AARP FUNDS
AARP PORTFOLIOS

PROXY VOTING POLICIES AND PROCEDURES

I. Introduction

AARP Financial Incorporated (the "Adviser") is an investment adviser registered under the Investment Advisers Act of 1940, as amended (the "Advisers Act"). The Adviser provides investment advisory services to the series of AARP Funds (the "Funds") and the series of AARP Portfolios (the "Portfolios"). AARP Funds and AARP Portfolios (each a "Trust") are both investment companies registered under the Investment Company Act of 1940, as amended ("1940 Act").

Each of the AARP Funds, on behalf of the Funds, and the AARP Portfolios, on behalf of the Portfolios, has entered into an investment advisory agreement with the Adviser that has delegated to the Adviser (i) discretionary investment management authority with respect to the assets held in the client's portfolio, and (ii) authority to vote any proxies with respect to the voting securities held in the client's portfolio. Under the current business model, the only such advisory clients are the AARP Funds and the AARP Portfolios. The Funds and the Portfolios have directed the Adviser to implement these Proxy Voting Policies and Procedures ("Policies and Procedures") in voting proxies with respect to voting securities owned by each Fund or Portfolio. These Policies and Procedures may be revised from time to time; however, any material amendments must be approved by the Board of Trustees of the Trusts.

II. The Proxy Manager

Day-to-day administration of the proxy voting process is the responsibility of the proxy manager appointed by the Adviser.[1] The Proxy Manager is responsible for voting proxies in accordance with these Policies and Procedures and the Proxy Voting Guidelines attached hereto as Exhibit A (with respect to the Portfolios only) and for ensuring that procedures, documentation, and reports relating to the voting of proxies are promptly and properly prepared and disseminated.[2] The Proxy Manager shall seek to reconcile on a regular basis all proxies received against holdings of the AARP Funds and the AARP Portfolios to ensure that all shares held on the record date, and for which a voting obligation exists, are voted.

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1 The Adviser has contracted with the RiskMetrics Group (formerly ISS) (the "Proxy Manager") and delegated responsibility for recording and voting proxies to the Proxy Manager. The Adviser monitors the Proxy Monitor's performance of its duties.

2 The Adviser may satisfy this requirement by relying, at the Adviser's expense on a third party service provider provided the Adviser has obtained an undertaking from the third party to provide reconciliation reports promptly upon request. If the Adviser chooses to delegate this authority, the Adviser must monitor the third party service provider to ensure that such party is carrying out its duties accordingly.

III. AARP Funds

Because the Funds invest substantially all of their assets in the Portfolios or in series of other registered investment companies (collectively, "Master Funds") pursuant to Sections 12(d)(1)(G) or 12(d)(1)(E) of the 1940 Act, respectively, it is anticipated that the only matters upon which the Funds will be asked to vote are matters that require approval of the shareholders of the Master Funds. Due to the inherent conflict of interest presented in that situation, the Funds normally will pass through any matters to be approved by shareholders of the Master Funds to the shareholders of the Funds. The Adviser will then vote or cause to have voted each Fund's proxies on matters affecting a Master Fund in which the Fund invests in direct proportion to the votes received from shareholders of that Fund.[3]

IV. AARP Portfolios

The Portfolios invest in a variety of securities, including voting securities of many different issuers. As a result, the Portfolios, as the beneficial owner of those voting securities, will be asked to vote on various matters affecting the issuers of those voting securities. As noted above, the Proxy Manager is responsible for voting proxies in accordance with these Policies and Procedures and the Proxy Voting Guidelines attached hereto as Exhibit A. The Adviser has instructed the Proxy Manager to vote all proxies prudently and solely in the best interest of the Portfolios and their shareholders considering all relevant factors and without undue influence from individuals or groups who may have an economic interest in the outcome of a proxy vote.

V. Conflicts of Interest

As a matter of policy, the Adviser:

1. Votes all proxies in the best interest of the Portfolios.

2. Identifies and resolves all material proxy-related conflicts of interest between the Adviser and the Portfolios in the best interests of the Portfolios.

3. Believes that proxy voting is a valuable tool that may be used to promote sound corporate governance to the ultimate benefit of the Portfolios.

4. Provides AARP Portfolios, upon request, with copies of reports with such substance and frequency as required to fulfill obligations under applicable law or as reasonably requested by the Board of Trustees of AARP Portfolios.

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3 Section 12(d)(1)(E) of the 1940 Act has specific requirements as to how registered investment companies investing in master-feeder structures may vote interests in their master funds. Under Section 12(d)(1)(E)(iii)(aa), the feeder fund either may (1) pass through the vote to its shareholders and then vote its interest in the master fund as described in this policy or (2) elect to vote its interest in the master fund in the same proportion as the vote of all other shareholders of the master fund, without the necessity of seeking any direction from shareholders of the feeder fund. If the Proxy Manager determines that it would be in the best interest of a Fund investing in a master-feeder structure to vote in proportion to other shareholders of the Master Fund, the Proxy Manager may so vote provided he or she first obtains the approval of the Board of Trustees.

