flat volume-based fee, levied upon the net amount of foreign currency directed to us by a client. We generally incorporate within the price for each individual trade the amount of the pre-agreed fee at the time point of dealing. The fee accrues at the counterparty bank and is paid directly to us by that bank on a monthly basis. Alternately, the fee may be paid directly to us on a monthly or quarterly basis by the client. The client is provided with the full details of the accrued fees, the counterparty banks involved, and the currency transactions executed on their behalf.

Third-Party EPI

Our fees for third-party EPI services are typically expressed as a percentage of assets under management. These fees are generally billed quarterly in arrears, calculated on the average value of assets in the account at the end of each month during the calendar quarter, and invoiced to the client. We also receive the agreed upon brokerage compensation resulting from trades generated within each portfolio.

Transition Management Services

Fees for transition management services are generally charged on a fully disclosed basis based on the explicit brokerage charged on securities traded via our agency execution model. If clients prefer, we will negotiate a project or asset-based fee. This explicit brokerage includes both the cost of executing and clearing across multiple trading venues and compensation to us for the trading and strategic management of the transition assets. We do not generate revenue from any implicit sources including revenue generated by currency spreads or trading as principal.

Investment Management Fees

Institutional Separate Accounts

Our fees for managing an institutional separate account are determined through negotiation with each client and are set forth in the IMA with the client. Our fee may not cover the client's pro rata share of the fees, expense and/or transaction charges incurred by any mutual fund, ETF, or other pooled investment vehicle (including funds or vehicles managed by us) in which the account invests. Fees for separate accounts are directly billed quarterly and, at the client's request and direction, may be deducted from the client's account.

TERMINATION

IMA's with clients may not have termination dates. IMA's typically can be terminated by the client or us with advance notice, as set forth in the IMA. In the event of termination of a relationship, unearned fees, if any, beyond any agreed-upon minimum fees, paid in advance will be refunded to the client. To the extent fees have been earned but not yet billed, such fees will be pro-rated and paid by the client upon termination.

OTHER FEES AND EXPENSES

In addition to the fees described above, clients bear certain other costs associated with investments or accounts including, but not limited to custodial charges, brokerage fees, commissions and related costs; (ii) interest expenses; (iii) taxes, duties, and other governmental charges; (iv) transfer and registration fees or similar expenses; (v) costs associated with foreign exchange transactions; and (vi) index licensing fees; and (vii) other portfolio expenses. Clients may also choose to participate in a Commission Recapture Program (the "Program") offered through RIIS to offset certain fees (see Item 12 – Brokerage Practices for additional information).

AFFILIATED COMPENSATION

As its broker-dealer affiliate, Russell Investments uses RIIS to execute securities and foreign exchange transactions on an agency basis where Russell Investments has discretionary authority to select broker-dealers. In its capacity as a broker-dealer, RIIS receives compensation in the form of commissions or an agency fee. The standard commission rates and foreign exchange agency fees are overseen by Russell Investments' Affiliated Business Oversight Committee, and these rates are available to clients upon request. In executing trades, RIIS works with third-party clearing brokers and other trading venues to provide market access infrastructure and/or clearing services. RIIS negotiates the rates it pays these third-party clearing brokers and trading venues for clearing and settlement services. Upon settlement of a trade, the third-party clearing firm generally collects RIIS' commission and remits the agreed-upon portion of such commissions to RIIS, depending on the arrangement, including whether it is a securities transaction or a transition management mandate. For fixed income transition management mandates, the third-party broker is compensated through a spread and RIIS retains the entire commission less costs paid to the clearing broker. In the case of trading platforms, the platform keeps its fee and remits the remaining commission to RIIS, a portion of which RIIS uses to pay the clearing broker. RIIS retains the entire agency fee for effecting foreign exchange transactions, less any payments it makes to prime brokers to facilitate settlement. Advisory fees paid by clients are not reduced to offset any commissions or foreign exchange fees paid to RIIS. Clients have the option to purchase investment products that RIIS recommends through other brokers or agents that are not affiliated with RIIS. Russell Investments' use of RIIS represents a conflict of interest because it causes RIIS to earn additional compensation. Russell Investments has policies, procedures, and processes in place that are reasonably designed to manage these conflicts of interest, monitor the execution price, costs, and quality of the execution, including engaging the services of an unaffiliated third-party transaction cost analysis service. See Item 12 – Brokerage Practices below.

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

As noted above, RIIS and/or its affiliates may negotiate performance-based fee arrangements with qualified clients. Performance-based fees are generally based on a specified yield or total return benchmarks, or periodic or cumulative performance “hurdles”. In measuring clients' assets for the calculation of performance-based fees, we may include realized and unrealized capital gains and losses. Performance-based fees are generally payable on a quarterly or annual basis.

“Side-by-side management” refers to the simultaneous management of multiple types of client account or investment products which may present conflicts of interest. Some of our investment professionals manage accounts with performance-based fees on a side-by-side basis with accounts that do not have such characteristics. This may result in there being an incentive to favor the account with a performance-based fee or may create an incentive for investments to be recommended which may be riskier or more speculative than those which would be recommended under a different fee arrangement. We are conscious of these potential conflicts of interest and have policies and procedures designed and implemented to help ensure that all clients are treated fairly and equitably over time, regardless of their strategy, fee arrangement or the influence of their owners or beneficiaries. These policies, including those addressing the fair allocation of investment opportunities across client accounts, help ensure that all clients are treated fairly and equally. In support of these policies, we have also implemented trade oversight and review procedures designed to monitor whether certain accounts are being favored over other clients' accounts.

Item 7 – Types of Clients

We provide investment advisory services to qualified retirement portfolios, corporations, endowments and foundations, state and municipal government entities, and other affiliated and non-affiliated Funds. We also provide investment advice and brokerage services to other institutional clients including insurance companies, third-party money managers, and Russell Investments' U.S. and global pooled fund complexes and foreign pension schemes.

We may provide advisory or brokerage services to Private Funds that are used in providing investment solutions to certain clients. Interests in the Private Funds are offered pursuant to applicable exemptions from registration under the Securities Act of 1933, as amended (“Securities Act”), and the Investment Company Act. Investors in the Private Funds must be "accredited investors" under Regulation D of the Securities Act, Qualified Purchasers under the Investment Company Act, and "qualified eligible persons" under Commodity Futures Trading Commission (“CFTC”) Rule 4.7. Investors should review the offering documents for each Private Fund for further information with respect to the minimum requirements for investment. Minimum account sizes for all accounts vary based on the types of services provided and regulatory requirements.

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

Our investment decisions are grounded in understanding a client's objectives and designing thoughtful, practical investment solutions to meeting their specific goals. We use various investment strategies and methods of analysis, including proprietary models, data, and analytic systems in implementing an advisory strategy for a client.

This Item describes our various methods of analysis and investment strategies, as well as the primary risks associated with these investment strategies. It is not possible to identify all the risks associated with investing and the particular risks applicable to a portfolio will depend on the nature of the portfolio, its investment strategy or strategies, and the types of securities and instruments held.

Any investment includes the risk of loss and there can be no guarantee that a particular level of return will be achieved. Clients and investors should understand that they could lose some or all of their investment and should be prepared to bear the risk of such potential losses. Clients and investors should carefully a Fund's prospectus, all applicable offering/governing documents, and any other applicable informational materials for further information on the various risks associated with investing in a particular strategy prior to investing in any investment product.

INVESTMENT PROCESS AND STRATEGIES

Advisory Implementation Services

Overlay Strategies

The overlay strategies we manage are intended to add return and manage risk in client portfolios, often in response to a change that is market driven or resulting from changes in a client's asset allocations. Overlay strategies are used to adjust macro-level portfolio risks in large asset pools such as pension funds and are also used to adjust the risk and return characteristics within certain asset classes. All overlay accounts are separate account mandates with a custom overlay solution. We design programs based on the customized needs of each client's existing plan guidelines and limitations in exposure and instruments. We utilize derivatives overlays in implementing our overlay strategies, including futures contracts, options, swaps, and applicable currency forward contracts.

We review a client's assets and related benchmarks to determine how to best replace the various exposures using derivatives. This includes a review of the expected notional size of the exposures on an ongoing basis. Based on that initial analysis, we determine the most appropriate overlay exposures and instruments and provide the client with a detailed analysis of expected replication costs, tracking error and trading considerations, including counterparty exposures.

Our overlay capabilities include:

- Enhanced Asset Allocation, which aims to add value to client portfolios beyond passive rebalancing, effectively re-spending the risk saved in pursuit of return. We utilize a diversified suite of modeling capabilities to determine intentional tilts away from the policy benchmark. We then utilize our broad overlay platform to implement these transactions.
- Liquid asset classes including:

  - Public market indexes for equity, fixed income, or commodities are replicated using a combination of futures, swaps, currency forwards and ETFs.
  - Broad asset classes such as U.S. equity, global equity and fixed income are generally replicated using futures baskets, with each available on a customized basis to meet client exposure needs with country, regional, market cap or duration targets.
- Our optimization seeks to balance tracking error, trading costs and liquidity. The results are reviewed from both historical performance (correlations) and factor exposures (e.g., country weights, duration).
- Policy replication with long only synthetic exposure to liquid asset classes. This approach uses cash equitization with a long only restriction.
- Policy implementation, where overlay functions neutralize deviations in the underlying portfolio relative to the static policy target. Under this strategy, we determine aggregate trade date cash and execute trades to gain exposure to underweight asset classes. When cash levels increase, we buy (i.e., go long) the underweight asset class and when cash levels decrease, we sell (i.e., go short) the overweight asset class. This strategy aims to capture the risk premium on cash balances while keeping a portfolio more closely aligned with target allocations in an efficient manner.
- Cash overlay, the goal of which is to minimize the cost of the liquidity provision and maximize the return of the portfolio, which includes both beta vs. cash and the active return of managers. This balance is generally maximized at around three to six months' worth of benefit payments and is used to avoid margin calls. Our portfolio managers work closely with clients to balance the needs of liquidity and excess return from the active portfolio.
- Cash equitization which pursues a strategy of being fully invested by exposing all or a portion of client cash to the performance of certain markets by purchasing equity or fixed income securities and/or derivatives. This is intended to cause the client account to perform as though its cash were actually invested in those markets.

Liability Driven Solutions

We help clients improve their total portfolio outcomes using LDI by combining a plan management and an asset management approach.

Plan Management Approach

This approach sets the total portfolio multi-asset strategy (return seeking and LDI) based on the specifics of the pension plan and a proprietary projection model that forecasts future contributions, pension expense and funded status scenarios for the pension plan based on a variety of asset allocations over a 10-year time horizon. The Plan Management Approach sets the specific liability hedge ratio for the LDI strategy based on key rate durations and sponsor desire to minimize interest rate risk and credit risk. We monitor funded status and key performance reporting statistics of the pension plan with a Pension Report Card. Monitoring the funded status on a daily basis allows a glide path to be implemented with improved precision. We also monitor holdings-level risk relative to the plan liability through our Total Surplus Risk Model which calculates the Value at Risk ("VaR") and stress scenarios.

Asset Management Approach

We utilize a combination of Target Duration LDI, Treasury STRIPS, long government/credit, and derivatives exposures to construct a portfolio suited to meet an individual plan sponsor's liability hedging goals. We manage certain liability hedging funds which are constructed using a combination of our manager research and internally managed strategies. Funds and portfolios are managed dynamically to take advantage of and respond to market opportunities. We also serve as an LDI completion manager as needed to provide oversight of third-party managers and seek to provide effective implementation of target strategies.

We develop a tailored LDI strategy for pension plan clients and implement the solution that is aimed at contributing to returns while also reducing surplus risk through overlays. Typically, LDI strategies are achieved with an overlay portfolio of futures or swaps, allowing clients to maintain exposure to return-seeking assets.

Currency Overlay Strategies

We design and implement cost effective currency management strategies with a goal of return enhancement as well as providing diversification benefits that may reduce risk at the total portfolio level. RIIS manages foreign currency trading as an agent for its clients and offers a passive, dynamic and absolute return currency strategy:

Passive Currency Strategy

Exposure to assets denominated in non-base currency can introduce volatility. Aspects such as liquidity management, tenor management, counterparty credit exposure, proxy hedging, performance attribution and regulatory reporting can help mitigate this risk.

Dynamic Currency Strategy

This strategy is intended to support the dual goal of risk reduction and return enhancement, which is implemented through dynamic changes in a client's currency hedge ratio and looks for opportunities to raise expected returns and reduce cash flow drawdown by maintaining or increasing hedges on currencies experiencing declines while maintaining or reducing hedges on currencies experiencing gains, relative to the unique base currency of the client.

Absolute Return Currency Strategy

This strategy is built on the same qualitative framework as the Dynamic Currency Strategy. It differs in that it is not influenced by a client's base currency and the resulting long/short currency positions are agnostic to the underlying currency positions within the client's portfolio.

As an agent, we offer transparent executions to clients, which is not possible for other providers who trade on a principal basis and predominately use affiliated bank counterparties, or those that have an operational preference to trade with a futures commission merchant ("FCM") as the counterparty. We utilize a large panel of counterparties and competitively bid foreign exchange trades as an adviser which helps ensure clients receive the most competitive relative execution rates. Our currency management strategies are supported by an Agency Foreign Exchange (FX) trading approach, where liquidity providers compete for RIIS order flow and execution benefits are passed directly to clients, including savings related to reduced bid/ask spreads, market impact and custodian charges. Our dual registration as an investment adviser and broker-dealer allows us to trade on venues other firms cannot.

Third Party EPI

EPI is a strategy designed to improve investment outcomes by reducing the costs of operating a multi-manager structure by capturing investment insights of multiple managers in a centralized portfolio. Third-party portfolios can benefit from EPI through improved incremental returns over time due to lower aggregate transaction costs (resulting from lower trading volumes and including impact of lower trading volume on custody charges) and turnover from reduced trading volumes, as well as lower commission rates measured in cents per share traded, or basis points on value traded, and efficiencies gained through aggregation of orders. Most third-party EPI trades are executed through RIIS. Additionally, portfolios benefit from improved portfolio efficiency and control by enabling more options for controlling investment exposures, including any ESG factors; managing cash flows and rebalances between manager strategies; managing manager transitions; and further reducing risk and cost where appropriate. EPI also provides for enhanced tax management by providing a more flexible structure to manage optimal tax lot selection, minimize wash sales, manage holding period, defer realized gains and harvest losses.

Transition Management Services

Transition management services are intended to maximize the performance of portfolio assets in transition by reducing unnecessary costs, mitigating unrewarded risk, and reducing administrative workloads. Our approach encourages transparency, aligns interests and maximizes risk-adjusted performance over short or long periods of change.

Each transition management event is assigned a dedicated portfolio manager, who is in charge of all aspects of the transition. We communicate with the legacy manager(s), new manager(s), and custodian to review and then implement the transition plan. The lead portfolio manager also coordinates with the exposure management team and communications among trades, back-office services and the client. The portfolio manager also is responsible for strategic decisions, communications and client reporting throughout the event, including providing daily customized communications detailing the impact of market events on the portfolios, performance, and the strategies employed.

The transition management team is integrated with our trading group and is solely dedicated to transition management. We measure the success of a transition based on the actual implementation shortfall, the actual implementation shortfall compared to the estimated shortfall, and operational performance. Implementation shortfall is the arithmetical difference between the return on the actual portfolio and the return on the target portfolio. We calculate implementation shortfall using the T Standard, an industry-standard methodology developed by Russell Investments, to provide transparency into the calculation methodology. This provides assurance to our clients that the benchmark cannot be calculated differently each time in order to give the appearance of improved performance. Returns are calculated daily, and returns are calculated from the date on which the terminated manager no longer has discretion over the portfolio until the date on which the incoming manager has discretion.

Investment Management Services

Capital Markets Research

We continually refine our understanding of long-term market behavior through empirical research and direct observation of the markets. These capital markets insights are integrated into our forecasting engine, which generates long-term views on over 170 asset categories. These views are the foundation of portfolios we manage, with our strategic beliefs being incorporated throughout the portfolio design process.

We use several internal and external data sources to develop our 10- and 20-year forecasts. This information is then incorporated into our capital markets forecasting software to support the strategic advice we provide to clients in making asset allocation decisions. Our asset class forecasting and simulation is a process that considers variations in asset returns through time and across possible "states" of asset markets.

The key inputs we incorporate include:

- Information about international capital markets. We believe that most capital markets share a common set of factors that drive asset returns and interest rates.
- Country-specific equity risk premiums. We use a sum-of-parts equity model to build up country-specific equity returns from forecast inflation, dividend yield, earnings growth, and multiple reversion.
- Risk-free term-structure modelling for real and nominal interest rates. Initial yield curves (for nominal and real interest rates) are fitted using available market data.
- Credit yield-curve modelling. Credit yields are modelled for multiple ratings as spreads from the risk-free term structure.
- Building block approach to regional and global asset classes. For equity assets, we build up global assets from a range of underlying country forecasts and for bonds, we build up global assets from a variety of assets with varying durations.
- Stochastic model: We capture the dynamic behavior of returns using a statistical factor model that incorporates stochastic (i.e., time-varying) volatility.

Asset Allocation

Our proprietary asset allocation model is comprised of four sets of inputs:

- Program objectives, goals and mission;
- Required level of liquidity;
- Length of investment horizon; and
- Ability and desire to bear risk.

These items are determined with the aid of our Strategic Review Data Questionnaire that captures asset and liability information as of the most recent actuarial valuation date. These tools are integrated with our capital market research to explore the impact of investment policies on outcomes and determine recommended asset allocations. Our proprietary risk management systems allow our portfolio managers to view whether aggregate exposures are consistent with their intended positioning.

Portfolio Construction

We create an investable portfolio based on strategic beliefs through a combination of money manager selection and direct investment, identifying the best available sources of return based on our manager research capabilities and accessing factor exposures. Two key sources of excess return are manager alpha and long-run strategic tilts, which are central to how our portfolio managers build portfolios. For portfolios that utilize third-party money managers, this includes selection of an effective mix of managers and direct investing, taking into account a number of considerations, among them, a client's investment objectives, overall risk and exposure management, tracking error, alpha targets, fee targets, and, in the case of passive mandates, the portfolio's benchmark.

