

SOLUTIONS



Benefit from a new fiduciary approach

Russell Investments defined contribution outsourcing services



New challenges require new solutions

In a world where many employees will rely on their defined contribution (DC) plan as their main source of retirement income, offering a 'best in class' plan can have a significant impact on their retirement security.

As a plan sponsor you have a desire to help participants achieve their retirement income goals. But, like many fiduciaries, you may find that keeping up with DC regulatory requirements, plan design changes, and oversight of investment managers, recordkeepers, trustees, and custodians are draining your limited resources. Delegating some responsibilities to an experienced Outsourced CIO (OCIO) provider like Russell Investments can help save you time so you can focus on your core business and strategic decisions.

69%

*of employees will rely solely on their DC plan in retirement**

If the traditional model is inefficient...

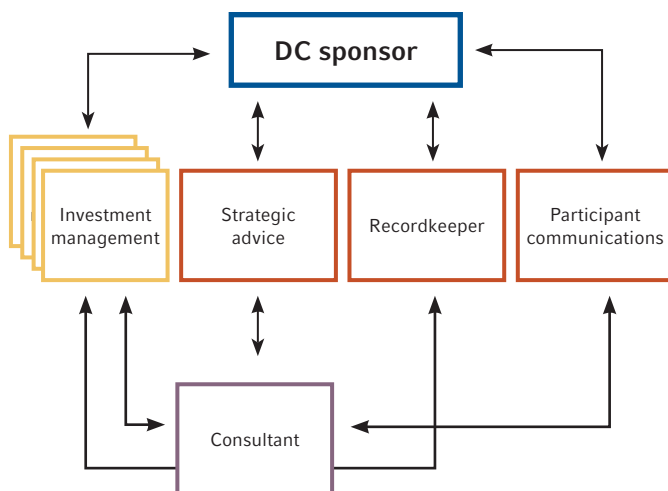
If the traditional approach to managing a DC plan is no longer effective, and if quarterly meetings used to monitor and manage different investment managers and plan administrators are falling short, then you may want to consider a new model.

It can pay to delegate

By outsourcing certain fiduciary tasks, such as investment management and recordkeeper evaluation, to a third-party specialist like Russell Investments, you can stay focused on activities that deliver the most value to your organization and participants.

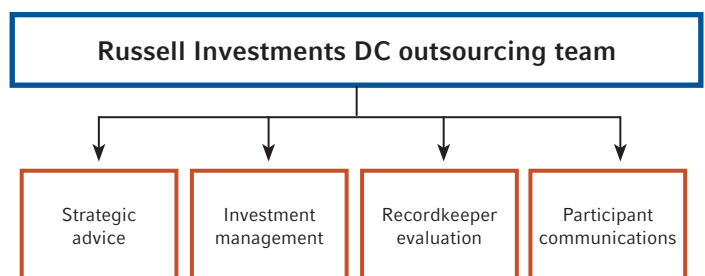
Traditional DC plan model

Multiple relationships, multiple fees, plan sponsor responsible for everything



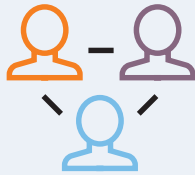
DC outsourcing model

Single relationship with clear accountability and direction



*Source: EBRI Databook

What types of functions can be delegated?



Delegate

Based on your organization's resources and capabilities, you may choose to **delegate** responsibility for:

- Strategic advice on plan design and structure
- ERISA 3(38) discretionary investment management services
 - Manager research
 - Manager selection, monitoring and replacement
 - Implementation management (transition management for manager changes)
 - Custody of assets
 - Efficient implementation through collective trust investment vehicles
- Recordkeeper evaluation and search
- Performance measurement and benchmarking
- Participant communications support
- Administration services
 - Online access to plan information
 - Audit assistance



Manage

As a retirement plan sponsor, you would **retain control** over strategic decisions such as:

- Plan design
 - Contribution limits
 - Matching contributions
 - Auto enrollment/auto escalation features
- Investment menu construction
 - Choice of qualified default investment alternative (QDIA) and asset classes offered on your core menu
 - Active/passive management
- Administrative issues
 - Final decision on vendor selection
 - Regulatory filings
 - Payroll functions

Fiduciary outsourcing is not one size fits all

Before deciding what to outsource, evaluate and assess your internal capabilities and resources.