5. Reviews regularly the proxy voting record to ensure that proxies are voted in accordance with these Policies and Procedures, and ensures that procedures, documentation, and reports relating to the voting of proxies are promptly and properly prepared and disseminated.

In order to avoid even the appearance of impropriety, the Proxy Manager will not take the Adviser's relationship (or the relationship of an affiliate of the Adviser) with a company into account, and will vote the company's proxies in the best interest of the AARP Portfolios, in accordance with these Policies and Procedures. The Adviser has provided the Proxy Manager with a list of companies where the possibility of conflicts of interest exists between the Portfolios and the Adviser or its affiliates. The Advisor will update this list as needed.

The Proxy Manager reviews votes cast in order to determine whether conflicted votes were voted consistent with these procedures. In circumstances under which a proxy is returned to the Adviser to vote, the Treasury department consults with Fund officers and trustees as necessary or appropriate prior to providing the Proxy Manager with written voting instructions.

VI. Review of Voting Record

The Adviser's Treasury Department is responsible for reviewing regularly the performance of the Proxy Manager with regard to ensuring that proxies are voted timely and in accordance with these Policies and Procedures and ensuring that procedures, documentation, and reports relating to the voting of proxies are promptly and properly prepared, filed and disseminated.

The Adviser's Compliance Department conducts due diligence reviews and testing of the proxy voting process.

VIII. Recordkeeping

The Adviser shall, with respect to those clients over which it has discretionary proxy voting authority, make and retain the following documentation:[4]

(1) All proxy voting policies and procedures
(2) A copy of each proxy statement regarding client securities.[5]
(3) A record of each vote cast by the Adviser on behalf of a client.[6]

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[4] See Rule 204-2(c)(2) of the Advisers Act.

[5] The Adviser may satisfy this requirement by relying on a third party to make and retain on the Adviser's behalf, a copy of a proxy statement (provided the Adviser has obtained an undertaking from the third party to provide a copy of the proxy statement promptly upon request) or may rely on obtaining a copy of a proxy statement from the SEC EDGAR system at www.sec.gov.

[6] The Adviser may satisfy this requirement by relying on a third party to make and retain, on the Adviser's behalf, a record of the vote cast (provided the Adviser has obtained an undertaking from the third party to provide a copy of the record promptly upon request).

(4) A record of all oral and a copy of all written communications received and memoranda or similar documents created by the Adviser that were material to making a decision on voting client securities, including any supporting documentation, whether or not approved, or that memorializes the basis for that decision.

(5) A record of each written client request for proxy voting information on how the Adviser voted proxies on behalf of the client, and a copy of any written response by the Adviser to any (written or oral) client request for proxy voting information on how the Adviser voted proxies on behalf of the requesting client.

(6) Copies of all reconciliations of securities held in client accounts and proxies voted.

All books and records required to be maintained hereunder, shall be maintained and preserved in an easily accessible place for a period of not less than five (5) years from the end of the fiscal year during which the last entry was made on such record, the first two (2) years in an appropriate office of the Adviser, or its delegate.

Adopted: December 8, 2005
Amended: June 6, 2006
Amended: February 26, 2008
Amended: November 12, 2009

EXHIBIT A

PROXY VOTING GUIDELINES

These Proxy Voting Guidelines are a reflection of AARP Portfolios' (the "Trust") views that the Trust's fiduciary obligations to their shareholders include an obligation to vote their proxies in a manner consistent with solid corporate governance and corporate social responsibility.

The Trust believes that good corporations are characterized by sound corporate governance and overall corporate social responsibility. A well-governed company that meets high standards of corporate ethics and operates in the best interests of the shareholders, employees, customers, communities and the environment will be better positioned for long-term success. This long-term success translates into positive returns for long-term shareholders.

Board of Directors

- The Trust believes that one of the fundamental sources of good governance is independence. In our view, the board should be composed of a majority of independent directors and key committees, including the audit, compensation, and nominating and/or governance committees, should be composed exclusively of independent directors. The Trust will generally support the board's nominees, if the above conditions are met.

- The Trust believes that classified or staggered board structures may deter legitimate efforts to elect new directors or takeover attempts that may benefit shareholders. The Trust will generally support proposals to elect all board members annually and to remove classified boards.

- The Trust will generally support proposals that seek to separate the positions of Chair of the Board and the Chief Executive Officer.

- The Trust will generally support proposals that ask for the Chair of the Board to be an independent director.

- The Trust will generally oppose director nominees that have not attended a sufficient number of meetings of the board or key committees on which they were to serve.

- The Trust will generally support proposals that seek to indemnify directors and limit director liability for acts excluding fraud or other wanton or willful misconduct or illegal acts.

- The Trust will generally oppose excessive awards of stock or stock options to directors.

- The Trust will generally oppose director nominees who have acted against the interests of shareholders.

- The Trust will generally support proposals to require majority voting in favor of director nominees.

