

SUPERANNUATION VOTING TRANSPARENCY REPORT

1. Name of asset owner/ fund manager & fund name chosen to assist with queries below:

Russell Total Risk Management

2. Brief Description of Asset Owner

Investment Group with multiple funds under management
(Total Risk management Pty Ltd is the trustee of the Russell Investments Master Trust and the Russell Investments Pooled Superannuation Trust. Russell Investment Management Ltd in the responsible entity of the Russell Investments Funds and Russell Investments Exchange traded funds.)¹

3. Funds Under Management:

\$8.58B as at June 2017 (Russell Investments Master Trust)

\$368B as at August 2018 (Globally)

URL: <https://www.resourcesuper.com.au/about-resource-super/governance>

4. Memberships

Association	Membership
UNPRI	Yes (Under Russell Investments)
FSC	Yes (Under Russell Investment Group)
RIAA	Yes (Under Russell Investments)
ACSI	No

5. Do they publically disclose a clear policy on how ESG issues are incorporated in all of their equity investment activities (i.e not just for SRI funds?) and do they screen any particular industry?

Russell Total Risk Management has disclosed a clear policy on how ESG issues are incorporated in all of their equity investment activities and has a specific criteria for how to vote on ESG issues. In its proxy voting guidelines the Fund gives direction as to what they vote for and against in relation to certain issues eg. 'Shareholding Disclosures and 'Anti-Takeover measures'. These voting expectations however are subject to change on a cases-by-case basis and dependent on Glass Lewis' recommendations, as is stated continuously throughout the document. On Page 19 the Fund provides general support to governance related shareholder proposals such as disclosures of remuneration and pension awards of executives and some general board member requirements, furthermore, more governance related proposals are addressed throughout the document.

¹ <https://russellinvestments.com/au/legal>

Social factors focused on include animal welfare, consumer issues, product safety, diversity and equal opportunity. The fund states that it votes “for proposals seeking to amend a company’s equal employment opportunity statement/diversity policies to prohibit discrimination based on sexual orientation and/or gender identity.”² Environmental factors are also considered as the fund votes “for any proposals requesting that a company report on the potential environmental damage that could result from company operations.” Furthermore the fund mentions its general support for proposals which call for the reduction of greenhouse gas emissions, recycling strategies and investment in renewable energy resources.³

URL:

<https://russellinvestments.com/au/disclosures/proxy-voting-principles>
<https://russellinvestments.com/-/media/files/au/legal/proxy-voting--engagement-report-2017-au.pdf?la=en-au>

Score (3 out of 3)

6. Do they publicly disclose their voting record for either or both their ASX and international holdings?

Both Domestic and International voting records are disclosed annually. All votes are fully disclosed with company name, meeting date and proposal. However no rationales were provided. The Flagship ‘Russell Investments Australian Shares Fund’ was used for domestic voting and ‘Russell Investments International Shares Fund’. As the Fund provides its attitude to contentious issues in both its proxy voting guidelines and in its Proxy and Engagement report, it has also been given an extra point.

URL:

<https://russellinvestments.com/au/disclosures/annual-reports>
<https://viewpoint.glasslewis.net/webdisclosure/search.aspx?glpcustuserid=AUS0112>

Score (4 out of 5)

² Proxy Voting Policy pg.32

³ Proxy Voting Policy pg.32

7. DOMESTIC VOTING

January to June 2017 ASX						
	Theme of Proposal	For	Against	Abstain	Not Holding	Score
Oil Search	Climate Change item no.7			X		0
	Human rights		X			-1
Santos	Amendment of Constitution item no.5a.		X			-1
	Climate Change item no.5b. (Strategic Resilience for 2035 and Beyond)		X			-1
URL: (Max score 4)Total						-3

8. INTERNATIONAL VOTING

International 2017 Resolutions						
	Theme of Proposal	For	Against	Abstain	Not Holding	Score
The AES Corporation	Climate Change				X	0
Ameren (item 6.)	Climate Change				X	0
Dominion (item 8.)	Climate Change				X	0
DTE (item 5.)	Climate Change				X	0
Duke Energy Corporation (item 7.)	Climate Change				X	0
FirstEnergy (item 10.)	Climate Change				X	0
PNM	Climate Change				X	0
PPL (item 6.)	Climate Change				X	0
The Southern Company (item 6.)	Climate Change				X	0
AT&T (item 5)	Political Expenditure				X	0
Alphabet Inc (item 8)	Political Expenditure		X			-1
Wells Fargo (item 5)	Consumer Rights (Retail Banking Sales Practices Report)				X	0
UK Royal Dutch Shell (item 21)	Climate Change (GHG Reduction Targets)		X			-1
UK Sports Direct (item 19)	Human Capital Management (2016)				X	0
(Max score 14) Total						-2

9. LAGGING

DOMESTIC RECORDS			
	Yes	No	Score
2017 Records available within 2 months of 2017 financial/calendar year end		N/A	0 ⁴
Records available for current year to date, no more than two months ago available		X	0
June 2016 Records are available	X		1
(Max score 3) Total			1

INTERNATIONAL RECORDS			
	Yes	No	Score
2017 Records available within 2 months of 2017 financial/calendar year end		N/A	0
Records available for current year to date, no more than two months ago available		X	0
June 2016 Records are available	X		1
(Max score 3) Total			1

10. Proxy Advisor used:

Glass – Lewis

11. Since June 2015 has the Fund lead filed or co-filed any ESG related shareholder resolutions at ASX 100 listed companies?

Not to the knowledge of the ACCR

⁴ Because of the kind of disclosure the Fund has provided it is impossible to know the time the records have been made available. Therefore n mark has been given for this lagging point.

12. Prose:

Russell Investments have provided evidence of a clear ESG policy where they explain their vote standing on most expected proposals and shareholder resolutions. They give good direction on many topics including governance, social and environmental related issues. Generally these voting guidelines appear in support of the majority of shareholder proposals and issues. The Fund claims general support to climate change, animal cruelty and remuneration related issues. The fund also specified its support to diversity and equal opportunity. It is frequently noted within their voting guidelines that votes will also be dependent on Glass-Lewis recommendations and a case-by-case basis.

Domestically, Russell Investments have had two chances to date 2017 to support Climate Change Based resolutions and has not support either, with 1 abstain vote and 1 against vote, as indicated in its Proxy Voting Summary. Similarly Russell Investments have not supported the two resolutions related to human rights or governance issues in the same time period.

A range of international shareholder resolutions have been recorded to indicate the international proxy voting history of Russell Investments. Due to the scale of this international market, a few resolutions put to large companies concerning key issues such as climate change, human rights and political spending were chosen. These resolutions were chosen as reflective because they attracted reasonable support.

Ten 2017 resolutions associated with climate change and the prevention of global warming were chosen, Russell Investments voted against the one resolutions it had the chance to vote on. Two resolutions concerning political expenditure were chosen to help indicate the fund's stance on this issue, Russell Investments voted against the one it might have supported.

NOTES

Technical lag unknown for timing after 2017 financial year as update date not given.