Proprietary Strategies

Proprietary Strategies are customized portfolios that we manage directly for use within a client's total portfolio. We use these strategies for a variety of purposes, including without limitation, for purposes of implementing certain quantitative or fundamental strategies, obtaining certain investment exposures, modifying a portfolio's overall investment strategy or risk/return characteristics relative to investments made for that portfolio by one or more of its third-party money managers, cash equitization, enhanced funding, cash management, currency overlay, currency management or other direct investment techniques in its management of portfolios. These strategies can be implemented directly by us or are used in conjunction with allocations to money managers to fully reflect strategic and dynamic insights with integrated liquidity and risk management.

These strategies and techniques fall into two broad categories: Active Positioning Strategies and Systematic Positioning Strategies.

Active positioning strategies allow portfolio managers to express views across multiple factors and risk exposures simultaneously. These strategies are used to target desired total portfolio positioning and can be adjusted as needed by the portfolio manager to changes in the markets or changes in exposures coming from the manager allocations. Active positioning strategies allow better precision in managing exposures and risk at a total portfolio level than through allocations to money managers alone. These strategies and techniques may include, without limitation, the following:

- Factor positioning - dynamically managed equity portfolio utilizing proprietary optimization techniques, designed to ensure total fund achieves desired strategic and/or tactical factor exposures anchored to our strategic beliefs regarding value, quality, momentum, size and volatility.
- Derivatives for managing country and region exposure.
- FX forwards for managing currency exposure.
- Options for managing downside protection.

Systematic positioning strategies are model-based investment strategies designed to provide customized exposure to a specific risk premia or factor that exists in the market, and/or deliver a specific targeted investment outcome. These strategies are included as part of a total solution and are intended to either add return or help mitigate risk but are not designed to adjust exposures based on other components in a portfolio. In many cases these strategies add a bias to a portfolio that managers would not otherwise capture. These strategies and techniques may include, without limitation, the following:

- Currency factors - a strategy that utilizes a systematic approach to access Carry, Value, and Trend factors in currency markets. The model seeks exposure to the cheapest currencies on a Purchasing Power Parity (PPP) basis (Value), the currencies with the highest carry factor (Carry), and a dynamic allocation to currencies based on price momentum (Trend).

- Rates factors - a strategy that utilizes a systematic approach to access Carry and Value factors in rates markets. The model surveys global rates markets and seeks long/short positions, via treasury futures, in the highest/lowest real yield markets (Value), and long/short positions in the highest/lowest Carry-and-rolldown markets (Carry).
- Fallen Angels - model-driven and optimized strategy that applies a value factor filter to bonds that have fallen below investment grade. The strategy may be applied to U.S. or European bonds.
- Intelligent Credit - a systematic model driven strategy that applies a value factor model to a chosen universe of bonds (investment grade, short duration, or high yield), and constructs a portfolio optimized around the 20% more attractive securities identified based on alpha-factored scoring.

We may purchase and/or sell derivative instruments in portfolios to implement these strategies and (i) as a substitute for holding securities directly, (ii) for hedging purposes, (iii) to take a net short position with respect to certain issuers, sectors, or markets, (iv) to facilitate the implementation of their investment strategies, (v) to adjust the interest rate sensitivity and duration of portfolio or (vi) to manage a portfolio's asset class exposures. We may also increase or decrease a portfolio's cash reserves to seek to achieve the desired exposures for a portfolio, or in anticipation of a transition to a new money manager or large redemptions resulting from rebalancing by funds of funds or asset allocation programs.

While these strategies or techniques are designed to enhance the investment performance of each portfolio in which these strategies or techniques are employed, these strategies and techniques may increase a portfolio's risks and may result in higher levels of losses, higher portfolio turnover rates, additional brokerage commissions and other transaction costs, which losses, expenses or other costs may not be offset by any additional gains that may be realized through the use of such strategies and techniques.

Equitization, Short Term Investments and Fixed Income Securities

We generally exercise investment discretion for a client's cash balances. We generally pursue a strategy of being fully invested by exposing all or a portion of client cash to the performance of certain markets by purchasing equity or fixed income derivatives (also known as "equitization") as an overlay to the cash within the portfolio. This is intended to cause the client account to perform as though its cash was invested in those markets. We generally invest any remaining cash in short-term investments.

When we directly manage portfolios that are managed to short-term fixed income guidelines, we focus on diversification of risks including credit risk, interest rate risk and redemption risk. The portfolio manager evaluates quality ratings of individual holdings as well as the portfolio in aggregate, liquidity needs, duration requirements, spreads on products as well as internal and external credit ratings on holdings.

Environmental, Social, and Governance ("ESG")

We believe that environmental, social and governance (ESG) issues can impact security prices, and a deep understanding of these effects is value-adding to a skillful investment process. Our policy is to integrate ESG considerations throughout our investment manager evaluation process, portfolio management, advisory services, and when implementing proprietary solutions as desired by clients. For example, we include an assessment of ESG as part of our manager evaluation;

generate internal ESG metrics, research, and analytics; and offer ESG-labelled products with specific ESG objectives. Our approach in all cases is guided by our fiduciary duty. Our application of ESG considerations to any portfolio is subject to the laws and regulations applicable to that portfolio and clients' ESG preferences related to bespoke investment solutions.

As a component of our manager evaluation process, research analysts score money managers on their ESG integration based on a combination of interviews, surveys and a quantitative review of their portfolios. We believe a compelling money manager will:

- Demonstrate strong awareness of the potential risk and return of ESG issues on individual holdings and the portfolio structure;
- Provide a breadth of perspective and analytical inputs on ESG issues that are superior to peers; and
- Clearly demonstrate how portfolio positioning reflects the management of material ESG risks and/or how ESG exposures can materially add value.

We generally will not pursue a strategy where there are meaningful discrepancies found between the target ESG guidelines and holdings in the portfolio or when the manager's perspective and analytical inputs on the ESG issues lack rigor.

In managing investment solutions, we consider financially-material sustainability risks in the context of expected rewards using a blend of inputs from sources including, but not limited to investment managers, third-party data sources and Russell Investments propriety analysis and data. Furthermore, our portfolio managers incorporate bespoke sustainability risk management based on clients' requirements for customized mandates. We also seek to collaborate with our advisory clients to consider, monitor and manage sustainability risk priorities in their portfolios.

For implementation of proprietary solutions, we developed a custom metric for companies called our Material ESG score. We have mapped the characteristics identified by the Sustainability Accounting Standards Board ("SASB") as 'material' to firm profitability. We also incorporate datasets from third-party data providers, which include company-level scores ranging from indicators on granular ESG topics, to an overall company Risk Rating, scores for a variety of material ESG Issues, and scores for underlying indicators and events. With this more targeted collection of underlying data, we then apply an industry-specific weighting scheme to roll the data up into ESG scores. The result is a customized ESG score with an explicit focus on identifying ESG issues that are considered financially material to the company's business and/or its material risks. In constructing our in-house score, we focus on "indicators" and "events." Indicators take the form of scores on metrics such as employee turnover rate, human capital development, carbon intensity, and board diversity. Events refer to companies' involvement in incidents and controversies.

INVESTMENT STRATEGY RISKS

While we seek to manage accounts so that risks are appropriate to the strategy, it is not possible or desirable to fully mitigate all risks. Any investment includes the risk of loss and there can be no guarantee that a particular level of return will be achieved. The risks involved for different portfolios will vary based on each portfolio's investment strategy, the types of securities or other investments held in the portfolio, as well as macro and microeconomic conditions. In light of the current uncertainty, volatility, and distress in financial, social, political and health conditions around the world, the risks below are heightened significantly compared to normal conditions and therefore subject an account's investments to sudden and substantial losses. The fact that a particular risk below is not specifically identified as being heightened under current conditions does not mean that the risk is not greater than under normal conditions.

The following are descriptions of various primary risks related to our investment strategies. Not all possible risks can be described. The risks related to operations and investment strategy will also generally apply with respect to the unaffiliated money managers selected by us to invest client portfolio assets. Clients and other investors should carefully read all prospectuses, offering memorandum and other offering and governing documents for further information on the various risks prior to retaining us to manage an account or investing in any Russell Investments product. Clients and other investors should understand that they could lose some or all of their investment and should be prepared to bear the risk of such potential losses.

Asset Allocation Strategy Risk: Asset allocation strategies do not assure profit or diversification and do not protect against loss. There is a risk that the asset allocation may be incorrect in view of actual market conditions. In addition, an asset allocation strategy determination could result in underperformance as compared to other strategies with similar investment objectives and asset allocation strategies.

Asset-Backed Securities Risk: Asset-backed securities may include loans (such as auto loans or home equity lines of credit), receivables or other assets. The value of an asset-backed security may be affected by, among other things, actual or perceived changes in interest rates, factors concerning the interests in and structure of the issuer or the originator of the receivables, the market's assessment of the quality of underlying assets or actual or perceived changes in the creditworthiness of the individual borrowers, the originator, the servicing agent or the financial institution providing the credit support. Payment of principal and interest may be largely dependent upon the cash flows generated by the assets backing the securities. For purposes of determining the percentage of a portfolio's total assets invested in securities of issuers having their principal business activities in a particular industry, asset-backed securities will be classified separately, based on the nature of the underlying assets, according to the following categories: auto, diversified, retail and consumer loans, captive equipment and business, business trade receivables, nuclear fuel and capital and mortgage lending. Asset-backed securities may not have the benefit of any security interest in the related assets. Rising or high interest rates tend to extend the duration of asset-backed securities, making them more volatile and more sensitive to changes in interest rates. The underlying assets are sometimes subject to prepayments, which can shorten the security's weighted average life and may lower its return. Defaults on loans underlying asset-backed securities have become an increasing risk for asset-backed securities that are secured by home-equity loans related to sub-prime, Alt-A or non-conforming mortgage loans, especially in a declining residential real estate market. Credit card receivables are generally unsecured, and the debtors are entitled to the protection of a number of state and federal consumer credit laws, many of which give such debtors the right to set off certain amounts owed on the credit cards, thereby reducing the balance due. There is the possibility that recoveries on repossessed collateral may not, in some cases, be available to support payments on these securities.

Asset-backed securities are often backed by a pool of assets representing the obligations of a number of different parties. To lessen the effect of failures by obligors on underlying assets to make payments, the securities may contain elements of credit support which fall into two categories: (i) liquidity protection, and (ii) protection against losses resulting from ultimate default by an obligor on the underlying assets. Liquidity protection refers to the provision of advances generally by the entity administering the pool of assets, to ensure that the receipt of payments on the underlying pool occurs in a timely fashion. Protection against losses results from payment of the insurance obligations on at least a portion of the assets in the pool. This protection may be provided through guarantees, policies or letters of credit obtained by the issuer or sponsor from third parties, through various means of structuring the transaction or through a combination of such approaches. A portfolio will not pay any additional or separate fees for credit support. The degree of credit support provided for each issue is generally based on historical information respecting the level of credit risk associated with the underlying assets. Delinquency or loss in excess of that anticipated or failure of the credit support could adversely affect the return on an investment in such a security. The availability of asset-backed securities may be affected by legislative or regulatory developments. It is possible that such developments may require the disposal of any then-existing holdings of such securities. Collateralized loan obligations ("CLOs") carry additional risks, including, but not limited to: (i) the possibility that distributions from collateral securities will not be adequate to make interest or other payments and one or more tranches may be subject to up to 100% loss of invested capital;(ii) the quality of the collateral may decline in value or default;(iii) a portfolio may invest in CLOs that are subordinate to other classes; and (iv) the complex structure of the security may not be fully understood at the time of investment and may produce disputes with the issuer or unexpected investment results.

Asset Class Risk: Securities in a portfolio can underperform in comparison to the general securities markets, a particular securities market, or other asset classes.

Assumption of Catastrophe Risks: Portfolios may be subject to the risk of loss arising from direct or indirect exposure to various catastrophic events, including the following: hurricanes, earthquakes and other natural disasters (which may be caused, or enhanced in frequency and severity, by climate change factors); war, terrorism and other armed conflicts; social or political unrest; cyberterrorism; major or prolonged power outages or network interruptions; and public health crises, including infectious disease outbreaks, epidemics and pandemics. To the extent that any such event occurs and has a material effect on global financial markets or specific markets, issuers or underlying investments in which the portfolio invests (or has a material negative impact on our operations or operation of service providers), the risks of loss can be substantial and could have a material adverse effect on the portfolio and the investments.

Borrowing Risk: Borrowing may exaggerate changes in the net assets and returns of a portfolio. Borrowing will result in the portfolio incurring interest expense and other fees, potentially reducing a portfolio's return. This can, at times, result in a need for the portfolio to liquidate positions when it may not be advantageous to do so to satisfy its borrowing obligations. Borrowing arrangements can be used to meet short-term investment and liquidity needs or to employ forms of leverage that entail risks, including the potential for higher volatility and greater declines of a portfolio's value, and fluctuations of dividend and other distribution payments.

Changes in Law and Government Intervention Risk: The investment and other activities of clients, RIIS, Funds, third-party money managers, and related persons are subject to complicated legal and regulatory requirements, and any changes to such requirements or their interpretation and/or any related governmental intervention would expose such persons to significant risks, the realization of which could have a material adverse effect on a client and/or its underlying investors. Changes in securities, tax, banking, broker-dealer, investment adviser, reorganization, insolvency, lender liability, consumer protection, borrower protection, data privacy, regulatory capital, and other laws, regulations, rules, or policies, as well as changes in accounting standards, changes to exchange and self-regulatory organization rules, governmental intervention in markets generally, and other factors (any of which could have a retroactive effect), could decrease the number of investment opportunities that are available for clients or that RIIS is willing to pursue; eliminate such opportunities altogether; decrease returns associated with certain Investments or certain elements of RIIS investment strategies; increase the complexity and cost of a client's activities; expose a client, investments, and/or RIIS or its related persons to greater risk of regulatory scrutiny and sanction; create additional conflicts of interest between clients, on the one hand, and RIIS and its related persons, on the other hand; necessitate or otherwise prompt amendments to the organizational documents of one or more Fund clients; reduce the information that is made available to clients; and/or result in other changes to a client's operations. Any such changes could have a material adverse effect on a client and/or its underlying investors.

In general, we believe that there is a high likelihood of significantly increased regulation in the future. It is impossible to predict the impact on the financial services industry, RIIS, and/or any clients of such increased regulation, any new legislation or other requirements, the heightened interest generally in regulation and oversight of market participants, or additional temporary or permanent government restrictions. Legislative and/or regulatory changes may prove to be disruptive to the financial services industry and/or to RIIS and, consequently, could have a material adverse effect on our clients and/or their underlying investors.

Commodity Risk: Exposure to the commodities markets may subject commodity portfolios to greater volatility than investments in traditional securities, particularly if the investments involve leverage. The value of commodity-linked derivative instruments may be affected by changes in overall market movements, commodity index volatility, changes in interest rates or sectors affecting a particular industry or commodity, such as drought, floods, weather, livestock disease, public health emergencies, embargoes, tariffs, and international economic, political, and regulatory developments. An unexpected surplus of a commodity caused by one of the aforementioned factors, for example, may cause a significant decrease in the value of the commodity (and a decrease in the value of any investments directly correlated to the commodity). Conversely, an unexpected shortage of a commodity caused by one of the aforementioned factors may cause a significant increase in the value of the commodity (and a decrease in the value of any investments inversely correlated to that commodity). The commodity markets are subject to temporary distortions and other disruptions due to, among other factors, lack of liquidity, the participation of speculators, international economic, political, and regulatory developments, and other actions. Use of leveraged commodity-linked derivatives creates an opportunity for increased return but, at the same time, creates the possibility for greater loss (including the likelihood of greater volatility of the portfolio's net asset value), and there can be no assurance that the portfolio's use of leverage will be successful. Different sectors of commodities, including precious metals, base metals, energy, and agricultural commodities may have very different risk characteristics and different levels of volatility. Even within a given sector of a commodity (e.g., energy commodities), there can be significant differences in volatility and correlation between different commodity contracts (e.g., crude oil vs. natural gas), and similarly there can be significant differences in volatility and correlation between contracts expiring at different dates. In addition, the purchase of derivative instruments linked to one type of commodity and the sale of another (i.e., "basis spreads" or "product spreads"), or the purchase of contracts expiring at one date and the sale of contracts expiring at another (i.e., "calendar spreads") may expose the portfolio to additional risk, which could cause the portfolio to underperform other portfolios with similar investment objectives and investment strategies even in a rising market.

Company Risk: Company risk is the risk that the value of fixed income securities issued by a company fluctuates in response to the performance of the individual company.

Concentration Risk: Concentrating investments in an issuer or issuers, in a particular country, group of countries, region, market, industry, sector or asset class means that performance will be more susceptible to loss due to adverse occurrences affecting those investments than a more diversified mix of investments.

Counterparty Risk: Counterparty risk is the risk that the other party(ies) in an agreement or a participant to a transaction, such as a broker or swap counterparty, might default on a contract or fail to perform (e.g., by failing to pay amounts due or failing to fulfil the delivery conditions of the contract or transaction and the related risk of having concentrated exposure to a counterparty). Counterparty risk is inherent in many transactions and all contracts and agreements, including, but not limited to, transactions involving derivatives, repurchase agreements, securities lending, short sales, credit and liquidity enhancements and equity or commodity-linked notes.

Country Risk: A portfolio's return and net asset value may be significantly affected by political or economic conditions and regulatory requirements in a particular country. Non-U.S. markets, economies and political systems may be less stable than U.S. markets, and changes in exchange rates of foreign currencies can affect the value of a portfolio's foreign assets. Less information may be available about foreign companies than about domestic companies, and foreign companies are generally not subject to the same uniform accounting, auditing and financial reporting standards or other regulatory practices and requirements comparable to those applicable to domestic companies. In addition, non-U.S. laws in some cases may not be as comprehensive as they are in the U.S. Non-U.S. securities markets may be less liquid and have fewer transactions than U.S. securities markets. Additionally, non-U.S. securities markets may experience delays and disruptions in securities settlement procedures for a portfolio's portfolio securities. Investments in foreign countries could be affected by potential difficulties in enforcing contractual obligations and could be subject to extended settlement periods or restrictions affecting the prompt return of capital to the U.S. countries.

