MODEL PORTFOLIOS

Build scale in your business

How disciplined is your investment strategy?

As the advisory industry undergoes unprecedented change having a **Disciplined Investment Strategy** will be a critical driver of success for the future. Advisors who streamline their product offering will create efficiency, capacity and may have **better risk management** from both a regulatory and client satisfaction standpoint.

AVERAGE SECURITIES MANAGED

# of products

450[1]

# of mutual funds

148[1]

# of individual securities

255[1]

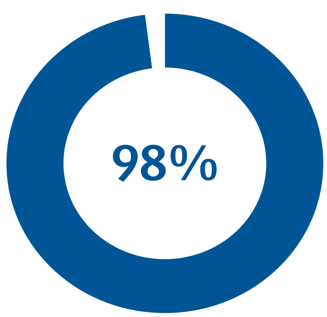
Where do you stand compared to your peers?

Advisors typically use more products across their client accounts than they realize.

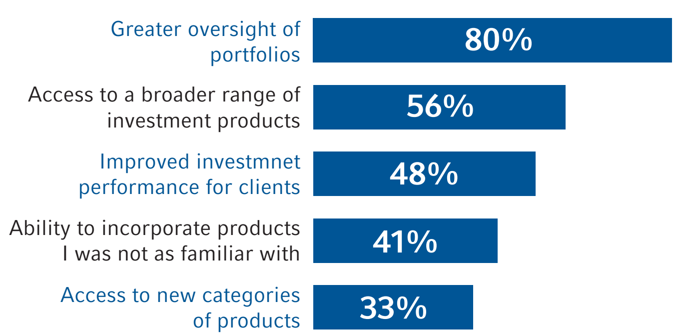
- Assume the average time it takes to conduct product due diligence is approximately 5 hours per security[2]. 450 securities x 5 hours equates to **over 2200 hours each year** spent on investment management decisions alone.
- That's the equivalent of a full-time job and is time that could instead be invested in enhancing client relationships.
- Are you able to articulate with conviction your investment management process?

What are the advantages for advisors who outsource investment management?

In a recent study, advisors who outsourced investment management said that they enjoyed greater access to investment solutions, stronger client relationships, enhanced business outcomes, and personal benefits.[3]



98% of advisors surveyed report delivering better investments solutions to their clients



Ways Advisors are Delivering Better Investment Solutions (% of Outsourcing Advisors)

[1] These averages are from 450 inventory analyzers processed by Russell Investments between 2017 - 2022. This information is used for illustrative purposes only.

[2] This is a hypothetical example and for illustrative purposes only.

"Cerulli Associates estimates that 22% of assets overseen by advisors would be better served by model portfolios created outside their practices."[4]

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Potential benefits of professionally managed third-party model portfolios

1 Client satisfaction.

Third-party model portfolios offer a sound investment process focused on delivering returns to reach investment goals at an appropriate level of risk. This peace of mind increases client satisfaction and reduces concerns around fees.

2 Risk mitigation.

Third-party models may help ensure that the quality of advice clients receive is at the highest level possible at all times. If advice quality and consistency wavers, firms and practices may open themselves to future litigation and a higher risk of losing clients.

3 Advisor satisfaction.

Leveraging model portfolio options provides increased choice and greater flexibility on how you deliver value to your clients. They allow you to focus more on what your clients value most—the relationship. By creating a more efficient practice you will be able to articulate your investment management process with conviction.

4 Net new advisory assets.

For many advisors, the powerful combination of client satisfaction, advisor satisfaction, and risk mitigation typically leads to a growth of advisory assets, which ultimately elevates the value of the practice over time. Less time managing portfolios means more to grow the business.

Best practices in selecting a third-party partner

Experience

Growth of third-party model portfolios over the past few years has resulted in many new and first-time entrants into the model portfolio market. Consider if they have an actual track record vs. back-tested performance.

Expertise

Do they have the depth and breadth of required capabilities?

- Institutional, time-tested approach
- Representative client list
- Core Capabilities
  - Capital Market Forecasting
  - Portfolio Construction
  - Portfolio Implementation
  - Manager research
  - Factor Investing

Alignment

Select partners whose portfolio outcomes align with your client's investment goals

- Retirement Accumulation
- After-tax Wealth
- Income Generation and Protection

How Russell Investments can help – next steps

Explore a **custom analysis** of your inventory

Competitive analysis, **performance and insights**

Insights for designing and constructing customized scalable model portfolios

Expert advice and consulting deep dives to help with messaging and positioning

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Why consider partnering with Russell Investments

EXPERIENCE & EXPERTISE

87 years ago
Founded as a small brokerage firm by Frank Russell

54 years ago
Providing **asset allocation** and **manager research** to some of the world's largest pension plans

38 years ago
We use our institutional expertise to build **multi-asset model portfolios** for advisors serving individual investors

RESOURCES

Partnership
Dedicated regional teams with expertise in investments solutions offering many years of combined experience in North America

Efficiency
Business Solutions focused on helping advisors grow and build the practice of future

Access
Marketing materials and resources for advisors and investors

OUTCOME-ORIENTED SOLUTIONS

For Investors & Advisors
A suite of outcome-oriented solutions designed and managed with investors – and advisors – in mind

Maximize
Solutions designed to maximize growth by capitalizing on active management opportunities

After-Tax
Solutions designed to maximize after-tax return and deliver yield-based income at an attractive total cost

Russell Investments Resources

- Market Commentary
- Custom Proposals
- Portfolio Commentary, Positioning and Model Creation
- Portfolio Management Support
- Access to Capital Market Experts
- Client Communication Resources

Learn more!

Russell Investments has partnered with advisors for more than 20 years to help them build thriving practices—through all types of market environments. We are here for you today, too. Connect with your dedicated Russell Investments regional team to learn more about how we can help you. For more information please contact us at 888.509.1792 or visit russellinvestments.com/ca

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[3] Source: The Impact of Outsourcing - How financial advisors are better serving clients and elevating their businesses, White Paper (AssetMark - 2021)

[4] https://www.riaintel.com/article/b1glr3qsmq3b9d/model-portfolios-are-the-next-big-opportunity-for-asset-managers (Aug 6, 2019)

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