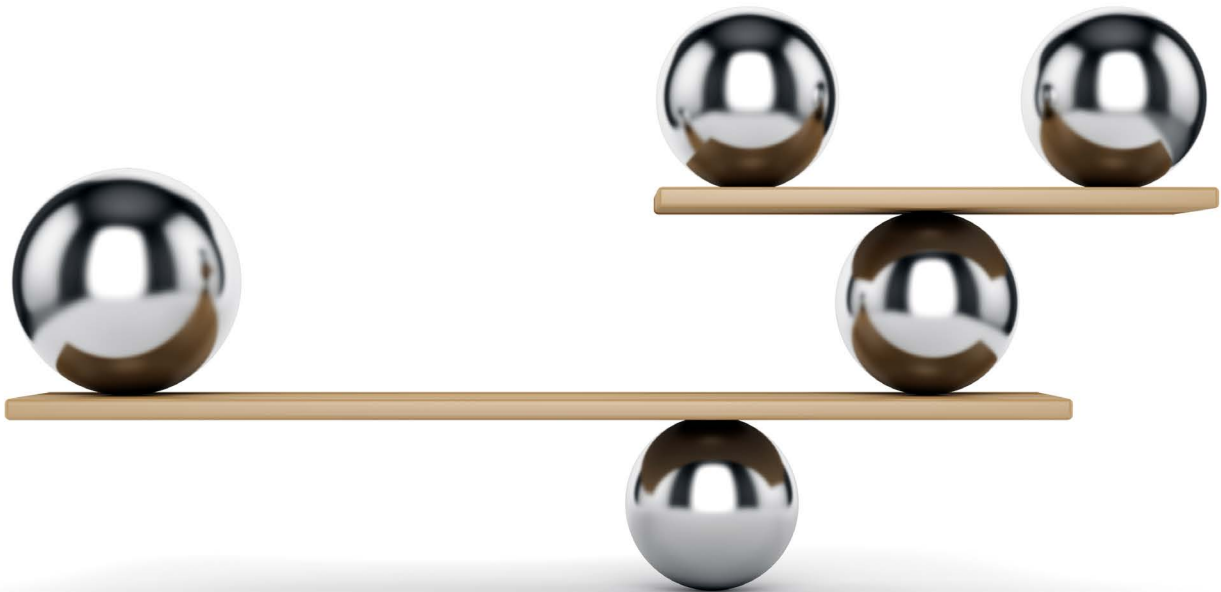


# HARMONIZE



## Investment outsourcing options for your retirement plans

With world class investment solutions designed around your needs, you are free to focus on what matters most to your organization.



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# Aligning your DB and DC plans

Managing a traditional defined benefit (DB) plan and a defined contribution (DC) retirement savings plan is not simple. CFOs, investment committees, and retirement plan sponsors are increasingly realizing the benefits of outsourcing to a single trusted outsourced CIO (OCIO) for both types of plans.

All too often, organizations that sponsor both DB and DC plans manage them independently with separate providers and with separate internal governance processes. In our experience, this approach can lead to missed opportunities for savings, operational efficiencies, and potential improvements to both plans.

While DB and DC plans may have separate and distinct objectives as well as structural differences and requirements, both types of plans share similar and overlapping needs. This doesn't mean that DB and DC plans should be managed the exact same way. Rather, plan sponsors can apply a consistent set of investment beliefs and approaches to align their efforts across both DB and DC plans.

Hiring a single OCIO partner that can align investment and management approaches across DB and DC plans can bring consistency, provide economies of scale and help streamline your decision-making process and aggregate responsibilities.

At Russell Investments, we have extensive experience with both DB and DC plans. We offer OCIO solutions that go beyond advice and manager research to help shoulder the fiduciary burden, so you can focus on your core business and the issues that matter most to you. We strive to understand your organization's goals and work with you to customize a program to meet your specific needs.