Geopolitical developments in certain countries in which a portfolio may invest have caused, or may in the future cause, significant volatility in financial markets. For example, the United Kingdom's exit from the European Union, or Brexit, resulted in market volatility and caused additional market disruption on a global basis.

Investments in the People's Republic of China. Investments can be made in securities and instruments that are economically tied to the People's Republic of China ("PRC"). In determining whether an instrument is economically tied to the PRC, we use the criteria for determining whether an instrument is economically tied to an emerging market country. Investing in securities and instruments economically tied to the PRC subjects client portfolios to the risks listed under "Country Risk", including those associated with developing and emerging market risks.

The PRC is dominated by the one-party rule of the Communist Party. Investments in the PRC involve risks of greater governmental control over the economy. Unlike in the U.S., the PRC's currency is not determined by the market, but is instead managed at artificial levels relative to the U.S. dollar. This system could result in sudden, large adjustments in the currency, which could negatively impact foreign investors. The PRC could also restrict the free conversion of its currency into foreign currencies, including the U.S. dollar. Currency repatriation restrictions could cause securities and instruments tied to the PRC to become relatively illiquid, particularly in connection with redemption requests. The PRC government exercises significant control over economic growth through direct and heavy involvement in resource allocation and monetary policy, control over payment of foreign currency denominated obligations and provision of preferential treatment to particular industries and/or companies. Economic reform programs in the PRC have contributed to growth, but there is no guarantee that such reforms will continue. The application of tax laws (e.g., the imposition of withholding taxes on dividend or interest payments) or confiscatory taxation may also affect a portfolio's investments in the PRC. Because the rules governing taxation of investments in securities and instruments economically tied to the PRC are unclear, we may provide for capital gains taxes on a portfolio investing in such securities and instruments by reserving both realized and unrealized gains from disposing or holding securities and instruments economically tied to the PRC. This approach is based on current market practice and our understanding of the applicable tax rules. Changes in market practice or understanding of the applicable tax rules may result in the amounts reserved being too great or too small relative to actual tax burdens. In addition, as much of China's growth over recent decades has been a result of significant investment in substantial export trade, international trade tensions may arise from time to time which can result in trade tariffs, embargoes, trade limitations, trade wars and other negative consequences. These consequences may trigger a significant reduction in international trade, the oversupply of certain manufactured goods, substantial price reductions of goods and possible failure of individual companies and/or large segments of China's export industry with a potentially severe negative impact to portfolios. In addition, it is possible that the continuation or worsening of the current political climate could result in regulatory restrictions being contemplated or imposed in the U.S. or in China that could have a material adverse effect on a portfolio's ability to invest in accordance with its investment policies and/or achieve its investment objective.

In November 2020, the then President of the United States issued an executive order ("CCMC Order") prohibiting U.S. persons from transacting in securities of any Chinese company identified by the Secretary of Defense as a "Communist Chinese military company" ("CCMC") or in instruments that are derivative of, or are designed to provide investment exposure to, prohibited CCMC securities. The CCMC order was amended in June 2021 when the President of the United States issued an executive order ("CMIC Order") prohibiting U.S. persons from purchasing or selling publicly traded securities (including publicly traded securities that are derivative of or are designed to provide exposure to, such securities) of any Chinese company identified as a Chinese Military Industrial Complex Company ("CMIC"). This prohibition expands on the CCMC order. To the extent that a portfolio holds securities of a Chinese issuer and the issuer of a securities holding is deemed to be a CMIC, it may have a material adverse effect on our ability to pursue a specified investment objective and/or strategy. To the extent that a portfolio currently transacts in securities of a foreign company on a U.S. exchange but is unable to do so in the future, the portfolio will have to seek other markets in which to transact in such securities which could increase costs to the portfolio. In addition, to the extent that a portfolio holds a security of a CMIC, one or more intermediaries may decline to process customer orders with respect to such portfolio unless and until certain representations are made by RI or the CMIC holding(s) are divested. Certain CMIC securities may have less liquidity as a result of such designation and the market price of such CMIC may decline and a portfolio may incur a loss as a result. In addition, the market for securities of other Chinese-based issuers may also be negatively impacted resulting in reduced liquidity and price declines.

Investments in Russia, Belarus, and Ukraine. As a result of recent Russian military actions and invasion of Ukraine, beginning February 21, 2022, the United States, the United Kingdom, the European Union, Australia, and Canada, amongst other allies and partners around the world, imposed expansive economic sanctions upon key Russian and Belarussian institutions as well as individuals. The imposed sanctions combined the freezing and/or blocking of certain financial institutions and individual's assets with a short divestiture period of securities on certain named entities. This has resulted in a significant decline in the value of the Russian rubble, increased illiquidity, and valuation risk for Russian and Belarussian securities. Clients' portfolios with investments in Russian and Belarussian securities can experience an adverse overall value and performance impact due to the inability to price these securities and/or our subsequent decision to assign a zero value to some of these securities. We also are prohibited from trading sanctioned securities and may be unable to trade non-sanctioned Russian and Belarussian securities as a result of illiquidity or no available market. To the extent that a portfolio's strategy includes allocation to these securities, we may be constrained in meeting the allocation requirements. While Ukrainian securities are not currently sanctioned, client portfolios with investments in Ukrainian securities could also experience significant declines in value as a result of the political or economic conditions created by the ongoing Russian invasion due to illiquid markets.

Currency Contracts Risk: Portfolios may engage in currency contracts to hedge against uncertainty in the level of future exchange rates or to effect investment transactions consistent with a portfolio's investment objectives and strategies. Foreign currency exchange transactions will be conducted on either on a spot (i.e., cash) basis at the rate prevailing in the currency exchange market, or through entering into forward currency exchange contracts ("forward contract") to purchase or sell the currency at a future date. Certain portfolios may also enter into options on foreign currencies. Currency spot, forward and option prices are highly volatile, and may be illiquid. Such prices are influenced by, among other things: (i) changing supply and demand relationships; (ii) government trade, fiscal, monetary and exchange control programs and policies; (iii) national and international political and economic events; and (iv) changes in interest rates. From time to time, governments intervene directly in these markets with the specific intention of influencing such prices. Currency trading may also involve economic leverage (i.e., the portfolio) may have the right to a return on its investment that exceeds the return that the portfolio would expect to receive based on the amount contributed to the investment), which can increase the gain or the loss associated with changes in the value of the underlying instrument. Forward currency contracts are subject to the risk that should forward prices increase, a loss will be incurred to the extent that the price of the currency agreed to be purchased exceeds the price of the currency agreed to be sold and also can be subject to other risks described under "Derivatives" below. Due to the tax treatment of gains and losses on certain currency forward and options contracts, the use of such instruments may cause fluctuations in a portfolio's income distributions, including the inability of a portfolio to distribute investment income for any given period. As a result, a portfolio's use of currency trading strategies may adversely impact a portfolio's ability to meet its investment objective of providing current income. Many foreign currency forward contracts will eventually be exchange-traded and cleared. Although these changes are expected to decrease the credit risk associated with bi-laterally negotiated contracts, exchange-trading and clearing would not make the contracts risk-free.

Depositary Receipts Risk: Depositary receipts (including American Depositary Receipts and Global Depositary Receipts) are securities traded on a local stock exchange that represent securities issued by a foreign publicly listed company. Depositary receipts are generally subject to the same risks of investing in the foreign securities they evidence on and into which they may be converted.

Derivatives Risk (Futures Contracts, Options, Forwards, Swaps and Swaptions): Derivatives and other similar instruments are financial contracts whose value depends on, or is derived from, the value of an underlying asset, reference rate or index. Derivatives are typically used as a substitute for taking a position in the underlying asset and/or as part of a strategy designed to reduce exposure to other risks, such as currency risk. Derivatives may also be used for leverage, to facilitate the implementation of an investment strategy or to take a net short position with respect to certain issuers, sectors, or markets. A portfolio may also use derivatives to pursue a strategy to be fully invested. Investments in a derivative instrument could lose more than the initial amount invested, and certain derivatives have the potential for unlimited loss. Compared to conventional securities, derivatives can be more sensitive to changes in interest rates or to sudden fluctuations in market prices, and thus a portfolio's losses may be greater if it invests in derivatives than if it invests only in conventional securities. Certain portfolios' use of derivatives may cause the portfolio's investment returns to be impacted by the performance of securities the portfolio does not own and result in the portfolio's total investment exposure exceeding the value of its portfolio. Investments in derivatives can cause a portfolio's performance to be more volatile. Leverage tends to exaggerate the effect of any increase or decrease in the value of a security, which exposes a portfolio to a heightened risk of loss.

The use of derivative instruments involves risks different from, or possibly greater than, the risks associated with investing directly in securities, physical commodities or other investments. Derivatives are generally subject to a number of risks such as leverage risk, liquidity risk, market risk, credit risk, default risk, counterparty risk, management risk, operational risk and legal risk. Certain of these risks do not apply to derivative instruments entered into for hedging or cash equitization, certain cleared derivative instruments, and written options contracts. Derivatives also involve the risk of mispricing or improper valuation and the risk that changes in the value of the derivative may not correlate exactly with the change in the value of the underlying asset, rate or index. Also, appropriate derivative transactions may not be available in all circumstances and there can be no assurance that a portfolio will engage in these transactions to reduce exposure to other risks when that would be beneficial.

Participation in the options or futures markets, as well as the use of various swap instruments and forward contracts, involves investment risks and transaction costs to which a portfolio would not be subject absent the use of these strategies. If a portfolio's predictions of the direction of movements of the prices in the underlying instruments are inaccurate, the adverse consequences to a portfolio may leave the portfolio in a worse position than if such strategies were not used. Risks inherent in the use of options, futures contracts, options on futures contracts, forwards and swaps include:

- dependence on the ability to correctly predict movements in the direction of securities prices, currency rates, interest rates or commodities prices;
- imperfect correlation between the price of the derivative instrument and the underlying asset, reference rate or index;
- the specialized skills needed to use these strategies;
- the absence of a liquid secondary market for any particular instrument at any time;
- the possible need to defer closing out certain hedged positions to avoid adverse tax consequences;

- for over the counter ("OTC") derivative products and structured notes, additional credit risk and the risk of counterparty default and the risk of failing to correctly evaluate the creditworthiness of the company on which the derivative is based; and
- the possible inability of a portfolio to purchase or sell a portfolio holding at a time that otherwise would be favorable for it to do so, or the possible need to sell the holding at a disadvantageous time, due to the requirement that the portfolio post certain types of securities or cash as "margin" or collateral in connection with use of certain derivatives.

To the extent that an account enters into futures contracts that are linked to LIBOR (defined below), such futures contracts would be subject to the risks related to LIBOR transition discussed below.

Developing, Emerging or Frontier Markets Risk: The risks associated with investing in securities are heightened for investments in developing or emerging markets. In general, emerging markets investments may be subject to less stringent investor protection standards as compared with investments in U.S. or other developed market equity securities. Investments in emerging or developing markets involve exposure to economic structures that are generally less diverse and mature, and to political systems which can be expected to have less stability, than those of more developed countries. As a result, emerging market governments are more likely to take actions that are hostile or detrimental to private enterprise or foreign investment than those of more developed countries, including expropriation of assets, confiscatory taxation or unfavorable diplomatic developments. In general, this can be expected to result in less stringent investor protection standards as compared with investments in U.S. or other developed market equity securities. In the past, governments of such nations have expropriated substantial amounts of private property, and most claims of the property owners have never been fully settled. There is no assurance that such expropriations will not reoccur. In such an event, it is possible that an account could lose the entire value of its investments in the affected market. Some countries have pervasiveness of corruption and crime that may hinder investments. Practices in relation to settlement of securities transactions in emerging markets involve higher risks than those in developed markets, in part because any portfolio investing in such markets will need to use broker-dealers and counterparties that are less well-capitalized, and custody and registration of assets in some countries may be unreliable. Emerging market countries typically have less established legal, accounting, and financial reporting systems than those in more developed markets, which may reduce the scope or quality of financial information available to investors. In addition, there is the risk that the Public Company Accounting Oversight Board ("PCAOB") may not be able to inspect audit practices and work conducted by audit firms in emerging market countries – such as the People's Republic of China – and, therefore, there is no guarantee that the quality of financial reporting or the audits conducted by audit firms of emerging market issuers meet PCAOB standards. We maintain oversight of our money managers; however, due diligence on specific emerging market securities is the responsibility of the money managers to our multi-manager portfolios.

The possibility of fraud, negligence, or undue influence being exerted by the issuer or refusal to recognize that ownership exists in some emerging markets, along with other factors, could result in ownership registration being completely lost. Any portfolio investing in the relevant market would absorb any loss resulting from such registration problems and may have no successful claim for compensation. In addition, communications between the United States and emerging market countries may be unreliable, increasing the risk of delayed settlements or losses of security certificates. Moreover, the economies of individual emerging market countries may differ favorably or unfavorably from the U.S. economy in such respects as the rate of growth in gross domestic product, the rate of inflation, capital reinvestment, resource self-sufficiency and balance of payments position. Furthermore, U.S. regulatory authorities' ability to enforce legal and/or regulatory obligations against individuals or entities, and shareholders' ability to bring derivative litigation or otherwise enforce their legal rights, in emerging market countries may be limited. Because a portfolio's foreign securities will generally be denominated in foreign currencies, the value of such securities to the portfolio will be affected by changes in currency exchange rates and in exchange control regulations. A change in the value of a foreign currency against the U.S. dollar will result in a corresponding change in the U.S. dollar value of the portfolio's foreign securities. In addition, some emerging market countries may have fixed or managed currencies which are not free-floating against the U.S. dollar. Further, certain emerging market countries' currencies may not be internationally traded. Certain of these currencies have experienced devaluations relative to the U.S. dollar. Many emerging market countries have experienced substantial, and in some periods extremely high, rates of inflation for many years. Inflation and rapid fluctuations in inflation rates have had, and may continue to have, negative effects on the economies and securities markets of certain emerging market countries.

Investments in emerging market country government debt securities involve special risks. Certain emerging market countries have historically experienced high rates of inflation, high interest rates, exchange rate fluctuations, large amounts of external debt, balance of payments and trade difficulties and extreme poverty and unemployment. The issuer or governmental authority that controls the repayment of an emerging market country's debt may not be able or willing to repay the principal and/or interest when due in accordance with the terms of such debt. As a result, a government obligor may default on its obligations. If such an event occurs, a fund may have limited legal recourse against the issuer and/or guarantor.

Local Access Products or Participation Notes: Local access products, also called participation notes, are a form of derivative security issued by foreign banks that either give holders the right to buy or sell an underlying security or securities for a particular price or give holders the right to receive a cash payment relating to the value of the underlying security or securities. The instruments may or may not be traded on a foreign exchange. Local access products are similar to options in that they are exercisable by the holder for an underlying security or the value of that security but are generally exercisable over a longer term than typical options. These types of instruments may be exercisable in the American style, which means that they can be exercised at any time on or before the expiration date of the instrument, or exercisable in the European style, which means that they may be exercised only on the expiration date. Local access products have an exercise price, which is fixed when they are issued. Investments in these instruments involve the risk that the issuer of the instrument may default on its obligation to deliver the underlying security or its value. These instruments may also be subject to counterparty risk, liquidity risk, currency risk and the risks associated with investment in foreign securities. In the case of any exercise of the instruments, there may be a delay between the time a holder gives instructions to exercise and the time the price of the security or the settlement date is determined, during which time the price of the underlying security could change significantly. In addition, the exercise or settlement date of the local access products may be affected by certain market disruption events, such as difficulties relating to the exchange of a local currency into U.S. dollars, the imposition of capital controls by a local jurisdiction or changes in the laws relating to foreign investments. These events could lead to a change in the exercise date or settlement currency of the instruments, or postponement of the settlement date. In some cases, if the market disruption events continue for a certain period of time, the local access products may become worthless resulting in a total loss of the purchase price.

Investments in frontier markets are generally subject to all of the risks of investments in non-U.S. and emerging markets securities, but to a heightened degree. Because frontier markets are among the smallest, least developed, least liquid, and most volatile of the emerging markets, investments in frontier markets are generally subject to a greater risk of loss than investments in developed or traditional emerging markets. Many frontier market countries operate with relatively new and unsettled securities laws and are heavily dependent on commodities, foreign trade and/or foreign aid. Compared to developed and traditional emerging market countries, frontier market countries typically have less political and economic stability, face greater risk of a market shutdown, and impose greater governmental restrictions on foreign investments.

Distressed Securities Risk: Investments in companies that are in poor financial condition, lack sufficient capital or are involved in bankruptcy proceedings face the unique risks of lack of information with respect to the issuer, the effects of bankruptcy laws and regulations and greater market volatility than is typically found in other securities markets. As a result, investments in securities of distressed companies involve significant risks that could result in a portfolio incurring losses with respect to such investments. Distressed securities may also be illiquid and difficult to value. In the event that the issuer of a distressed security defaults or initiates insolvency proceedings, a portfolio could lose all of its investment in the distressed security, or it may be required to accept cash or securities with a value less than a portfolio's original investment.

Equity Securities Risk: The value of equity securities fluctuates in response to general market and economic conditions (market risk) and in response to the performance of individual companies (company risk). Therefore, the value of an investment in the portfolios that hold equity securities may decrease. The market can decline for many reasons, including adverse political or economic developments in the U.S. or abroad, changes in investor psychology, or heavy institutional selling. Also, certain unanticipated events, such as natural disasters, pandemics, epidemics, terrorist attacks, war, economic sanctions, and other geopolitical events, can have a dramatic adverse effect on stock markets. Changes in the financial condition of a company or other issuer, changes in specific market, economic, political, and regulatory conditions that affect a particular type of investment or issuer, and changes in general market, economic, political, and regulatory conditions can adversely affect the price of equity securities. These developments and changes can affect a single issuer, issuers within a broad market sector, industry or geographic region, or the market in general.