Independent Auditors

- The Trust believes that the company is in the best position to evaluate the competence of the outside auditors. We will generally vote on ratification of the auditor unless we have reason to believe that the company has used overly aggressive or other unrealistic assumptions in financial reporting that overstate or otherwise distort earnings. We will generally vote against ratification of the auditor if fees for non-audit services are excessive and / or inappropriate.

Compensation Issues

- The Trusts recognize that there are significant variables that exist in order to properly evaluate compensation proposals such as industry, market capitalization, competitive factors, etc. that adequately address the need to balance the needs of the employees and those of the other shareholders in the company. While each proposal needs to be evaluated on a case by case basis, the Trust will oppose plans that substantially dilute outside shareholder interests, provide for excessive awards that are not reflective of economic or financial performance, or are just structured in an objectionable manner.

- The Trust will support proposals requesting the formation of a committee of independent directors to regularly review and examine executive compensation.

- The Trust will generally support proposals requesting companies to fully disclose executive compensation including salaries, option awards, bonuses, and restricted stock grants, supplemental executive retirement plans of senior management and the Board of Directors.

- The Trust will generally support employee stock purchase plans, provided the shares purchased under the plan are acquired at no less than 85% of their market value and the shares reserved account for less than 5% of outstanding shares.

- The Trust will generally support supplemental executive retirement plans that are reasonably estimated, fully disclosed, and where constructive credit does not exceed full service credit.

- The Trust will generally oppose proposals to approve stock option plans that have a dilutive effect in excess of 10% of share value.

- The Trust will generally oppose proposals to approve stock option plans that have option exercise prices below the market price on the day of the grant and/or the average grants are in excess of 3% per year.

- The Trust will generally oppose proposals that contain evergreen provisions which reserve a specified percentage of stock for award each year with no termination date.

- The Trust will generally oppose bonus plans that do not clearly define performance criteria and maximum awards in absolute dollars. Plans that appear excessive will generally be opposed.

- The Trust will generally oppose proposals of severance arrangements that exceed three times an executive's salary and bonus if triggered by a change of control without the requirement for submission to shareholder approval.

- The Trust will generally oppose proposals of severance arrangements which allow payments to executives who are terminated for misconduct, gross mismanagement or other reasons constituting a for cause termination.

- The Trust will generally support proposals requesting retention periods for stock awards through retirement.

- The Trust will generally support proposals that request an advisory vote on executive compensation or "say on pay".

- The Trust will oppose executive death benefits or "golden coffin proposals".

- The Trust will generally oppose gross up policies for executive compensation; the Trust will generally support anti-gross up policies.

Shareholder Voting Rights

- The Trust will generally support the elimination of pre-emptive voting rights except in those cases where there is a reasonable indication that such rights would have a value to the shareholder.

- The Trust will generally oppose a poison pill plan unless it is short term, requires shareholder approval for renewal, requires independent review, and there is a strongly independent and non-classified board.

- The Trust will generally oppose cumulative voting rights.

- The Trust will generally oppose supermajority voting requirements.

- The Trust will generally oppose proposals that abridge the shareholders' right to call special meetings of the board in cases of good cause and to act by written consent.

- The Trust will generally oppose proposals that do not provide for confidential voting.

- The Trust will generally oppose the creation of separate classes with different voting rights in those situations where the different groups of shareholders have similar economic investments.

- The Trust will generally support the creation of classes of stock offering different dividend rights if they do not limit shareholder rights.

- The Trust will generally oppose proposals that allow the company to buy back shares from a particular shareholder(s) at higher than market prices.

- The Trust will generally oppose reincorporation in a new domicile if the Trust believes that it is being done with the intention of reducing current shareholder rights.

- The Trust will actively voice their displeasure for companies who set forth proposals in a bundle. The right to vote each proposal separately must be encouraged and protected.

- The Trust will generally oppose proposals for by-law changes allowing a company to opt into state anti-takeover laws.

Stock Authorization

- The Trust will generally support proposals authorizing the issuance of additional common stock necessary to facilitate a stock split.

- The Trust will generally oppose proposals for the creation of blank check preferred stock.

- The Trust will generally oppose proposals that call for increases in authorization of preferred stock with unspecified terms and conditions of use which can be determined at a future date and without approval from shareholders.

Social Issues

- The Trust will generally support proposals that request reasonable, but not highly specific, disclosure about environmental impact of a company's operations and products.

- The Trust will generally support proposals that request reasonable reporting regarding the company's activities in countries with records of repression of human rights.

- The Trust will generally support proposals that encourage the company to increase the diversity of its employees and to enhance non-discrimination polices.

- The Trust will generally support proposals that request increased disclosure of health related information such as the risk of tobacco, liquor or certain drugs.

Foreign Market

- The Trust will vote in a manner consistent with its domestic voting policy; however, the Trust will take into consideration different governance standards, disclosure requirements, accounting practices and voting procedures that are unique to foreign markets. However, there may be situations where the Trust may elect not to vote because it would be in the best interests of the Trust and its shareholders.