*Hiring a single OCIO partner that can align investment and management approaches across DB and DC plans can bring consistency, provide economies of scale and help streamline your decision-making process and aggregate responsibilities.*



## Many of the same benefits of outsourcing a DB plan are applicable to a DC plan:

- Reduce the fiduciary burden on the plan sponsor by contractually delegating fiduciary duties
- Potential to reduce fees by using the same strategies for both plans rather than different investment vehicles for each
- Mitigate litigation and compliance risk
- Spend more time on strategic decisions; spend less time on operations and monitoring vendors
- Increase decision speed
- Access to some of the best vendors beyond what is offered on the recordkeeping platform
- Potential to improve plan design and participant outcomes, lower cost and increase operational efficiencies
- Provide continuity and consistency in plan communications for plan sponsors and participants to help them gain a better understanding of their total retirement benefit

# The power of a harmonized approach to DB and DC

Investment vehicles using a multiple manager structure, multiple asset classes, and a mix of active and passive styles provide the diversification that DB and DC plans need. And, combining DC and DB assets in the same vehicles can help lower fees for both plans.

Using institutional strategies for both your DB and DC plans can allow you to benefit from pricing economies of scale. Our status as one of the world’s largest providers of outsourced investment services gives us purchasing power that we use on our clients’ behalf.

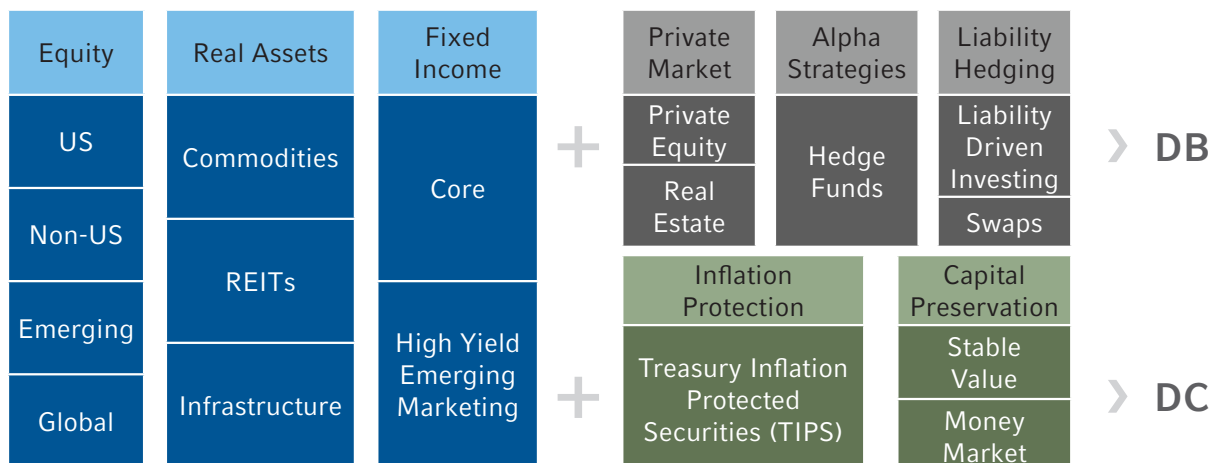
Since 1980, we’ve been hiring some of the best managers identified through our research and packaging them in our investment funds. We closely monitor the managers’ ongoing performance, making changes when necessary. In addition to traditional equity and fixed income options, we offer a range of alternative investments, including funds containing real estate investment trusts (REITs), commodities and infrastructure.

Investment vehicles that use a multiple manager structure, multiple asset classes, and a mix of active and passive styles provide the diversification DB and DC plans both need and can help smooth the ride for DC participants by providing more consistent investment performance.

The asset classes in the graphic below often play a common role in both DB and DC plans, where the approach could be similar, if not the same, across plans. For example, the U.S. equity option offered to participants within a DC plan could be broadly consistent with the U.S. equity asset-class structure embedded within a DB plan—and can potentially use the same investment vehicles.