Exchange Traded Funds Risk: We may purchase shares of ETFs to gain exposure to a particular portion of the market instead of or prior to purchasing securities directly, as an alternative to a derivative contract, or in the absence of an appropriate derivative alternative. ETFs are investment companies whose shares are bought and sold on a securities exchange. ETFs invest in a portfolio of securities designed to track a particular market segment or index, which may be broad-based or customized by an index-provider. ETFs, like mutual funds, have expenses associated with their operation, including advisory fees. When a portfolio invests in an ETF, in addition to directly bearing expenses associated with its own operations, it will bear a pro rata portion of the ETF's expenses. The risks of owning shares of an ETF generally reflect the risks of owning the underlying securities the ETF is designed to track, although lack of liquidity and other factors in an ETF could result in its value being more volatile than the underlying portfolio of securities, and may result in tracking error relative to the index. In addition, because of ETF expenses, compared to owning the underlying securities directly, it may be more costly to own an

ETF.

Exchange Traded Notes Risk: ETNs are unsecured, unsubordinated debt securities that have characteristics and risks similar to those of fixed-income securities. ETNs trade on major securities exchanges, similar to shares of ETFs. ETNs differ from other types of bonds and notes because (i) ETN returns are based upon the performance of a market index less applicable fees, (ii) no period coupon payments are distributed, and (iii) no principal protections exist. In general, ETNs are considered to be a type of security that combines characteristics of both bonds and ETFs. The value of an ETN may be influenced by time to maturity, level of supply and demand for the ETN, volatility and lack of liquidity in underlying commodities or securities markets upon which the return of the ETN is based (in whole or in part), changes in the applicable interest rates, changes in the issuer’s credit rating, and economic, legal, political, or geographic events that affect the referenced commodity or security. A decision to sell an ETN investment at any particular time also may be limited by the availability and strength of a secondary market at that time. If a portfolio’s investments in ETNs is sold at a time when the secondary market in ETNs is weak, such ETNs might have to be sold at a discount. If the portfolio holds its investment in an ETN until maturity, the issuer of the ETN is generally expected to give a cash amount that would be equal to the principal amount (subject to the relevant index factor on the day of maturity). ETNs also are subject to counterparty credit risk and fixed-income risk.

Fixed Income Securities Risk: Fixed income securities generally are subject to the following additional risks:

> ***Interest Rate Risk.*** Interest rate risk which is the risk that prices of fixed income securities generally rise and fall in response to interest rate changes. Generally, when interest rates rise, prices of fixed income securities fall and when interest rates fall, prices of fixed income securities rise. Interest rates have recently been increased from historical lows and may continue to increase in the future, though the timing or magnitude of future increases is difficult to predict. As a result, risks associated with rising interest rates are currently heightened. Expectations of higher inflation generally cause interest rates to rise. The longer the duration of the security, the more sensitive the security is to that risk. A 1% increase in interest rates would reduce the value of a $100 note by approximately one dollar if it had a one-year duration. The effect of changing interest rates on financial markets, including negative interest rates, cannot be known with certainty but may expose fixed income and related markets to heightened volatility and illiquidity. Very low or negative interest rates may magnify interest rate risks. To the extent a portfolio holds an investment with a negative interest rate to maturity, the portfolio would generate a negative return on that investment. If negative interest rates become more prevalent in the market and/or if negative interest rates persist for a sustained period of time, investors may seek to reallocate assets to higher-yielding assets which, among other potential consequences, could result in increases in the yield and decreases in the prices of fixed-income investments over time.
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> ***Credit and Default Risk.*** Credit and default risk is the risk that a portfolio could lose money if the issuer or guarantor of a fixed income security or other issuer of credit support is unable or unwilling to make timely principal and/or interest payments, or to otherwise honor its obligations. Securities are subject to varying degrees of credit risk which are often reflected in credit ratings. Fixed income securities may be downgraded in credit rating or go into default. While all fixed income securities are subject to credit risk, lower-

rated bonds and bonds with longer final maturities generally have higher credit risks and higher risk of default.

Inflation Risk. Inflation risk is the risk that the present value of a security will be less in the future if inflation decreases the value of money.

LIBOR Risk. Certain fixed income securities, derivatives and other financial instruments may utilize or may have utilized the London Interbank Offered Rate ("LIBOR") as the reference or benchmark rate for interest rate calculations. The United Kingdom's Financial Conduct Authority ("FCA") announced plans to phase out the use of LIBOR by the end of 2021. After June 30, 2023, all tenors of LIBOR have either ceased to be published or, in the case of 1-month, 3- month and 6-month U.S. dollar LIBOR settings, are no longer being published on a representative basis. Replacement rates that have been identified include the Secured Overnight Financing Rate ("SOFR"), which is intended to replace U.S. dollar LIBOR and measures the cost of overnight borrowings through repurchase agreement transactions collateralized with U.S. Treasury securities, the Sterling Overnight Index Average Rate ("SONIA"), which is intended to replace GBP LIBOR and measures the overnight interest rate paid by banks for unsecured transactions in the sterling market, and other rates derived from markets connected to SOFR, such as Term SOFR. On April 3, 2023, the FCA announced its decision to require LIBOR's administrator to publish an unrepresentative "synthetic LIBOR" using a changed methodology until at least the end of September 2024. The impact of synthetic LIBOR is uncertain and some LIBOR contracts may use synthetic LIBOR instead of other alternative reference rates. Accordingly, synthetic LIBOR may be a significant factor in the cost of financing certain Fund investments or the value or return on certain other Fund investments. The unavailability of LIBOR may affect the value, liquidity or return on certain Fund investments and may result in costs in connection with closing out positions and entering into new trades. Pricing adjustments to a Fund's investments resulting from a substitute reference rate may adversely affect the Fund's performance and/or net asset value. The impact of the substitute reference rate will vary on an investment-by-investment basis, and any differences may be material and/or create material economic mismatches, especially if investments are used for hedging or similar purposes. These developments could negatively impact financial markets in general and present heightened risks to the Funds, including with respect to their performance, liquidity and volatility.

Frequent Trading Risk: Certain strategies may trade securities frequently. Frequent trading of portfolio securities may produce capital gains, which are taxable to clients when distributed. Frequent trading may also increase the amount of commissions or mark-ups to broker-dealers that a portfolio pays when it buys and sells securities, which may detract from portfolio performance. Higher portfolio turnover rates may also increase a portfolio's operational risk.

Fundamental Investing Risk: A fundamental investment approach uses research and analysis of a variety of factors to create a forecast of company results, which is used to select securities. The process may result in an evaluation of a security's value that may be incorrect or, if correct, may not be reflected by the market. Security or instrument selection made on the basis of a fundamental investment approach is subject to significant losses when the actual market prices of securities are materially different than from the prices predicted by the forecast resulting from the fundamental analysis. Fundamental analysis is inherently subject to the risk of not having identified all the relevant factors. In addition, the macro-economic factors considered by a money manager may be difficult to evaluate or implement. Fundamental investing also is inherently subject to the unpredictable duration of periods during which market prices and actual value as determined by such analysis will change. Security or instrument selection using a fundamental investment approach may cause a portfolio to underperform other funds with similar investment objectives and investment strategies even in a rising market.

Global Financial Markets Risk: Global economies and financial markets are increasingly interconnected and political and economic conditions (including recent volatility and instability due to international trade disputes) and events (including natural disasters, pandemics and epidemics, terrorist acts, social unrest and government shutdowns) in one country, region or financial market may adversely impact issuers in a different country, region or financial market. In addition, government and quasi-government organizations have taken a number of unprecedented actions designed to support the markets. As a result, issuers of securities held by a portfolio may experience a significant decline in the value of their assets and even cease operations. This could occur whether or not the portfolios invest in securities of issuers located in or with significant exposure to the countries directly affected. Such conditions and/or events may not have the same impact on all types of securities and may expose a portfolio to greater market and/or liquidity risk, and potentially difficulty in valuing portfolio instruments held by a portfolio. This could cause a portfolio to underperform other types of investments. The severity or duration of such conditions and/or events may be affected by policy changes made by governments or quasi-governmental organizations.

Furthermore, a country's economic conditions, political events, military action and/or other conditions may lead to foreign government intervention and the imposition of economic sanctions. Such sanctions may include (i) the prohibition, limitation or restriction of investment, the movement of currency, securities or other assets; (ii) the imposition of exchange controls or confiscations; and (iii) barriers to registration, settlement or custody. Sanctions may impact the ability of a portfolio to buy, sell, transfer, receive, deliver or otherwise obtain exposure to, foreign securities or currency, which may negatively impact the value and/or liquidity of such investments.

From time to time, outbreaks of infectious illness, public health emergencies and other similar issues ("public health events") may occur in one or more countries around the globe. Such public health events have had significant impacts on both the country in which the event is first identified as well as other countries in the global economy. Public health events have reduced consumer demand and economic output in one or more countries subject to the public health event, resulted in restrictions on trading and market closures (including for extended periods of time), increased substantially the volatility of financial markets, and, more generally, have had a significant negative impact on the economy of the country or countries subject to the public health event. Public health events have also adversely affected the global economy, global supply chains and the securities in which a client portfolio invests across a number of industries, sectors and asset classes. The extent of the impact depends on, among other factors, the scale and duration of any such public health event. Public health events have resulted in the governments of affected countries taking potentially significant measures to seek to mitigate the transmission of the infectious illness or other public health issue including, among other measures, imposing travel restrictions and/or quarantines and limiting the operations of non-essential businesses. Any of these events could adversely affect a client portfolio's investments and performance. Governmental authorities and other entities may respond to such events with fiscal and/or monetary policy changes. It is not guaranteed that these policy changes will have their intended effect and it is possible that the implementation of or subsequent reversal of such policy changes could increase volatility in financial markets, which could adversely affect a client portfolio's investments and performance. RIIS monitors developments in financial markets and seeks to manage each client’s portfolio in a manner consistent with achieving he portfolio’s investment objective, but there can be no assurance that it will be successful in doing so.

Illiquid Securities Risk: An illiquid security is one that does not have a readily available market or that is subject to resale restrictions, possibly making it difficult to sell in the ordinary course of business at approximately the value at which the portfolio has valued it. A portfolio with an investment in an illiquid or less liquid security may not be able to sell the security quickly and at a fair price, which could cause the portfolio to realize losses on the security if the security is sold at a price lower than that at which it had been valued. An illiquid security may also have large price volatility. All assets and securities have liquidity risk – the risk that they may be more difficult to sell than anticipated and/or at a price as favorable as anticipated.

Index-Based Investing Risk: Index-based strategies, which may be used to seek to gain a portfolio’s desired exposures, may cause the portfolio’s returns to be lower than if a fundamental approach to security selection was employed. Additionally, index-based strategies are subject to “tracking error” risk, which is the risk that the performance of the portion of the portfolio utilizing an index-based strategy will differ from the performance of the index it seeks to track.

Infrastructure Company Risk: Investments in infrastructure-related companies have greater exposure to the potential adverse economic, regulatory, political, environmental, and other changes affecting such entities. Infrastructure-related companies are subject to a variety of factors that may adversely affect their business or operations including high interest costs in connection with capital construction programs, costs associated with compliance with and changes in environmental and other regulations, difficulty in raising capital in adequate amounts on reasonable terms in periods of high inflation and unsettled capital markets, the effects of surplus capacity, increased competition from other providers of services in a developing deregulatory environment, uncertainties concerning the availability of fuel at reasonable prices, the effects of energy conservation policies, the effects of environmental damage, and other factors. Additionally, infrastructure-related entities may be subject to regulation by various governmental authorities and may also be affected by governmental regulation of rates charged to customers, government budgetary constraints, service interruption due to environmental, operational or other mishaps and the imposition of special tariffs and changes in tax laws, regulatory policies and accounting standards. Other factors that may affect the operations of infrastructure-related companies include innovations in technology that could render the way in which a company delivers a product or service obsolete, significant changes to the number of ultimate end-users of a company's products, increased susceptibility to terrorist acts or political actions, risks of environmental damage due to a company's operations or an accident, and general changes in market sentiment towards infrastructure and utilities assets.

Leverage Risk: Certain transactions may give rise to various forms of leverage. Such transactions may include, among others, reverse repurchase agreements, dollar rolls, borrowing, loans of portfolio securities, and the use of when-issued, delayed delivery or forward commitment transactions and short sales. The use of derivatives typically creates economic leverage and thus leverage risk. To mitigate leveraging risk, a portfolio will segregate or “earmark” liquid assets or otherwise cover the transactions that may give rise to such risk. The use of leverage may cause a portfolio to liquidate portfolio positions when it may not be advantageous to do so to satisfy its obligations or to meet segregation requirements. Leverage may cause a portfolio to be more volatile than if the portfolio had not been leveraged. This is because leverage usually exaggerates the effect of any increase or decrease in the value of a portfolio’s portfolio securities. Leverage usually increases tracking error risk.

Liquidity Risk: The financial markets have recently experienced, and will likely again experience in the future, a variety of difficulties and changed economic conditions. Reduced liquidity in equity, credit and fixed-income markets may adversely affect the funds. In addition, these conditions could lead to reduced demand for the securities which are held within the funds, which may in turn decrease the value of the fund's assets. Because securities are marked to market and fluctuate in value based on supply and demand, reduced liquidity in the markets for certain securities could depress the value of the assets of the funds to less than their intrinsic value. Further, a decrease in the net asset value of a fund could lead to a default under some or all of its credit and loan facilities, as well as any repurchase and/or reverse repurchase agreements to which it is a party or has committed its assets, and force it to sell its assets at reduced prices in order to satisfy its obligations to its lenders and counterparties. If investors seek to redeem their investment in the fund, the fund may be forced to sell investments at less than intrinsic value in order to meet such redemption requests.

Market Risk: The securities and other financial instruments in portfolios may decline in value. This decline in value may cause a portfolio to not provide return of principal and/or liquidity to the shareholders. Despite strategies to achieve positive investment returns regardless of market conditions, the value of investments will change with market conditions and so will the value of any investments in the portfolio. Further, the success of a portfolio will be affected by general economic and market conditions, such as interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of the investments (direct or indirect)), trade barriers, currency exchange controls, and national and international political circumstances (including wars, terrorist acts or security operations). These factors may affect the level and volatility of the prices and the liquidity of the portfolio (direct or indirect). Volatility or illiquidity could impair the portfolio's profitability or result in losses.

Master Limited Partnership Risk: An investment in MLP units involves some risks that differ from an investment in the common stock of a corporation. Holders of MLP units have limited control on matters affecting the partnership. Investing in MLPs involves certain risks related to investing in the underlying assets of the MLPs and risks associated with pooled investment vehicles. MLPs that concentrate in a particular industry or a particular geographic region are subject to risks associated with such industry or region. The benefit derived from a portfolio's investment in MLPs is largely dependent on the MLPs being treated as partnerships for Federal income tax purposes. Any return of capital distributions received from an MLP equity security may require a portfolio to restate the character of distributions made by the portfolio as well as amend any previously issued shareholder tax reporting information.

Model Risk: We, and the third-party money managers, make extensive use of quantitative models for a wide range of applications, including but not limited to risk management, valuation, stress testing and financial/regulatory reporting. Models are generally used to generate estimates, which as estimates are not accurate actual numbers. Model usage exposes a financial institution to model risk, which typically involves the possibility of a financial loss, incorrect business decisions, misstatement of external financial disclosures or damage to the company's reputation arising from items such as:

- Errors in the model design and development process (including the design and development of changes to existing models);
- Errors in the data, theory, statistical analysis, assumptions or computer code underlying a model;

- Misapplication of models, or model results, by model users;
- Use of models whose performance does not meet industry and/or company standards; and
- Possible errors in the model production process, such as errors in data inputs and assumptions, or errors in model execution.

Money Manager Risk: The money managers selected for a portfolio may underperform the market generally or other money managers that could have been selected for that portfolio. The use of multiple money managers could increase a portfolio’s turnover rates which may result in higher levels of realized capital gains or losses with respect to a portfolio’s securities, higher brokerage commissions and other transaction costs. The investment styles employed by a portfolio’s money managers may not be complementary. The interplay of the various strategies employed by a portfolio’s multiple money managers may result in a portfolio holding a concentration of certain types of securities. This concentration may be beneficial or detrimental to a portfolio’s performance depending upon the performance of those securities and the overall economic environment.

Mortgage-Backed Securities Risk: The value of a portfolio’s mortgage-backed securities (“MBS”) may be affected by, among other things, changes or perceived changes in interest rates, factors concerning the interests in and structure of the issuer or the originator of the mortgage, or the quality of the mortgages underlying the securities. The mortgages underlying the securities may default or decline in quality or value. Through its investments in MBS, a portfolio has exposure to prime loans, subprime loans, Alt-A loans, and non-conforming loans as well as to the mortgage and credit markets generally. Subprime loans refer to loans made to borrowers with weakened credit histories or with a lower capacity to make timely payments on their loans. Alt-A loans refer to loans extended to borrowers who have incomplete documentation of income, assets, or other variables that are important to the credit underwriting processes. Non-conforming mortgages are loans that do not meet the standards that allow purchase by government-sponsored enterprises. Underlying collateral related to prime, subprime, Alt-A and non-conforming mortgage loans may be susceptible to defaults and declines in quality or value, especially in a declining residential real estate market. In addition, regulatory or tax changes may adversely affect the mortgage securities markets as a whole. MBS often have stated maturities of up to thirty years when they are issued, depending upon the length of the mortgages underlying the securities. In practice, however, unscheduled or early payments of principal and interest on the underlying mortgages may make the securities’ effective maturity shorter than this, and the prevailing interest rates may be higher or lower than the current yield of a portfolio at the time, resulting in reinvestment risk. Rising or high interest rates may result in slower than expected principal payments which may tend to extend the duration of MBS, making them more volatile and more sensitive to changes in interest rates. This is known as extension risk. MBS may have less potential for capital appreciation than comparable fixed income securities due to the likelihood of prepayments of mortgages resulting from foreclosures or declining interest rates. These foreclosed or refinanced mortgages are paid off at face value (par) or less, causing a loss, particularly for any investor who may have purchased the security at a premium or a price above par. In such an environment, this risk limits the potential price appreciation of these securities.

Residential mortgages are subject to the risks of delinquencies, defaults, and losses, which may increase substantially over certain periods and affect the performance of the MBS in which certain Funds may invest. Mortgage loans backing non-agency MBS are more sensitive to economic factors that could affect the ability of borrowers to pay their obligations under the mortgage loans backing these securities. In addition, a sustained decline or an extended flattening of housing prices or appraisal values may result in additional increases in delinquencies and losses on MBS generally.

