

Contact: Sarah Higgins
Director, Marketing and Communications
Tel: +44 (0) 20 7024 6240

Amy Butler / Beth Murray
Lansons Communications
Tel: +44 (0) 20 7566 9709 / +44 020 7566 9728

Russell Investments
Rex House
10 Regent Street
London SW1Y 4PE

www.russell.com

For real-time news updates, follow @Russell_News on Twitter.

Russell launches expanded investment manager due diligence service

Manager Compliance & Operations Review provides institutional investors a deeper understanding of asset manager risk

LONDON, AUGUST 4, 2010 – Russell Investments is launching an expanded manager due diligence service that brings together Russell's global leadership in the traditional research and selection of investment managers with its depth of experience in investment program management. Drawing on best practices initially developed and incorporated in the management and oversight of Russell funds, [Manager Compliance & Operations Review](#), or "Manager CORE," utilises Russell expertise to provide institutional clients with the opportunity to understand and manage business, operational and compliance risks at the total fund level based on a deeper understanding of their individual investment managers.

"The market has changed, and risk management needs to increasingly be a proactive part of the investment process so institutional investors can make fully informed decisions," said Dianna Zentner, director of global manager oversight and due diligence. "There is more to due diligence than just understanding managers' investment risks, and Russell's Manager CORE will provide clients with the ability to access a transparent, in-depth look at the operational and compliance controls of their investment managers."

Manager CORE is a strategic extension of Russell's deep resources and long history of expertise in investment manager research. Clients participating in the new due diligence-risk management service will benefit from Russell's knowledge of more than 60 regional regulatory agencies worldwide and insights into the developed, emerging and frontier markets, which is especially crucial when considering accessing foreign domiciled managers.

"Russell is uniquely positioned to provide clients with manager due diligence intelligence because of our global understanding of managers, investing, operations and compliance," explained Henk Radder, who leads the European arm of the initiative. "Following review completion, clients are armed with actionable information that will enhance their investment decision-making and risk mitigation process, raise their confidence in manager selection and provide time and cost savings."

The Manager CORE process begins with an initial organisational assessment followed by an on-site visit. After completion of thorough due diligence on a money manager's internal operational, compliance, business and risk controls, each manager is assigned an overall qualitative risk rating. Russell then

issues recommendations for necessary improvements, which are supplemented by ongoing monitoring and reporting.

Manager CORE can serve as a complement to traditional manager research, or as a standalone service, and also offers options for customisation depending on client need. Some of the risks reviewed as part of the service include regulatory compliance requirements; conflicts of interest; governance; management leadership and vendor oversight; systems and technology; and business continuity and recovery.

About Russell Investments

Founded in 1936, Russell Investments is a global financial services firm that serves institutional investors, financial advisers and individuals in more than 40 countries. Over the course of its history, Russell's innovations have come to define many of the practices that are standard in the investment world today, and have earned the company a reputation for excellence and leadership.

Through a unique combination of wide-ranging and interlinked businesses, Russell delivers financial products, services and advice. A pioneer, Russell began its strategic pension fund consulting business in 1969 and today is trusted by many well-known worldwide institutions for investment advice. The firm has \$140 billion in assets under management (as of 30 June 2010) in its mutual funds, retirement products, and institutional funds, and is well recognised for its depth of research and quality of manager selection. Russell offers a comprehensive range of implementation services that helps institutional clients maximise their assets. The Russell Indexes calculate over 50,000 benchmarks daily covering 65 countries and more than 10,000 securities.

Russell is headquartered in Tacoma, Washington, USA with offices in Amsterdam, Auckland, Chicago, Johannesburg, London, Melbourne, New York, Paris, San Francisco, Seoul, Singapore, Sydney, Tokyo and Toronto. For more information about how Russell helps to improve financial security for people, visit us at www.russell.com

###

This material is not intended for distribution to retail clients. This material does not constitute an offer or invitation to anyone in any jurisdiction to invest in any Russell product or use any Russell services where such offer or invitation is not lawful, or in which the person making such offer or invitation is not qualified to do so, nor has it been prepared in connection with any such offer or invitation.

Unless otherwise specified, Russell Investments is the source of all data. All information contained in this material is current at the time of issue and, to the best of our knowledge, accurate. Any opinion expressed is that of Russell Investments, is not a statement of fact, is subject to change and, unless it relates to a specified investment, does not constitute the regulated activity of "advising on investments" for the purposes of the Financial Services and Markets Act 2000.

The value of investments and the income from them can fall as well as rise and is not guaranteed. You may not get back the amount originally invested.

Any forecast, projection or target is indicative only and not guaranteed in any way. Any past performance figures are not necessarily a guide to future performance.

Any reference to returns linked to currencies may increase or decrease as a result of currency fluctuations. Any references to tax treatments depend on the circumstances of the individual client and may be subject to change in the future.

Copyright © 2007 – 2010 Russell Investments Limited

Issued by Russell Investments Limited. Company No. 02086230. Registered in England and Wales with registered office at: Rex House, 10 Regent Street, London SW1Y 4PE. Telephone 020 7024 6000. Authorised and regulated by the Financial Services Authority, 25 The North Colonnade, Canary Wharf, London E14 5HS