*At Russell Investments, we employ hundreds of investment professionals to help our clients keep abreast of industry changes and innovations. We use this knowledge to create customized, state-of-the-art investment programs for our clients—programs we recommend, implement, and help manage on an ongoing basis.*



# Enhance your DB and DC investment programs

Keeping pace with continually evolving markets, regulatory obligations and administrative tasks is challenging and resource intensive. There are many ways to divide responsibility for the tasks involved in running DB and DC plans. We can help reduce the burden, letting you focus on the areas that matter most.

*An OCIO can act as an extension of your staff – advising, implementing your investment program and helping you fulfill your fiduciary duties.*

## Integrated solution: Everything you need to run your DB and DC plans smoothly

We provide best-practice strategy, a selection of the world's leading investment managers and specialized industry expertise, focused on your unique needs.



**Your unique needs**



**Focused team**

Our team partners with you, dedicating the time to deeply understanding your unique challenges and determining your best path forward.

## Simplify your program

We can help simplify the day-to-day management of your DB and DC plans by providing fiduciary support within critical areas. We can assume primary responsibility for activities such as:



### Strategic advice:

- Objective setting
- Governance and fiduciary structure and process
- Investment policy development
- New investment strategies analysis
- Capital markets research
- Regulatory updates and guidance



### Implementation:

- Transition management
- Investment management
- Portfolio and manager rebalancing
- Risk management



### Administration:

- Performance measurement and analysis
- Custody
- Online statements
- Fund reporting
- Regulatory reporting
- Audit assistance

## We can help with a variety of customized services

### Specific to DB plans:

- Frozen plans administration
- Pension risk transfer
- Asset liability and spending studies
- Pension administration
- Retiree services and benefits payments
- Risk, liquidity and spending reports

### Specific to DC plans:

- Participant enrollment and communications materials, including working with your recordkeeper to develop impactful materials designed to encourage participants to take action
- Retirement readiness reporting
- Fund fact sheets for Russell Investments funds
- Fulfilling ERISA 3(38) discretionary investment management services and ERISA 3(21) investment advisory services
- Recordkeeper review and search

## You will typically retain control over strategic decisions

### Pension plan oversight and governance

- Progress toward ultimate objectives
- Risk monitoring
- Internal audits
- Monitoring service providers
- Risk tolerance
- Fee budget

### Defined contribution plan design

- Contribution limits, matching contributions, auto enrollment and auto escalation features
- Choice of qualified default investment alternative (QDIA)
- Choice of funds and asset classes offered on your core menu
- Administrative issues (e.g, final decision on vendor selection, regulatory filings, payroll functions)

## Benefits of outsourcing



### A solution to your resource challenge

A dedicated and experienced client service team serves as an extension of your staff so you can focus on strategy, oversight, and your core business.



### Focus on performance and outcomes

Performance is good, but only if it moves you toward your desired outcome. We can help you manage and track your progress toward your plans' goals.



### Increased accountability

We will serve as a co-fiduciary for your DB and DC plans—that's a different level of accountability than what's typically offered by consultants.



### Dynamic management

Success requires more than picking good managers. We can manage your portfolio daily to adapt to changing markets.



### Total portfolio risk management

Understanding risk is more important than ever, particularly in the context of plan liabilities.



### Cost efficiencies and scale benefits

Size matters when negotiating fees. Our clients benefit from the access and pricing we can get from asset managers.

# What sets us apart

Every organization has unique needs and a specific governance and operating model. That's why our approach is deliberately flexible. You determine the level of delegation and we take care of the rest, evolving with you as your needs change.



## Experience counts

We are recognized in the industry as a leader in helping institutional investors link their investment strategies to their organizations' goals and objectives. Our experience and depth of resources in consulting, investment management, research and implementation make possible a wide range of innovative solutions for both DB and DC plans.

A key feature of our solution is our ability to provide the objective, strategic advice of a consultant coupled with the investment expertise of a world class asset manager.