As with other delayed-delivery transactions, a seller agrees to issue a to-be-announced MBS (a "TBA") at a future date. At the time of purchase, the seller does not specify the particular MBS to be delivered. Instead, a portfolio agrees to accept any MBS that meets specified terms agreed upon between the portfolio and the seller. TBAs are subject to the risk that the underlying mortgages may be less favorable than anticipated by a portfolio.

Collateralized mortgage obligations ("CMOs") are MBS that are collateralized by mortgage loans or mortgage pass-through securities. CMOs are issued in multiple classes, often referred to as "tranches," with each tranche having specific risk characteristics, payment structures and maturity dates. This creates different prepayment and market risks for each CMO class. The primary risk of CMOs is the uncertainty of the timing of cash flows that results from the rate of prepayments on the underlying mortgages and from the structure of the particular CMO transaction (that is, the priority of the individual tranches). The principal and interest payments on the underlying mortgages may be allocated among the several tranches of a CMO in varying ways including "principal only," "interest only" and "inverse interest only" tranches. These tranche structures affect the amount and timing of principal and interest received by each tranche from the underlying collateral. For example, an inverse interest-only class CMO entitles holders to receive no payments of principal and to receive interest at a rate that will vary inversely with a specified index or a multiple thereof. Under certain structures, particular classes of CMOs have priority over others with respect to the receipt of prepayments on the mortgages. Therefore, depending on the type of CMOs in which a portfolio invests, the investment may be subject to a greater or lesser risk of prepayment than other types of MBS.

Commercial mortgage-backed securities ("CMBS") include securities that reflect an interest in, and are secured by, mortgage loans on commercial real property. Many of the risks of investing in CMBS reflect the risks of investing in the real estate securing the underlying mortgage loans, including the effects of local and other economic conditions on real estate markets, the ability of property owners to make loan payments, the ability of tenants to make lease payments, and the ability of a property to attract and retain tenants. Investments in CMBS are also subject to the risks of asset-backed securities generally and may be particularly sensitive to prepayment and extension risks. CMBS securities may be less liquid and exhibit greater price volatility than other types of asset-backed securities.

Certain MBS may be issued or guaranteed by the U.S. government or a government-sponsored entity, such as Fannie Mae (the Federal National Mortgage Association) or Freddie Mac (the Federal Home Loan Mortgage Corporation). Although these instruments may be guaranteed by the U.S. government or a government-sponsored entity, many such MBS are not backed by the full faith and credit of the United States and are still exposed to the risk of non-payment. Since 2008, Fannie Mae and Freddie Mac have been operating under FHFA conservatorship and are dependent upon the continued support of the U.S. Department of the Treasury and FHFA in order to continue their business operations. The FHFA has made public statements regarding plans to consider ending the conservatorships. In the event that Fannie Mae and Freddie Mac are taken out of conservatorship, it is unclear how their respective capital structures would be constructed and what impact, if any, there would be on Fannie Mae's or Freddie Mac's creditworthiness and guarantees of certain mortgage-backed securities. Should the conservatorships end, there could be an adverse impact on the value of Fannie Mae or Freddie Mac securities, which could cause losses to a portfolio or Fund.

MBS held by a portfolio may be issued by private issuers including commercial banks, savings associations, mortgage companies, investment banking firms, finance companies and special purpose finance entities (called special purpose vehicles, or “SPVs”) and other entities that acquire and package mortgage loans for resale as MBS. These privately issued non-governmental MBS may offer higher yields than those issued by government entities, but also may be subject to greater price changes and other risks than governmental issues. MBS with exposure to subprime loans, Alt-A loans or non-conforming loans have had in many cases higher default rates than those loans that meet government underwriting requirements. The risk of non-payment is greater for MBS that are backed by mortgage pools that contain subprime, Alt-A and non-conforming loans, but a level of risk exists for all loans. Unlike MBS issued or guaranteed by the U.S. government or a government-sponsored entity, MBS issued by private issuers do not have a government or government-sponsored entity guarantee but may have credit enhancements provided by external entities such as banks or financial institutions or achieved through the structuring of the transaction itself. Examples of such credit support arising out of the structure of the transaction include the issue of senior and subordinated securities (e.g., the issuance of securities by an SPV in multiple classes or “tranches,” with one or more classes being senior to other subordinated classes as to the payment of principal and interest, with the result that defaults on the underlying mortgage loans are borne first by the holders of the subordinated class); creation of “reserve funds” (in which case cash or investments, sometimes funded from a portion of the payments on the underlying mortgage loans, are held in reserve against future losses); and “overcollateralization” (in which case the scheduled payments on, or the principal amount of, the underlying mortgage loans exceeds that required to make payment on the securities and pay any servicing or other fees). However, there can be no guarantee that credit enhancements, if any, will be sufficient to prevent losses in the event of defaults on the underlying mortgage loans.

In addition, MBS that are issued by private issuers are not subject to the underwriting requirements for the underlying mortgages that are applicable to those MBS that have a government or government-sponsored entity guarantee. As a result, the mortgage loans underlying private MBS may, and frequently do, have less favorable collateral, greater credit risk or other underwriting characteristics than government or government-sponsored MBS and have wider variances in a number of terms including interest rate, term, 74 size, purpose and borrower characteristics. Privately issued pools more frequently include second mortgages, high loan-to-value mortgages, and manufactured housing loans. The coupon rates and maturities of the underlying mortgage loans in a private-label MBS pool may vary to a greater extent than those included in a government guaranteed pool, and the pool may include subprime mortgage loans. Privately issued MBS are not traded on an exchange and there may be a limited market for the securities, especially when there is a perceived weakness in the mortgage and real estate market sectors. Without an active trading market, MBS held in a Fund’s portfolio may be particularly difficult to value because of the complexities involved in assessing the value of the underlying mortgage loans.

Reverse Mortgages: Certain portfolios may invest in mortgage-related securities that reflect an interest in reverse mortgages. Due to the unique nature of the underlying loans, reverse mortgage-related securities may be subject to risks different than other types of mortgage-related securities. The date of repayment for such loans is uncertain and may occur sooner or later than anticipated. The timing of payments for the corresponding mortgage-related security may be uncertain.

Adverse changes in market conditions and regulatory climate may reduce the cash flow which a portfolio, to the extent it invests in MBS or other asset-backed securities, receives from such securities and increase the incidence and severity of credit events and losses in respect of such securities. In the event that interest rate spreads for MBS and other asset-backed securities widen following the purchase of such assets by a portfolio, the market value of such securities is likely to decline and, in the case of a substantial spread widening, could decline by a substantial amount. Furthermore, adverse changes in market conditions may result in reduced liquidity in the market for MBS and other asset-backed securities and an unwillingness by banks, financial institutions, and investors to extend credit to servicers, originators and other participants in the market for MBS and other asset-backed securities. As a result, the liquidity and/or the market value of any MBS or asset-backed securities that are owned by a portfolio may experience declines after they are purchased by a portfolio.

Municipal Obligations Risk: Municipal obligations are subject to interest rate, credit and illiquidity risk and are affected by economic, business, and political developments. Lower rated municipal obligations are subject to greater credit and market risk than higher quality municipal obligations. The value of these securities, or an issuer's ability to make payments, may be subject to provisions of litigation, bankruptcy and other laws affecting the rights and remedies of creditors, or may become subject to future laws extending the time for payment of principal and/or interest, or limiting the rights of municipalities to levy taxes. Timely payments by issuers of industrial development bonds are dependent on the money earned by the particular facility or amount of revenues from other sources and may be negatively affected by the general credit of the user of the facility. Municipal securities can be significantly affected by political changes as well as uncertainties in the municipal market related to taxation, legislative changes, or the rights of municipal security holders. In addition, the perceived increased likelihood of default among issuers of municipal bonds has resulted in increased illiquidity, increased price volatility and credit downgrades of such issuers. In addition, the current economic climate and the perceived increased likelihood of default among issuers of municipal bonds has resulted in increased illiquidity, increased price volatility and credit downgrades of such issuers. A lack of information regarding certain issuers may make their municipal securities more difficult to assess. Additionally, uncertainties in the municipal securities market could negatively affect a portfolio's net asset value and/or the distributions paid by a portfolio.

Natural Resources Risk: The market value of natural resources related securities may be affected by numerous factors, including events occurring in nature, inflationary pressures and international politics. The securities of natural resources companies may experience more price volatility than securities in companies in other industries. Rising interest rates and general economic conditions may also affect the demand for natural resources.

Non-Discretionary Implementation Risk: With respect to the portion of a portfolio that is managed pursuant to model portfolios provided by non-discretionary money managers, it is expected that trades will be effected on a periodic basis and therefore less frequently than would typically be the case if discretionary money managers were employed. Additionally, there may be instances where the non-discretionary money manager enters its trades in the same securities ahead of us. Given that values of investments change with market conditions, this could cause a portfolio's return to be lower than if the portfolio employed discretionary money managers with respect to that portion of its portfolio. In addition, we may deviate, subject to certain limitations, from the model portfolios provided by non-discretionary money managers for various purposes and this may cause a portfolio's return to be lower than if we had implemented the model portfolio as provided by the money manager.

Private Investment Risk: Private investments, including debt or equity investments in operating or holding companies, investment funds, joint ventures, royalty streams, commodities, physical assets, and other similar types of investments can be highly illiquid and long-term. A portfolio's ability to transfer and/or dispose of private investments is expected to be restricted. We may not be able to obtain material information about the private investment and private investments are not subject to the same reporting and disclosure requirements as public companies, which may increase the valuation risk for those investments.

Quantitative Investing Risk: Quantitative inputs and models use historical company, economic and/or industry data to evaluate prospective investments or to generate forecasts. These inputs could result in incorrect assessments of the specific portfolio characteristics or in ineffective adjustments to the portfolio's exposures. Securities selecting using quantitative analysis may perform differently than analysis of their historical trends would suggest as a result of the factors used in the analysis, the weight placed on each factor, and changes in underlying market conditions. As market dynamics shift over time, a previously successful input or model may become outdated and result in losses. Inputs or models may be flawed or not work as anticipated and may cause the portfolio to underperform other portfolios with similar objectives and strategies. Certain inputs and models may utilize third-party data and models that we believe to be reliable. However, we cannot guarantee the accuracy of third-party data or models.

Real Estate Risk: Just as real estate values go up and down, the value of the securities of real estate companies in which a portfolio invests, also fluctuates. A portfolio that invests in real estate securities is also indirectly subject to the risks associated with direct ownership of real estate. Additional risks include declines in the value of real estate, changes in general and local economic and real estate market conditions, changes in debt financing availability and terms, increases in property taxes or other operating expenses, environmental damage, and changes in tax laws and interest rates. The value of securities of companies that service the real estate industry may also be affected by such risks.

These risks include, but are not limited to:

- general and local economic and social conditions;
- the supply of, and demand for, properties of any particular type;
- the financial resources of tenants and buyers and sellers of properties;
- vandalism;
- vacancies;
- rent strikes;
- environmental liabilities;
- unforeseen liabilities and expenses due to changes in tax, zoning, building, environmental and other applicable laws;
- rent control laws;
- real property tax rates;
- changes in interest rates;
- governmental actions;
- accelerated construction activity;
- technical innovations that dramatically alter space requirements;
- the risk of loss due to earthquake, flood, environmental contamination or other casualties and general liabilities, including the possibility of uninsured losses and liabilities due to

unavailability, availability only at prohibitive cost or failure of any owner, operator or manager to purchase adequate insurance coverage; and

- the availability of mortgage loans, any of which may render the sale of properties difficult or unattractive.

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

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

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

Risks of Distressed Mortgage Loans. Portfolio funds may purchase non-performing and sub-performing mortgage loans, as well as mortgage loans that have had a history of delinquencies or defaults. These mortgage loans may be in default or may have a greater than normal risk of future defaults, delinquencies, bankruptcies or fraud losses, as compared to a pool of newly originated, high-quality loans of comparable type, size and geographic concentration. Returns on an investment of this type depend on the borrower's ability to make required payments and, in the event of default, the ability of the loan's servicer to foreclose and liquidate the mortgage loan.

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

Real Estate Investment Trusts Risk: REITs are companies that generally own interests in real estate, in real estate-related loans or other assets or instruments linked to real estate, and their revenue primarily consists of rent derived from owned, income-producing real estate properties and capital gains from the sale of such properties. A REIT in the United States is generally not taxed on income distributed to shareholders so long as it meets certain tax related requirements, including the requirement that it distribute substantially all its taxable income to such shareholders. REITs may be affected by changes in the value of the underlying properties owned by the REITs and by the quality of tenants' credit. Moreover, the underlying portfolios of REITs may not be diversified, and therefore subject to the risk of investing in a limited number of properties. REITs are also dependent upon management skills and are subject to heavy cash flow dependency, defaults by tenants, self-liquidation and the possibility of failing either to qualify for tax-free pass-through of income under federal tax laws or to maintain their exemption from certain federal securities laws. The value of a REIT may also be affected by changes in interest rates. In general, during periods of high interest rates, REITs may lose some of their appeal for investors who may be able to obtain higher yields from other income-producing investments, such as long-term bonds. Rising interest rates generally increase the cost of financing for real estate projects, which could cause the value of an equity REIT to decline. During periods of declining interest rates, mortgagors may elect to prepay mortgages held by mortgage REITs, which could lower or diminish the yield on the REIT. By investing in REITs directly or indirectly through a Fund, an investor will bear expenses of the REITs in addition to portfolio or portfolio-related expenses.

Sector Risk: Certain portfolios allocate large portions of their investments in a particular economic sector, and as a result, the value of the portfolio may be subject to greater risk than a than a portfolio allocated more broadly across multiple sectors.

> ***Financial Services Sector Risks:*** Certain portfolios may be susceptible to adverse economic or regulatory occurrences affecting the financial services sector, including with respect to U.S. and foreign banks, broker-dealers, insurance companies, finance companies (e.g., automobile finance) and related asset-backed securities. These developments may affect the value of a portfolio's investments more than if the portfolio were not invested to such a degree in this sector. Companies in the financial services sector may be particularly susceptible to factors such as interest rate, fiscal, regulatory, and monetary policy changes. For example, challenging economic and business conditions can significantly impact financial services companies due to increased defaults on payments by borrowers. Political and regulatory changes may affect the operations and financial results of financial services companies, potentially imposing additional costs and expenses or restricting their business activities.
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> ***Information Technology Sector Risk:*** To the extent that a portfolio invests significantly in the information technology sector, a portfolio will be sensitive to changes in, and the portfolio's performance may depend to a greater extent on, the overall condition of the information technology sector. The information technology sector can be significantly affected by, among other things, the supply and demand for specific products and services, the pace of technological development, and government regulation. Companies in the technology sector may also be adversely affected by the failure to obtain, or delays in obtaining, financing or regulatory approval, intense competition, both domestically and internationally, product compatibility, corporate capital expenditure and competition for the services of qualified personnel. Technology companies may have limited product lines, markets, financial resources, or personnel. The products of technology companies may face obsolescence due to rapid technological developments, frequent new product

introduction, unpredictable changes in growth rates, aggressive pricing, changes in demand, and competition to attract and retain the services of qualified personnel. Companies in the technology sector are heavily dependent on patent and other intellectual property rights. A technology company's loss or impairment of these rights may adversely affect the company's profitability. The technology sector may also be adversely affected by changes or trends in commodity prices, which may be influenced or characterized by unpredictable factors.

Securities Lending Risk: Securities in a portfolio may be lent to other parties. If a borrower of a portfolio's securities fails financially, the portfolio's recovery of the loaned securities may be delayed, or the portfolio may lose its rights to the collateral which could result in a loss to the portfolio. While securities are on loan, a portfolio is subject to: the risk that the borrower may default on the loan and that the collateral could be inadequate in the event the borrower defaults, the risk that the earnings on the collateral invested may not be sufficient to pay fees incurred in connection with the loan, the risk that the principal value of the collateral invested may decline and may not be sufficient to pay back the borrower for the amount of the collateral posted, the risk that the borrower may use the loaned securities to cover a short sale which may place downward pressure on the market prices of the loaned securities, the risk that return of loaned securities could be delayed and could interfere with portfolio management decisions and the risk that any efforts to recall the securities for purposes of voting may not be effective.

Short Selling Risk: Short sales are generally subject to a number of risks such as leverage risk, liquidity risk, market risk, counterparty risk, operational risk and legal risk. Short sales expose a portfolio to the risk of liability for the fair value of the security that is sold, the amount of which increases as the fair value of the underlying security increases, in addition to the costs associated with establishing, maintaining and closing out the short position. A short sale of a security involves the risk of a theoretically unlimited loss. There can be no absolute guarantee that securities necessary to cover a short position will be available for purchase by a portfolio.

Structured Product Risk: Structured products are typically issued by investment banks or their affiliates and are securities derived from or based on a single security, a basket of securities, an index, a commodity, a debt issuance and/or a foreign currency (each, a "Structured Product"). Some Structured Products offer a substantial level of protection of the principal invested, whereas others offer limited or no protection of the principal. Depending on the structure, the Structured Product may not pay interest prior to liquidation and may be structured to pay any payments due the investor only at maturity. The rate of return, if any, will depend on the performance of the "underlying" basket of stocks, the underlying individual stock, the underlying index and or the underlying commodity backing the Structured Product.

If the Structured Product is not designated as being 100% principal protected or insured, then some or all of the portfolio's principal invested in a Structured Product may be at risk. In this case, the return of principal is only guaranteed to the extent specified for the Structured Product and is specifically subject to the underwriter's credit and the creditworthiness of the issuer. If the return on the "underlying security" is negative, the amount of cash paid to the portfolio at maturity will be less than the principal amount of the investment. It is also possible that at maturity the underlying security may be worth less than the original purchase price. In addition, if the return is positive, payment may be limited because the percentage increase of the underlying basket may be capped or otherwise limited. It should also be noted that there may be little or no secondary market for the Structured Product and information regarding independent market pricing of the Structured

Products may be limited.

Unlike other derivative instruments whose entire value is dependent on some underlying security, index or rate, Structured Products are hybrids, having components of straight debt securities and components of derivative securities intertwined. In addition to the interest payments, Structured Products' redemption value and final maturity can also be affected by the derivative securities embedded within them. Most Structured Products contain "embedded options," generally sold by the investor to the issuer, which are primarily in the form of puts, caps, floors, or call features. The identification, pricing and analysis of these options give Structured Products their complexity. As a result, many Structured Products have a similar risk profile to options in that the principal investment is at risk from market movements in the underlying security.

Sustainable Investing Risk: Applying sustainability and ESG criteria to the investment process may exclude or reduce exposure to securities of certain issuers for sustainability reasons and, therefore, a portfolio may forgo some market opportunities available to funds that do not use sustainability criteria. Securities of companies with sustainable practices may shift into and out of favor depending on market and economic conditions, and a portfolio's performance may at times be better or worse than the performance of portfolios that do not use sustainability criteria. Sustainability data, including sustainability data obtained from third-party providers, may be incomplete, inaccurate, inconsistent, or unavailable, which could adversely affect the analysis of a particular investment. An issuer meeting the sustainability criteria may not continue to do so over time. This may be because the investments identified as being aligned with a strategy's sustainability criteria do not operate as expected. As a result, we could be required to sell such positions at a disadvantageous time. Investors may differ in their view of whether a particular investment fits within the sustainability criteria and, as a result, a fund may invest in issuers that do not reflect the beliefs and/or values of any particular investor. The decision not to invest in certain investments as a result of the sustainability criteria may adversely affect performance at times when such investments are performing well. The regulatory landscape with respect to sustainable investing in the U.S. is still under development and, as a result, future regulations and/or rules adopted by applicable regulators could require us to change or adjust our investment process with respect to sustainable investing. Integrating ESG analysis into investment decisions may require qualitative determinations and can be subjective. Certain investments may be dependent on U.S. and foreign government policies, including tax incentives and subsidies, which may change without notice. Additionally, there is no guarantee that RIIS's use of ESG criteria will operate as expected when addressing positive social or environmental benefits.

Settlement, Systems and Operational Risks: On a daily basis, RIIS, its affiliates, and the third-party money managers rely heavily a on financial, accounting and other data processing systems to execute, clear and settle transactions across numerous and diverse markets and to evaluate certain securities, to monitor portfolios and capital, and to generate risk management and other reports that are critical to oversight of portfolios. We are reliant on systems operated by our affiliates; third parties, including money managers; prime brokers; market counterparties; exchanges and similar clearance and settlement facilities; and other service providers. We may not be in a position to verify the risks or reliability of such third-party systems. Human error and failures in the systems could result in mistakes made in the confirmation or settlement of transactions, or in transactions not being properly booked, evaluated, or accounted for. Disruptions may cause such portfolios to suffer, among other things, financial loss, the disruption of its business, liability to third parties, regulatory intervention, or reputational damage.

We believe the transition in the securities trading landscape to T+1 settlement, scheduled to be effective on May 28, 2024, poses a number of risks to RIIS and client portfolios. For example, the shortened settlement period could lead to an increased risk of failed trades and compulsory buy-ins due to the shortened timeframe. Likewise, the change will pose operational and regulatory challenges to market participants that will be required to make enhancements to operational and compliance processes to meet the new demands and requirements of a shortened settlement period. Similarly, the change in the settlement cycle will be phased in by various jurisdictions, which could cause the markets to be disrupted or cause other inefficiencies during the transition.

Tax-Sensitive Management Risk: Tax-managed strategies may provide a lower return before consideration of federal income tax consequences than other portfolios that are not tax-managed. Money managers with distinct and different investment approaches are selected to reduce overlap in holdings across money managers and reduce the instance of wash sales. To the extent that wash sales occur from time to time, the ability of a portfolio or Fund to achieve its investment objective may be impacted. Additionally, transitions between money manager strategies may require the sale of portfolio securities resulting in the portfolio realizing net capital gains. Unexpected large redemptions could also require a portfolio to sell portfolio securities resulting in the realization of net capital gains. If a portfolio holds individual securities that have significantly appreciated over a long period of time, it may be difficult for the portfolio to sell them without realizing net capital gains. The realization of such capital gains could prevent the portfolio from meetings its investment objective.

In addition, a portfolio may also at times engage in active tax management through taxable gain and loss harvesting activities ("tax loss harvesting"), whereby securities may be sold in order to generate capital losses to offset current and future capital gains. There are certain risks inherent with tax loss harvesting, including the possibility that such activity does not improve a portfolio's after-tax returns. In some cases, the portfolio may repurchase the securities sold at a higher price or the portfolio may purchase substitute securities that do not perform as well as the securities that were sold. In other cases, the portfolio may purchase additional shares of securities already held by the portfolio at a lower cost than the shares held by the portfolio with the intent to sell the portfolio's higher cost shares, which is subject to the risk that the value of the securities may decrease prior to their sale. In addition, tax loss harvesting may increase portfolio turnover rates. At times, it may also be impossible to implement the tax-managed strategy if, for example, a portfolio does not have any capital losses to offset capital gains.

Technology and Cybersecurity Risks: We are dependent on the effectiveness of the information and cybersecurity policies, procedures, and capabilities we maintain to protect the confidentiality, integrity and availability of our computer and telecommunications systems and the data that resides on or is transmitted through them. An externally caused information security incident, such as a cyber-attack, or an internally caused incident, such as a failure to control access to sensitive systems, could materially interrupt business operations or cause disclosure or modification of sensitive or confidential client or competitive information.

Our increased use of mobile and cloud technologies could heighten these and other operational risks. Additionally, due to the complexity and interconnectedness of our systems, the process of upgrading existing capabilities, developing new functionalities, and expanding coverage into new markets and geographies, including to address client or regulatory requirements, may expose us to additional cyber and information security risks or systems disruptions. Although we have implemented policies and controls, and taken protective measures, to strengthen its computer systems, processes, software, technology assets and networks to prevent and address data breaches, inadvertent disclosures, cyber-attacks and cyber-related fraud, there can be no assurance that any of these methods prove effective.

Due to our interconnectivity with third-party vendors, exchanges, clearing houses and other financial institutions, we may be adversely affected if any of them are subject to a successful cyber-attack or other information security event. We also routinely transmit and receive personal, confidential or proprietary information by email or other electronic means. We collaborate with clients, vendors and other third parties to develop secure transmission capabilities and protect against cyber-attacks. However, we cannot ensure that it or such third parties have all appropriate controls in place to protect the confidentiality of such information.

Any information security incident or cyber-attack against us or the money managers, or issuers of securities of securities or instruments in which the client portfolios invest, including interception, mishandling or misuse of personal, confidential or proprietary information, have the ability to cause disruptions and impact business operations. This could also potentially result in financial losses, the inability to transact business, violations of applicable privacy and other laws, loss of competitive position, regulatory fines and/or sanctions, breach of client contracts, reputational harm or legal liability. Many jurisdictions in which we operate have laws and regulations related to data privacy, cybersecurity and protection of personal information. Any determination of a failure to comply with any such laws or regulations could result in fines and/or sanctions against us.

Trade and Operational Errors Risks: Trade errors and other operational mistakes ("Events") may occur in connection with management of portfolios. We have policies and procedures that address identification and correction of Events and makes determinations regarding Events on a case-by-case basis, based on factors we consider reasonable, including regulatory requirements, contractual obligations and business practices. Not all Events are considered compensable. Relevant factors we consider when evaluating whether an Event is compensable include, among others, the nature of the service being provided at the time of the event, specific contractual and legal requirements and standards of care, whether an investment objective or guideline was breached, the nature of the client's investment program, and the nature of the relevant circumstances.

Vendor Risk: Russell Investments relies on a wide array of vendors. Failure by a vendor to perform as required or expected could create a range of adverse effects and may manifest in reduced returns or losses in the portfolios RIIS manages.

Volatility Risk: Volatility typically refers to the amount of uncertainty or risk related to the size of changes in an asset or security's value. The prices of the holdings of a fund may be highly volatile. Price movements of such holdings are influenced by a wide variety of factors, including, among other things, interest rates, changing supply and demand relationships, and trade, fiscal, monetary and exchange control program and policies of governments, and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly those markets in currencies and interest rate related futures and options. Such intervention often is intended directly to influence prices and may, together with other factors, cause those markets to move rapidly in the same direction because of, among other things, interest rate fluctuations.

Item 9 – Disciplinary Information

All aspects of Russell Investments' business are subject to various federal and state laws and regulations, and to laws in various foreign countries. From time to time, regulators contact us, seeking information about the firm and its business activities. From time to time, we may also be a party to civil lawsuits. We currently have no disciplinary information or legal proceedings to report that we believe to be material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Item 10 – Other Financial Industry Activities and Affiliations

OTHER FINANCIAL INDUSTRY ACTIVITIES

In addition to its SEC registration as an investment adviser, RIIS is also registered with the SEC and the Financial Industry Regulatory Authority ("FINRA") as a broker-dealer and provides agency-only execution services. RIIS is also a member of the MSRB. Certain of RIIS' management persons are registered with FINRA as representatives of RIIS and with the NFA as associated persons and swap associated persons of Russell Investment Management, LLC ("RIM"), and Russell Investments Capital, LLC ("RICAP").

Commission Recapture

As a SEC-registered broker-dealer, we offer a commission recapture Program (the Program) to clients who elect to participate. The Program is designed primarily to reduce the total commission costs for the client. Under the Program, clients specifically ask their money managers to execute a portion of their trades through our commission recapture broker-dealer network, which includes RIIS. Third-party money managers maintain autonomy over whether to execute trades through our internal agency trading desk or through external broker-dealers on the network.

Trades are executed through the Program at the normal commission rates in effect between the manager and the network broker-dealer. These trades generate credits based on separate rates negotiated between RIIS, the broker-dealers, and the clients. Clients may elect to receive these credits in cash or apply them to pay for various third-party services. Clients are not required to apply credits to pay for Russell Investments' services, and neither Russell Investments fees for the Program, nor the commission credit rates, are based on whether they elect to do so.

The Program is voluntary and may be terminated at any time, with an instruction from the client to its money managers to discontinue trading through the Program. Likewise, clients may instruct us to change the application of their credits (e.g., to discontinue applying credits to pay for services) at any time.

OTHER FINANCIAL INDUSTRY AFFILIATIONS

Russell Investments is a broad financial services organization and its affiliates, including RIIS, have business arrangements with each other that are material to its advisory business or to clients. We may, in our discretion, delegate all or a portion of our advisory or other functions to an affiliate. Please see Item 4 – Advisory Business, Services of Affiliates, above for more information. To the extent we delegate our advisory or other functions to an affiliate that is registered as an investment adviser with the SEC, a copy of the Brochure of each such affiliate is available on the

SEC's website at www.adviserinfo.sec.gov and is available from us upon request or on our website at www.russellinvestments.com.

In some cases, these business arrangements create a potential conflict of interest, or the appearance of a conflict of interest, between us and a client. These potential conflicts of interest are discussed in more detail in Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.

Pooled Investment Vehicles

RIIS and/or its affiliates act in an advisory capacity or sub-advisory capacity and other capacities such as general partner to a variety of U.S. and non-U.S. investment companies as well as other pooled investment vehicles including collective trusts, closed-end funds, and private investment funds. Certain Russell Investments Associates also are directors, trustees and/or officers of these investment companies or other pooled vehicles, which creates a conflict of interest when Russell Investments recommends or uses its investment discretion to place client assets in such a vehicle. RIIS and its affiliates will receive investment management or other fees for these vehicles. The costs associated with the entities are ultimately borne by the investors in the vehicles and paid by the applicable vehicle.

Brokerage Services

Russell Investments uses, suggests, or recommends that its clients use the securities, futures execution or other services offered by RIIS. RIIS provides brokerage transaction services, effected on an agency basis, for Russell Investments' clients. RIIS also provides investment advisory services for institutional clients. RIIS works with third-party broker-dealers and other trading venues to provide market access, infrastructure, and/or clearing services. Where brokerage transactions are affected through RIIS, clients pay commissions or other compensation to RIIS for securities transactions, transition management mandates, and/or FX transactions in addition to any advisory fee paid to Russell Investments. See Item 5 for a discussion of affiliated compensation and Item 12 for a discussion of these brokerage practices.

RI AFFILIATES

In certain cases, RIIS uses, suggests, and recommends its own service and those of affiliated Russell Investments entities. This creates potential conflicts of interests related to RIIS's determination to use, suggest, or recommend the services of such entities. The services involved depends on the types of services offered by the affiliate. The arrangements may involve sub-advisory agreements, sharing or joint compensation, or separate compensation, subject to the requirements of applicable laws. Some of these affiliates also are registered with the SEC, FINRA, and/or the CFTC; however, other affiliates are non-U.S. advisers that are not required to be registered. In certain cases, these non-U.S. affiliates provide portfolio management or research services to the U.S. registered entities for use with U.S. clients in such a capacity referred to as "Participating Affiliates". The Participating Affiliates act according to a series of SEC no action relief letters, mandates that Participating Affiliates remain subject to the regulatory supervision of the U.S. registered entities relying on its services and the SEC. Participating Affiliates may recommend to their own clients, or invest on behalf of their own clients in, securities that are also the subject of recommendations to, or discretionary trading on behalf of, RIM's U.S. clients.

Relationships between RIIS and its affiliates may include, but are not limited to, those discussed below.

Affiliated U.S. Registered Investment Advisers

RICAP *i*s an investment adviser registered with the SEC under the Advisers Act. RICAP is also a registered commodity pool operator with the CFTC and is a member of the NFA. RICAP provides investment advisory, consulting, and administrative services to institutional clients and Private Funds. Through intercompany agreements and/or “dual hatting” arrangements, RIIS shares employees and investment personnel with RICAP.

RIM is an investment adviser registered with the SEC under the Advisers Act. RIM is also a registered commodity pool operator with the CFTC and is a member of the NFA. In general, RIM conducts the following services: (i) multi-manager investment advice, index-based investment advice, fund-of funds investment advice, short term and fixed income investments advice, objective setting, asset allocation, derivatives advice and other advisory services to affiliated investment companies, other pooled investment vehicles, pension clients, individual, institutional and high net worth clients, and (ii) licensing of model securities portfolios to plan sponsors, investment advisers and broker-dealers. Through intercompany agreements and/or “dual hatting” arrangements, RIIS shares employees and investment personnel with RIM.

Affiliated U.S. Registered Broker-Dealer

Russell Investments Financial Services, LLC (“RIFIS”) is a SEC registered broker-dealer and is a member of FINRA. RIFIS acts as the principal underwriter and distributor of certain affiliated mutual funds.

Other U.S. Affiliated Entities

Russell Investments Funds Management, LLC (“RIFM”) is the managing member of certain Private Funds.

Russell Investments Trust Company (“RITC”) is a Washington non-depository trust company providing comprehensive trust and investment management services to corporate employee benefit plans, retirement plans maintained by government units, other forms of pension plans and foundations and endowments. RITC’s investment management services are provided through common or collective funds, and/or separate accounts. Through intercompany agreements and/or “dual hatting” arrangements, RIIS shares employees and investment personnel with RITC.

Russell Investments Funds Services, LLC (“RIFUS”) is registered with the SEC as a transfer agent and provides transfer agent services to certain affiliated mutual funds. RIFUS also provides fund administration services to the affiliated mutual funds.

Non-U.S. Affiliates and Participating Affiliates

Russell Investments Canada Limited (“RICL*”)* is an indirect, wholly owned subsidiary of Russell Investments Group, Ltd, a Cayman Company. RICL is registered as a Mutual Fund Dealer, Portfolio Manager, Exempt Market Dealer, Investment Fund Manager and Commodity Trading Manager with the Ontario Securities Commission (its principal regulator). RICL is also registered i) as a Portfolio Manager, Exempt Market Dealer, and Investment Fund Manager in 9 other provinces and 3 territories and ii) as an Adviser under the Commodity Futures Act (Manitoba). RICL is the manager and principal distributor of funds qualified by prospectus and of certain offering memorandum funds distributed under securities law exemptions. RICL provides advice and acts as exempt market dealer to institutional clients and may provide portfolio management-related services through its affiliates. RICL may also act as a Participating Affiliate.

Russell Investments Implementation Services Limited (“RIISL”) was incorporated under the laws of England and Wales on 26 April 1995. RIISL is authorized and regulated by the FCA in the UK. RIISL primarily provides discretionary management services for institutional clients. This includes transition management services, rebalancing, and equitization. RIISL has permission from the FCA to engage in the following regulated activities: Advising on investments (except on Pension Transfers and Pension Opt-Outs); advising on Peer-to-Peer agreements; agreeing to carry on a regulated activity; arranging (bringing about) deals in investments; dealing in investments as agent; making arrangements with a view to transactions in investments; and managing investments. RIISL may also act as a Participating Affiliate.

Russell Investments Limited (“RIL”) was incorporated under the laws of England and Wales and is authorized and regulated by the FCA. RIL acts as discretionary principal investment manager to third-party funds and to institutional segregated accounts. RIL also acts as principal money manager, investment advisor and distributor to a number of Russell Investments’ funds. RIL has permission from the FCA to engage in the following regulated activities: advising on investments (except on Pension Transfers and Pension Opt Outs); advising on P2P agreements, arranging safeguarding and administration of assets, dealing in investments as agent; making arrangements with a view to transactions in investments; and managing investments. RIL may also act as a Participating Affiliate.

Russell Investments Ireland Limited (“RIIL”) is a private limited company incorporated in Ireland and is authorised by the Central Bank of Ireland as a MiFID investment firm, with permission to provide specific investment services such as portfolio management and investment advice.

Russell Investments France SAS (“Russell Investments France”) is a societe par actions simplifiee (limited liability company) incorporated in France on 22 March 2012. Russell Investments France is regulated by the Autorité des marchés financiers (“AMF”). It is a French management company domiciled in France and has responsibility for the management of a number of French-domiciled funds. Russell Investments France also provides discretionary investment management services.

Russell Investment Management Ltd (“RIML”) has an Australian Financial Services License to conduct a financial services business in Australia. Under this license, RIML provides responsible entity, trustee, and money manager services for the Russell Investments’ funds domiciled in Australia. RIML is the responsible entity for over 40+ public offer unit trusts (the Russell Investments group of registered managed investment schemes) and acts as the trustee for several unregistered schemes for institutional investors. RIML also provides investment management and investment advice services to institutional investors and distribution partners (e.g., financial intermediaries) in connection with the Russell Investments’ funds or on a separate managed account basis. RIML may also act as a Participating Affiliate.