### The consultant approach:

- Big picture thinking
- Long-term asset allocation
- Manager research and open architecture
- Independent fiduciary

### The asset manager approach:

- Deep market understanding
- Total portfolio approach
- Day-by-day management
- Direct investing, trading, and derivative expertise
- Analytics and transparency



### Specialized practices

Our specialists bring an intimate understanding of the issues faced by organizations like yours, drawing from years of first-hand experience and our broader practices.



### Built around you

Our approach is deliberately flexible. Every solution is built around your unique needs, with the flexibility to evolve with you as your needs change.



### Global investment approach

Our global investment approach, developed over the last 80 years, efficiently focuses a diversified selection of the world's leading managers and strategies on your goals.

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## DB and DC capabilities built to align with your needs.

When it comes to helping you achieve your goals with your DB and DC plans, we believe that having all the right capabilities under one roof creates opportunities that otherwise don't exist.



### Advice

With 50 years of advisory experience, and nearly 40 years as an OCIO provider, we have experience working with some of the world's most sophisticated investors to help achieve successful, long-term outcomes.



### Investment management

We will seek out the best investment strategies for you and combine them into a multi-asset portfolio designed to deliver the results you require.



### Implementation

You deserve industry-leading research and award-winning implementation services. Thought leadership and access to innovative, results-oriented strategies like tactical portfolio tilting, dynamic de-risking, strategic overlays, and more. You can delegate these operational details to Russell Investments while you focus on oversight and the strategic decisions that matter most.



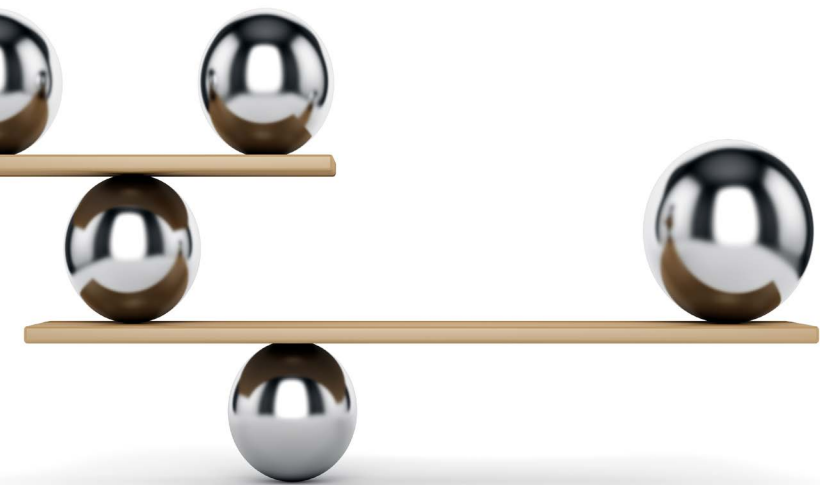
### Flexibility in levels of discretion

Every client is different: Different objectives, different organizational structures, different needs. With four decades of experience designing investment solutions for clients around the globe, we are experts at designing individualized programs that also leverage Russell Investments' scale and buying power.



### Operational efficiency

Our solutions most often include key administrative features such as trust/custody, audit support, cash management, rebalancing, fiduciary and regulatory compliance, audit support and many other aspects of daily account administration—all important ways in which our experienced team can act as an extension of your staff.



Keeping pace with continually evolving markets, regulatory obligations and administrative tasks is challenging and resource intensive.

**We can help reduce the burden, letting you focus on the areas that matter most.**

We'd love to have a conversation. For more information:  
Call Russell Investments at **866-687-1216** or  
visit **[russellinvestments.com](http://russellinvestments.com)**

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Please remember that all investments carry some level of risk, including the potential loss of principal invested. They do not typically grow at an even rate of return and may experience negative growth. As with any type of portfolio structuring, attempting to reduce risk and increase return could, at certain times, unintentionally reduce returns. Diversification and strategic asset allocation do not assure profit or protect against loss in declining markets.

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