Russell Investments Japan Co., Ltd. (“RIJ”) is regulated by the Financial Services Agency of Japan and Kanto Local Finance Bureau as a registered Financial Instruments Company (Investment Management Business, 2nd Financial Instruments Business, Investment Advisory and Agency Business) and provides investment management and investment advisory services to institutional clients. RIJ is a member of the Investment Trusts Association, Japan and Japan Investment Advisers Association.

OTHER AFFILIATIONS

On March 29, 2021, Hamilton Lane Advisors LLC, a subsidiary company to publicly traded private markets firm Hamilton Lane Incorporated (“Hamilton Lane”), purchased a small minority interest in RI. RI and Hamilton Lane also entered into a strategic partnership to jointly develop and implement a strategy to engage in the global investment solutions outsourcing market and to provide RI clients with access to Hamilton Lane’s private markets investment solutions, research and technology tools.

THIRD-PARTY REGISTERED INVESTMENT ADVISERS

RIIS or its affiliates use the advisory services of unaffiliated investment advisers but does not receive compensation from the unaffiliated investment advisers for retaining such services. Russell Investments may have other business relationships with those advisers that create a material conflict of interest. For more information, see Item 11 Business Relationships with other Financial Services Firms.

Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

CODE OF CONDUCT AND CODE OF ETHICS

Russell Investments and its affiliates, including RIIS, have adopted a Global Code of Conduct and regional Codes of Ethics (collectively, the “Codes”) that are designed to reinforce its institutional integrity, and to set forth procedures and limitations which govern the personal securities transactions of its associates. All Russell Investments associates are required to follow and certify to the Codes. The Codes were developed to summarize the firm’s values, ethical standard, and commitment to address potential conflicts of interest that arise from its activities.

The Codes comprise written standards that are reasonably designed to deter wrongdoing and describe Russell Investments’ policies and procedures concerning:

- Placing restrictions on employees with respect to trading for their own accounts to mitigate the risk of front-running and insider trading;
- Placing restrictions on employees that preclude participation in initial public offerings, and limit other trading practices;
- Maintaining confidential client and internal corporate information;
- Reporting requirements and restrictions that limit the value of gifts that employees give or receive;
- Pre-approval requirements and restrictions on certain employee political contributions;
- Complying with anti-money laundering requirements;
- Managing potential conflicts of interest with RIIS’ clients; and
- Requiring employees to obtain pre-approval for any outside business affiliations.

In addition to requiring pre-clearance of most personal securities trading activity, we also require that all Access Persons, as that term is defined in our Code of Ethics, provide information on all trade activity in reportable personal accounts, and also provide quarterly transaction reports and annual securities holdings reports to the firm's Chief Compliance Officer. All Access Persons must acknowledge the Code of Ethics terms at least annually. We also require Access Persons also to obtain approval from the Chief Compliance Officer prior to investing in any private placements.

As a condition of employment, all Russell Investments employees certify to their obligation to understand and adhere to the Codes. Employees also are required to disclose and seek approval for their personal securities transactions, including those of immediate family members and accounts for which the employee exercises investment discretion.

The Codes are available upon request by calling Russell Investments at 206.505.4860, emailing russellcompliance@russellinvestments.com, or by writing to us at Russell Investments, Attention: U.S. Compliance, 1301 Second Avenue, 18th Floor, Seattle, WA 98101.

MANAGING CONFLICTS OF INTEREST

Russell Investments operates multiple lines of business in many countries and offers a variety of products and services to a diverse client base. We may act in a variety of capacities on behalf of our clients. As a result, we seek to continuously identify and monitor various conflicts of interest. A conflict of interest arises when Russell Investments and/or its employees have an incentive to serve one interest at the expense of another, which might mean serving the interest of the firm over that of our clients, serving the interest of one client over that of another, or an employee or group of employees serving their own interests over those of the firm or its clients.

For the purpose of identifying conflicts of interest that may arise during the course of providing investment advisory services to clients, we consider whether our employees or clients are directly or indirectly likely to:

- Make a financial gain or avoid a financial loss at the expense of another client;
- Have an interest in the outcome of a service provided to a client or in a transaction carried out on behalf of the client, which is unrelated to the client's interests;
- Have a financial or other incentive to favor the interest of one client or group of clients over the interest of another client or group of clients;
- Receive from a person other than the client an inducement in relation to the service provided to the client, in the form of money, goods, or services, other than the standard fee for that service.

We have discussed certain potential conflicts of interest and how we manage them in other Items of this Brochure. The following describes various other conflicts and how we manage them.

Participation or Interest in Client Transactions

We do not manage any "proprietary" investment accounts – i.e., accounts that are funded with the firm's own money for the primary purpose of creating profits for the firm. Accordingly, we do not compete with clients in the market for securities. Similarly, we do not use our own money to trade as a counterparty with client accounts. However, we may participate, or have an interest in client transactions in several other ways, which are described below.

***Affiliated Broker-Dealer*:** RIIS is dually registered as an investment adviser and broker-dealer. We have been delegated by our affiliates to execute most transactions for both RIIS and Russell Investments portfolios as either an investment adviser or as an agency only broker-dealer and such clients pay us an execution-only commission. Clients give authorization to use affiliates, including RIIS for trade execution, subject to best execution requirements. Russell Investments' use of RIIS and RIIS's receipt of commission payments represents a conflict of interest. Russell Investments has policies and procedures in place that are reasonably designed to manage these conflicts of interest, monitor the execution price, costs and quality of the execution, including engaging the services of an unaffiliated third-party transaction cost analysis service. See Item 5 above and Item 12 below.

***Currency Trading*:** We normally execute currency transactions on an active basis through our trading desk, except where market restrictions in some emerging currencies exist and execution for trade settlement is arranged by the custodian directly. When actively managing across numerous accounts, we may (through instructions to counterparties or directly) net client purchases and sales in the same currency to reduce our client's transaction costs. Where possible, we use the services of Continuous Link Settlement ("CLS") for the seamless settlement of currency transactions. In certain situations, CLS is not available, such as currencies that do not settle CLS or a counterparty not submitting its orders in a timely basis to CLS. In those instances, currency transactions must be settled gross not net, exposing the client to counterparty settlement risk.

***Firm and Employee Investments*:** Our associates may invest in products and services managed by us, subject to eligibility requirements. In addition, Russell Investments itself may invest in its services through deferred compensation plans sponsored for the benefit of associates. These investments pose a risk that employees with influence over investment decisions will favor the portfolios in which they have a personal interest. We believe that our Codes, trade allocation and insider information policies and practices manage these risks. RI also believes that employee investments in RI services align the interests of our firm and employees with those of our clients.

***Trade Error and Omissions*:** All potential trade errors are required to be escalated to the associate's manager and risk management. Facts and circumstances are evaluated by the Event Analysis Group ("EAG") which is comprised of risk management, compliance, legal and business unit subject matter experts. Following a determination that we are responsible for an error, we work to correct trading errors affecting client accounts in a fair and timely manner. If a correction of an error results in a loss, we may decide to make the client whole as a result of the error. A gain from an error correction made from within a client account typically remains in the client account. In relation to our Funds, we have a policy for handling trade errors that result in a miscalculation of a Fund's net asset value ("NAV") that takes into consideration SEC guidance on the treatment of NAV errors.

In certain cases, correcting an error may require us to temporarily take ownership of securities in our error account. To manage potential conflicts, we have a cross section of the firm represented in EAG and follow and maintain a Global Event Escalation Policy.

***Fees*:** We have a large client base and the fee arrangements with our clients vary widely. The fact that our revenues are represented by fees we charge our clients means that we cannot be considered to be acting as your fiduciary when negotiating fees.

Our Approach to Other Conflicts

Proprietary and Active Strategies

We and our affiliates use third-party money managers to manage strategies within a portfolio and also directly manage certain strategies. We do not pay fees to third-party money managers for portions of portfolios we manage directly. We also implement active management investment strategies that we think can exceed the performance of corresponding indices and benchmarks, as well as passively managed strategies and investments which generally track or mirror the composition of them. Active strategies command higher fees than would typically apply in the case of passively managed strategies or investments. Conflicts are presented because the availability of higher fees could affect our objectivity when designing or evaluating actively managed strategies or in recommending them to clients. We have developed a governance structure and peer review process to help ensure that these aspects of portfolio decision-making are addressed.

The Investment Strategy Committee ("ISC") is responsible for the oversight of all our investment-related activities as well as reviewing investment performance and establishing policy and strategy. The ISC also evaluates new portfolios and portfolio changes from an investment perspective for consistency with the portfolio's objective and to ensure decisions are based on sound investment principles. The ISC delegates the detailed investment review of proposals to create new investment products, to terminate or hire money managers and/or to significantly alter a fund or product structure to the following Sub-Committees and Review Boards:

- The Solutions Sub-Committee vets design decisions and provides investment insight into new product designs and evaluates the suitability of products and solutions to end client requirements.
- The Manager & Strategy Sub-Committee oversees construct decisions for equity, fixed income and multi-asset activities and approves changes in model portfolio positions.
- The Proprietary Strategies Sub-Committee ("PSSC") oversees all Proprietary Strategies and monitors the performance of existing Proprietary Strategies.
- The Alternatives Sub-Committee oversees hedge fund and private equity activities and approves changes in model portfolio positions.
- The Implementation Review Board reviews and makes recommendations to the ISC and PSSC on all new investment models used to manage portfolios.
- The Investment Model Review Board reviews and makes recommendations to the ISC and appropriate sub-committees on preferred instruments and preferred implementation techniques as well as recommends and monitors implementation guidelines.

We believe that our governance structure, Codes, policies and procedures, legal documentation, and transparency through client reporting help manage this risk. These processes include a core ethical culture emphasizing our fiduciary responsibility to clients. See the discussion below for further information.

Business Relationships with other Financial Services Firms

Russell Investments business relationships with investment advisers could lead to a financial incentive to favor these firms. We offer a range of Implementation Services, including commission recapture, transition management, overlay management, currency management, execution services and other related services. We also provide Implementation Services for multi-manager funds, insurance pools, and separate accounts managed by third-party investment advisers.

Third-party investment advisers offering these products and purchasing Implementation Services from us may offer other investment management products that are evaluated by Russell Investments as part of Russell Investments’ manager research process. As such, Russell Investments has a potential financial incentive to favor investment advisers who recommend or cause the funds they manage to use Russell Investments’ Implementation Services.

A portion of revenue from Implementation Services comes from our commission recapture program. Under the program, clients (including many Russell Investments consulting clients) specifically instruct their investment advisers to execute a portion of their account trades through a broker network administered by us. The program is voluntary for clients, and those clients who participate receive an annual disclosure report that includes disclosure of the compensation received by Russell Investments. We offer execution services to investment advisers as part of the program, and all trading is conducted by brokers selected by the investment advisers from the directory provided by us. There is no direct benefit to the investment advisers. However, as we are compensated for providing commission recapture services, we have a financial incentive to recommend investment advisers who agree to trade through our commission recapture network.

Investment managers researched by us may receive compensation for services provided to Russell Investments or the investment products offered through Russell Investments. These relationships include instances where the investment manager provides investment management services to a Russell Investments sponsored multi-manager portfolio, or where a division or affiliate of the investment manager may provide non-investment advisory services (e.g., custody, brokerage, distribution, data services) to Russell Investments. Similarly, investment management firms we research or recommend to our clients may be Russell Investments clients. We therefore may have a potential incentive to favor investment managers who provide services to us or when we act in an investment management or consulting capacity to those firms.

To mitigate these conflicts of interest, our policies provide that we will not charge, and will not accept, compensation from money managers to be included in our manager research database or consulting recommendations. Further, our policies provide that investment managers are not required to purchase any of our affiliates’ products or services to be included in Russell Investments’ manager research database. The primary criterion for a manager recommendation is that our manager research analysts believe the manager’s product has the potential to deliver superior investment performance. The manager research professionals are personally evaluated based on the quality of their recommendations. Their evaluations of investment managers are subject to extensive documentation requirements and peer review. As documented in the internal conflicts policies and the Codes, the manager research analysts and the consulting teams are not permitted to review revenue information or to consider such revenue a factor in their ranking determinations or recommendations. Further, we maintain information barriers and other processes between our research team and other Russell Investments Associates to reduce the potential for undue influence on our research team’s manager ratings and recommendations.

Timing of Trading

While EPI allows portfolios to retain the alpha proposition from third-party money manager security selections with low levels of tracking error to the money manager’s model portfolios, there may be a positive and or negative performance divergence based upon timing differences of trading portfolio positions between us and the money manager. We believe the savings from reduced transactions costs outweigh the potential negative performance impact that may be experienced by portfolios over time.

Diverse Membership in Private Funds

Investors in the Private Funds may include entities with conflicting interests with respect to their investments. The conflicting interests among the investors could relate to or arise from, among other things, the nature of investments made by a Private Fund, the structuring of the acquisition of investments and the timing of the disposition of investments, as well as the structure of a Private Fund. As a consequence, conflicts of interest may arise in connection with decisions made by us that may be more beneficial for one investor than for another investor, especially with respect to investors' individual tax situations. Subject to disclosures contained within a particular Private Fund offering documents, in selecting and structuring investments appropriate for a Private Fund, we will consider the investment and tax objectives of the applicable Private Fund and the investors as a whole, not the investment, tax or other objectives of any investor individually.

Participation on Boards or Committees of Public Companies

Occasionally, Russell Investments' directors, officers, or associates sit on boards of directors of publicly or privately held companies. Russell Investments may be deemed to control one or more of these entities based on its Associates' representation on the board of directors of such companies. Any participation as a Board of Director or member of a Committee is considered an Outside Business Activity subject to pre-approval by Russell Investments' Compliance Department prior to commencing the activity. Our Outside Business Activities Policy and other firm processes are designed to mitigate conflicts of interest that could arise between such outside activities and our investment advisory business.

Item 12 – Brokerage Practices

Russell Investments hires third-party money managers for both discretionary and non-discretionary mandates, with the majority of engagements being non-discretionary. For discretionary mandates, we delegate trading activity to those third-party money managers. Pursuant to written agreement, the money managers have an obligation to achieve best execution. Russell Investments requires certification of best execution of each money manager through an initial, quarterly and annual questionnaire and certification process.

When Russell Investments engages a third-party money manager on a non-discretionary basis, such as for EPI portfolios, , Russell Investments determines the broker, dealer, or trading venue to be used and the commission rates to be paid (unless otherwise directed by the client). Russell Investments also makes these determinations with respect to our–Proprietary Strategies and portfolios we manage directly. Russell Investments selects the broker-dealers and trading venues that we determine are able to provide quality institutional execution services.

We execute transactions for our managed portfolios and have also been selected by our affiliates to execute substantially all transactions for other Russell Investments portfolios as either an investment adviser or as a broker-dealer depending on the instrument traded. We believe our pure agency execution model consistently provides value and improves execution quality across all asset types. Our agency-only, global, multi-venue execution approach leverages technology to aggregate market liquidity, determine where the deepest pools of liquidity reside, and agnostically access these pools to best serve the needs of client portfolios. The multi-venue trade approach we utilize is a network of exchanges, crossing networks, dealers, independent brokers, and other sources of liquidity for execution, clearing and other services. RIIS negotiates its commission rates with each counterparty to generally be lower than the commission rates it sets and charges Russell Investments advisory clients. As compensation for its broker-dealer execution services, the clearing broker generally collects the commission on behalf of RIIS and RIIS instructs the clearing firm on the amount it should retain. This arrangement presents a conflict of interest because RIIS in its capacity as a broker-dealer generates revenue from executing certain securities transactions for advisory clients. The compensation is a financial incentive for Russell Investments and RIIS to favor the ongoing selection of RIIS for execution of advisory clients' transactions. To monitor this relationship, Russell Investments has established the Affiliated Business Oversight Committee whose responsibilities include continual evaluation of transaction execution and commissions paid. To facilitate an unbiased view into Russell Investments explicit and implicit execution costs and quality, we have engaged independent third-party vendors to provide analysis using pre-set benchmarks and a comparison against industry commission rates. Please see Item 5 – Affiliated Compensation.

BEST EXECUTION

The duty of best execution requires us to seek the most favorable execution terms reasonably available given the specific circumstances and information for each trade. Best execution does not mean simply obtaining the lowest possible commission cost, but rather whether the transaction represents the best qualitative execution considering several aspects of the broker-dealer's services. It is possible that you may be able to obtain lower commission cost for transactions if such trades were executed with other broker-dealers or third parties. In seeking best execution, we consider the full range of a broker-dealer's services including execution capability, commission rate, financial responsibility, and responsiveness, among other factors. This applies to trading in any instrument, security or contract, including equities, bonds, and forward or derivative contracts.

Determining the quality of trade execution entails the evaluation of subjective, objective, and complex qualitative and quantitative factors. Generally, to achieve best execution, we consider the following factors: 1) execution capability; 2) order size and market depth; 3) ability and willingness to commit capital; 4) availability of competing markets and liquidity; 5) trading characteristics of the security; 6) availability of accurate information comparing markets; 7) financial responsibility of the broker-dealer; 8) confidentiality; 9) reputation and integrity; 10) responsiveness; 11) recordkeeping; 12) available technology; and 13) ability to address current market conditions.

Many other circumstantial and judgmental aspects involved in seeking best execution are not quantifiable and cannot be properly evaluated on a trade-by-trade basis. We, therefore, evaluate best execution in the context of the total portfolio or the aggregate of the trading activity.

Trading professionals are responsible for monitoring and evaluating the performance and execution capabilities of executing brokers. We also utilize the services of third-party service providers to assist with execution quality analysis on trade activity. This information is reported to our Trade Management Oversight Committee ("TMOC"). The TMOC is authorized and directed to review and evaluate the activities, policies and procedures established by the company's internal trading groups. The TMOC is responsible for providing the framework for construction, review and evaluation of trade management practices and, when appropriate, to make recommendations to senior management and the individual trading groups. The TMOC formally meets quarterly, or more frequently depending on circumstances. Best execution information, among other things, is also provided to our Affiliated Business Oversight Committee ("ABOC"), which as an oversight body with respect to affiliated transactions, including transactions between, or executed by RIIS for Russell Investments clients.

ORDER AGGREGATION AND ALLOCATION

Consistent with applicable regulatory requirements and guidance, Russell Investments aggregates trade orders within and across like trading mandates for which it reasonably believes an aggregated order will achieve best execution. In making the determination of whether to aggregate, a number of factors are considered. These include, but are not limited to, the client's investment objectives and policies, investment guidelines, trade instructions, operational considerations, liquidity requirements, broker selection requirements, limits on minimum transaction amounts, client cash flow, whether it is acting as an investment adviser or broker-dealer, and legal and regulatory restrictions. Aggregated orders are allocated on a fair and equitable basis, ensuring that the interests of some clients are not placed over those of others. Sales or purchases of the same security shall generally be aggregated into a block order as long as:

- Aggregation is not prohibited under each client's advisory or other agreement; and
- Aggregation does not disadvantage any particular client over time.

Aggregation of orders in the same security is intended to result in a more favorable net price or more efficient execution than if the orders were placed separately.

It is our general policy to allocate aggregated trades pro-rata. Pro-rata allocations result in all participating client accounts receiving a proportionate share of an order or position within designated tolerances. Generally, pro-rata allocations are based on the relative orders of each participating account. Under this methodology, an execution is allocated pro-rata based on relative order size.

A block order may also be allocated based on the following methodologies:

- fixed percentage allocations;
- targeted percentage allocations;
- multiple fills; and/or
- partially filled orders

There may be occasions where client accounts may not participate in an aggregated transaction. Examples include:

- odd lots;
- account cash considerations;
- intraday changes to cash flow reporting;
- foreign markets that require account specific IDs;
- foreign trading practices that restrict pro-rata allocations;
- fixed income portfolios with differing durations/duration targets; and
- directed brokerage arrangements.

RESEARCH SERVICES

As of December 31, 2020, Russell Investments retired its participation in soft dollar commissions programs. However, Russell Investments continues to allow the use of client soft dollar commission program when it is acting on behalf of a client whereby that client has an existing soft dollar program established for its portfolio. Under such arrangement, we receive no benefit from the accumulation of soft dollar commissions accrued in the client's portfolio for use by the client for their own purposes.

COMMISSION RECAPTURE

As a SEC and FINRA-registered broker-dealer, RIIS offers a recapture program to our clients who elect to participate ("Recapture Program"). The Recapture Program is designed primarily to reduce the total commission costs for the client. Under the Program, clients specifically ask their money managers to execute a portion of their trades through RIIS's commission recapture broker-dealer network, which includes RIIS. Third-party money managers maintain autonomy over whether to execute trades through RIIS's internal agency trading desk or through external broker-dealers on the network.

Trades are executed through the RIIS Recapture Program at the normal commission rates in effect between the manager and the network broker-dealer. These trades generate credits based on separate rates negotiated between RIIS, the broker-dealers, and the clients. Clients may elect to receive these credits in cash or apply them to pay for various third-party services. Clients are not required to apply credits to pay for Russell Investments' services, and neither Russell Investments fees for the Program, nor the commission credit rates, are based on whether they elect to do so.

The RIIS Recapture Program is voluntary and may be terminated at any time, with an instruction from the client to its money managers to discontinue trading through the Recapture Program. Likewise, clients may instruct RIIS to change the application of their credits (e.g., to discontinue applying credits to pay for services) at any time.

CROSS TRANSACTIONS

We engage in cross trading under certain circumstances where permitted. Cross transactions are only performed when the transaction is fair to all parties and where such transactions are consistent with the overall implementation strategy of the portfolios and within the regulatory requirements applicable to the effected client(s). Cross trades occur when one client account buys or sells to or from another client account. There are instances where cross transactions may benefit clients by reducing transaction costs, promote execution efficiency, and reduce market impact. Because of this, we may engage in cross trading under circumstances where the transaction does not disadvantage any party to the trades and is permitted by applicable law. We can represent the buy and sell sides of the trade, as agent, and execute the cross trade with or without the use of an independent third-party. Under these arrangements, RIIS, acting as a broker-dealer, may charge a reasonable commission to execute cross trades where permitted. To mitigate conflicts of interest, the transaction must be priced using an independent pricing mechanism which may be 1) the last reported sale price for the security, if available; 2) if the last sale price is not available, at the previous day's closing prices provided by the independent pricing services used by Russell Investments to value the securities for pricing, reporting and other purposes; or 3) prevailing market conditions at time of execution e.g., within the Bloomberg bid/offer price at the time of execution.

We do not enter into cross transactions involving one or more ERISA accounts unless prior written consent from the plan fiduciary has been received, and then only will proceed in accordance with a U.S. Department of Labor Prohibited Transaction Exemption, applicable law, and our written policies and procedures.

Mutual fund participation in cross transactions is subject to adherence to the requirements of Rule 17a-7 of the Investment Company Act.

SECURITIES TRANSACTIONS

We effect transactions in securities and other financial instruments as follows:

Agency Basis

We act as agent for clients for all transactions. We act as executing broker-dealer, and can consider trades with independent broker-dealers, exchanges, trading venues, or counterparties who are themselves acting as principal or agent, but we will always act in an agency capacity.

Trading Venues

We have arrangements with a wide network of non-affiliated trading venues, broker-dealers and counterparties and can execute trades with one or more of such venues or broker-dealers to perform execution, clearing, or other services in relation to trades executed under client agreements. We select and evaluate broker-dealers, electronic communication networks, multi-lateral trading facilities, alternative trading systems, exchanges, or similar execution systems for trading services based on processes designed to achieve best execution as defined above. These due diligence processes include evaluation of several factors, including quality of execution (measured in terms of execution price achieved versus stated benchmarks), market access, technology, ability to accommodate special transaction needs and client service.

The distribution and sales of Russell Investment Funds is not a factor that is used in the broker review process or as a basis of a brokerage relationship. Additionally, we do not pay up for trades to encourage the sales of affiliated Fund shares. Trading techniques, methods and venues are selected in an effort to seek the best overall price and execution available to meet its clients' specific needs.

Futures Transactions and Cleared Swaps

We manage futures and cleared swap transactions for clients in several contexts, including Overlay Services and other assignments. The terms and strategies applied will vary depending on the type of service and the agreement, investment guidelines and special restrictions established with the client, but the following general practices apply:

Designated Broker-Dealers

As an agent, we effect all futures and cleared swaps transactions in accounts established with a clearing broker-dealer (the "Designated Broker-Dealer") selected by agreement between us and the client. To establish these account(s), we will provide the client with materials developed by the Designated Broker-Dealer, including certain disclosure materials related to the risks of futures and cleared swaps. Accounts may be established either directly by the client, or by RIIS on behalf of the client if the client executes a Power of Attorney (in the form prescribed by the Designated Broker-Dealer) authorizing us to execute customer agreements and establish such accounts. We may also use execution-only broker-dealers for futures and cleared swaps transactions. We manage and maintain the required give-up agreements between clearing and execution-only firms necessary to effect such transactions. The Designated Broker-Dealer is responsible for the timely payment of amounts owed to clients and for the payment of any penalties and interest due to any default by the Designated Broker-Dealer. The client is responsible for ensuring the timely payment of any amounts owed by the client to the Designated Broker-Dealer upon instruction from us and for payment of any penalties and interest due to any such default on the part of the client.

Collateral

The Designated Broker-dealer may require initial, variation, maintenance and other required margin in the form of monies, securities or otherwise ("Collateral") in connection with the client account. As provided in the client agreement, RIIS will from time to time execute Collateral transactions and provide (or direct the client to provide) the Designated Broker-Dealer with the necessary Collateral. The collateral will be held in an account at the Designated Broker-Dealer (or a segregated account) in the name of the client. All interest and earnings on the Collateral belong to the client and will be delivered to the client on a periodic basis.

Currency and Swap Transactions

RIIS effects transactions in currency and OTC swaps as follows:

***Counterparty Banks and Prime Broker-Dealers*:** We have arrangements with a wide network of non-affiliated counterparty banks and prime broker-dealers (collectively "Counterparties") and may use any one or more of such Counterparties to perform execution, clearing, or other services in relation to trades executed under client agreements. We select and evaluate Counterparties for trading services based on processes designed to achieve best execution. These due diligence processes include evaluation of several factors, including creditworthiness, quality of execution (measured in terms of proximity to the contemporaneous market price), client service, market access, technology and ability to accommodate special transaction needs.

***Matching*:** We may perform matches between two or more clients where permitted, including under ERISA, where such transactions are consistent with the overall implementation strategy.

***Alternative Execution Outlets*:** We may employ a variety of alternative execution outlets, including individual counterparty trade execution systems, in pursuit of best execution.

Currency and Swap Collateral: Counterparties may require margin in the form of monies, securities or otherwise ("OTC Collateral") in connection with the client account. As provided in the client agreement, RIIS will from time to time execute OTC Collateral transactions and provide (or direct the client to provide) the Counterparties with the necessary OTC Collateral. All interest and earnings on the OTC Collateral belong to the client and will be delivered to the client on a periodic basis.

RELATIONSHIPS WITH EXECUTION VENUES

We may establish a limited number of commercial relationships with third-party execution venues. These arrangements may generate revenue for us. However, in no instance will we receive compensation from an affiliated venue in relation to RIIS-directed order flow.

FEES AND OTHER CHARGES

Our fees related to securities, futures, currency, swap or other transactions, will be on terms separately agreed upon with each client and may be collected by broker-dealers, Counterparties or charged directly. Where permitted by law, we may receive fees from multiple clients or broker-dealers and counterparties for cross transactions and matches. For securities transactions, brokerage fees generally include charges for execution, clearing or other services, if any, imposed by the broker-dealers, exchanges, electronic communication networks or other execution venues. For futures transactions, brokerage fees include charges imposed by the Designated Broker-Dealer and, if applicable, the execution-only broker-dealer, for execution, clearing and other services. For currency transactions, trading costs and fees can be charged at the point of settlement in the currency exchange rate or invoiced at a later date. For swap transactions, fees and charges are generally included in the price of the swap. When charging fees on amortizing bonds (e.g., ABS or MBS with factors), the fees charged are calculated based upon the published factor known on trade date. The fees will not be amended retrospectively based upon the published factor. For all transactions (other than securities transactions), fees for taxes, exchange fees, platform fees, settlement, prime brokerage, transfer, custodial fees and other similar items are borne by the client.

Item 13 – Review of Accounts

OVERLAY AND INVESTMENT MANAGEMENT SERVICES

Routine reviews of investment activity in client accounts are conducted daily to confirm that portfolio positions are within target ranges and are in adherence with the client's investment guidelines. Pre- and post-trade compliance systems and exception-based reporting help determine if any account is out of compliance with its agreed upon investment guidelines. When exceptions occur, a designated supervisor and compliance officer review the exception and determine the appropriate action to be taken. Considerations include but are not limited to 1) transaction history, 2) changes in client's investment guidelines, 3) changes in client's authorized persons, 4) changes in authorized agents of client, (i.e., custodian bank), 5) breaches of investment guidelines, 6) performance, and 7) review of client documentation.

The nature and frequency of client reporting is negotiated with each client. Most commonly, reporting consists of daily portfolio and position reporting along with monthly performance. This information is available to clients via online services.

TRANSITION MANAGEMENT

Following the conclusion of a Transition Management event, the portfolio manager prepares an analysis which documents, among other things, the transactions effected, market conditions impacting the event, commissions paid, and the performance in terms of standard deviation from estimated implementation shortfall. In addition to the daily review of transactions, a compliance officer reviews these analyses in conjunction with the contract terms to ensure the event met the objectives of the transition.

Client reporting during a Transition Management event is done on terms agreed upon with the client. The client may choose to receive communications by phone or email on a daily, intraday, or end of day basis. Some clients prefer to receive only a summary at the end of the event. Whatever the means chosen by the client, the same level of detail is captured for each event and provided to the client in a post-transition report.

Item 14 – Client Referrals and Other Compensation

Pursuant to a contractual arrangement, we or an affiliate may from time to time appoint certain individuals or entities (“solicitors”) to solicit and refer clients. Each such solicitor will enter into an arrangement with us in accordance with provisions of the Investment Advisers Act of 1940. The agreement specifies the duties of the solicitor which include providing to each person solicited on our behalf a separate document describing our compensation arrangement with the solicitor at the time each person is solicited. The solicitor’s compensation will generally be a percentage of our gross revenues received from the client. This contractual agreement is designed to introduce our services to institutional clients who might otherwise not be aware of or able to access the investment services we offer.

Russell Investments Financial Services (“RIFIS”) has been engaged to distribute interests in RIC/RIF and other affiliated Funds. Further, as discussed in Item 4 – Advisory Business, Services of Affiliates, we utilize our affiliates to offer certain services to clients, some of which are also investment advisers or broker-dealers registered with the SEC, or personnel of one or more of our affiliates for investment advice, portfolio execution and trading, and client servicing in their local or regional markets or their areas of special expertise. This presents a conflict of interest as we may be incentivized to recommend Russell Investments related products and services because RIFIS licensed representatives earn commissions based on the sale of Russell Investments mutual funds and other Russell Investments private funds. To mitigate these conflicts, Russell Investments maintains intercompany agreements between affiliates that govern compensation and expense sharing arrangements with our affiliates which are consistent with applicable regulatory requirements and law.

Item 15 – Custody

Generally, each Fund and client appoints a third-party qualified custodian for the portfolio’s funds and securities. We do not take physical custody of client assets. However, in connection with the management of Private Funds, RIIS may be deemed to have custody of client assets under the Adviser’s Act. The annual statements of the Private Funds are audited by an independent public accountant registered with the Public Company Accounting Oversight Board as required by the Adviser’s Act.

RIIS is also deemed to have custody of client assets in situations where it can deduct advisory fees from an account. RIIS has a reasonable basis to believe such accounts receive a custodian statement on at least a quarterly basis, as required by the Adviser’s Act.

Clients should receive at least quarterly statements from their broker-dealer, bank or other qualified custodian that holds and maintains their investment assets. We strongly urge clients to carefully review such statements and compare such official custodial records to the account statements that may be provided.

Item 16 – Investment Discretion

We may provide both discretionary and non-discretionary investment advisory services. The majority of clients grant us discretion, which allows us to manage portfolios and make investment decisions without client consultation regarding the securities and other that are bought and sold for an account, subject to investment guidelines. In such accounts, client approval is not required for the total amount of securities and other assets to be bought and sold, the choice of executing brokers, or the price and commission rates for such transactions. Clients delegate this investment authority when they sign a discretionary agreement and may limit this authority by giving us written instructions.

Item 17 - Voting Client Securities

We vote proxies on behalf of our client accounts according to our contractual obligations. When voting proxies, we have a fiduciary duty to make investment decisions that are in our client's best interests. Proxy voting and issuer engagement is an integral part of this process, conducted through the Russell Investments Active Ownership Committee (the "Committee") which operates pursuant to a written charter. The Committee's focus will be on issues material to the value of the investments of the Russell Investments Group's clients. These may include, but are not limited to, business strategy, performance, financing and capital allocation, management, acquisitions and disposals, internal controls, risk management, the membership and composition of governing bodies/boards and committees, sustainability, remuneration, and environmental social and governance ("ESG") performance (subject to applicable law and regulations).

Where we have been delegated proxy voting authority over client securities or otherwise have proxy voting responsibility, our proxy voting process is governed by our Proxy Voting Policies and Procedures (the "Policies"). The Policies are reasonably designed to assist us in voting proxies in the best interests of our clients and clarify roles and responsibilities, provide for resolution of conflicts of interest, maintenance of records, and disclosures to clients. In delegating proxy voting authority to us, clients agree to the voting of proxies in accordance with our Guidelines and practices.

Proxies are voted in accordance with our written Proxy Voting Guidelines (the "Guidelines") that address the manner in which we vote the majority of proxies. Matters that are not covered in the Guidelines or that are more appropriately examined on a case-by-case basis are voted by the Committee. Regardless of whether a matter is voted pursuant to the Guidelines or by the Committee, we exercise our proxy voting authority in the best interests of clients based on our analysis of relevant facts and circumstances; pertinent internal and third-party research; reasonably available subsequent information; applicable law and regulation; as well as certain best practices.

The Guidelines address matters that are commonly submitted to shareholders of a company for voting, including, but not limited to, issues relating to corporate governance, auditors, the board of directors, capital structure, executive and director compensation, and mergers and corporate restructurings. The Guidelines contain more detailed information about our proxy voting policies with respect to issues upon which we may be asked to exercise our proxy voting authority. We construct the Guidelines based on our own assessment of each matter covered by the Guidelines. This assessment may take into account or adopt pertinent third-party research, including research provided by an unaffiliated proxy voting advisory firm.

The Committee oversees proxy voting. We may exercise proxy voting authority directly or utilize the services of a third-party service provider. That service provider utilizes an automated platform that collects and documents our voting decisions and interfaces directly with the tabulator of each proxy vote to help ensure timely and accurate votes. The automated platform is not a substitute for our judgment or discretion; we retain final authority with respect to its exercise of any proxy voting authority. We also maintain records of all votes cast and other relevant information as may be required by applicable law or regulation.

Russell Investments' Active Ownership team engages with securities issuers and investment industry participants on matters of interest to the Russell Investments Group and its clients ("Engagement Activities") in order to enhance and protect the value of our clients' investments. Russell Investments' Engagement Activities are governed by our Engagement Policy. Issuer and investment industry engagement includes defining the parameters of the Engagement Activities; developing the tools, strategies and methods of Engagement Activities; design, development and execution of the Engagement Activities; and tracking and recording the outcomes of Engagement Activities.

We take our fiduciary duty to act as good stewards of client assets through proxy voting and shareholder engagement very seriously. As a Principles for Responsible Investing (PRI) signatory, and subject to any applicable laws or regulations, we place specific importance on conducting an active ownership program that is integrated with our investment approach and incorporates responsible investing goals.

Should clients have any questions or want to obtain voting records or a copy of our proxy voting procedures, these inquiries should be directed to: activeownership@russellinvestments.com.

We are not responsible for voting proxies for which we have not been expressly delegated proxy voting authority, or for proxies that we do not receive, receive late or receive without sufficient information.

Item 18 – Financial Information

We are required in this Item to provide you with certain financial information or disclosures about our financial condition. We do not solicit or require clients to pay fees in excess of $1,200 per client more than six months in advance of services being provided. We are not aware of any financial commitment that would impair our ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.