- Do you lack a well-resourced finance staff? Consider hiring a co-fiduciary to research, hire, monitor, and, when necessary, replace funds/managers.
- Is your human resources department too busy to effectively manage third-party administrators? Consider outsourcing recordkeeper evaluations.



An experienced OCIO provider like Russell Investments can help if you decide to outsource your investment manager and independent plan administrator functions.

Enhance your investment program for participants

Open architecture multi-manager

For more than 30 years, Russell Investments has built multi-manager, multi-asset class portfolios. Our research process incorporates a belief in the importance of diversification—by asset class styles and by managers for each asset class.

We research and continuously monitor managers for quality and performance. Our flexibility to easily add or remove managers allows us to stay objective and focused on participants’ results at all times.

We can work with you to build a menu of institutional quality, competitively priced funds including:

- Plan default investment option: **Target Date Strategy Funds**
 - Multi-manager portfolios built from some of the world’s best Russell Investments’ researched managers
 - Participant income replacement is our goal
 - An intelligent blend of active and passive management
 - Dynamic portfolio management for investing in today’s markets
- **Asset class funds:** A streamlined menu of multi-manager funds allow participants to easily build and manage diversified portfolios. The chart below is an example of how you could structure your asset class menu.

Streamlined core menu design

1. LARGE CAP US EQUITY	2. SMALL CAP US EQUITY	3. NON-US EQUITY		4. REAL ASSETS	5. FIXED INCOME	6. STABLE VALUE
		DEVELOPED INTERNATIONAL	EMERGING MARKETS			
Large cap manager #1 Market-oriented	Small cap manager #1 Growth	International manager #1 Growth	Emerging markets manager #1 Growth	Commodities manager #1	Alpha overlay manager #1	Stable value manager #1
	Small cap manager #2 Growth	International manager #2 Growth	Emerging markets manager #2 Growth	Commodities manager #2	Alpha overlay manager #2	
	Small cap manager #3 Value	International manager #3 Market-oriented	Emerging markets manager #3 Market-oriented	Commodities manager #3	Fully discretionary manager #1	
	Small cap manager #4 Value	International manager #4 Value	Emerging markets manager #4 Market-oriented	Commodities manager #4	Fully discretionary manager #2	
	Small cap manager #5 Value	International manager #5 Value	Emerging markets manager #5 Market-oriented	Global listed infrastructure manager #1	Fully discretionary manager #3	
	Small cap manager #6 Market-oriented		Emerging markets manager #6 Value	Global listed infrastructure manager #2	Sector specialist manager #1	
	Small cap manager #7 Market-oriented		Emerging markets manager #7 Value	Global listed infrastructure manager #3	Sector specialist manager #2	
	Russell Investments Positioning Strategies		Russell Investments Positioning Strategies	Global listed infrastructure manager #4	Russell Investments Positioning Strategies	

Illustrative of a “white labeling” of investment options. The boxes above represent the following funds:

- 1 Russell Investments Trust Company Russell 1000® Index Fund
- 2 Russell Investments Trust Company Small Cap Fund
- 3 Russell Investments Trust Company All International Markets Fund

- 4 Russell Investments Trust Company Real Asset Fund
- 5 Russell Investments Trust Company Multi-Manager Bond Fund
- 6 Russell Investments Trust Company Investment Contract Fund

Russell Investments has the right to engage or terminate an advisor at any time and without notice. These funds are investment funds of the Russell Investments Trust Company Commingled Employee Benefit Funds Trust. They are not mutual funds.

- Global real estate manager #1
- Global real estate manager #2
- Global real estate manager #3
- TIPS manager #1
- Russell Investments Positioning Strategies

Recordkeeper evaluation

Managing relationships with your recordkeeper is one of many tasks typically assigned to your human resources staff. With increased fiduciary risks and requirements, hiring specialists to help with plan governance and vendor oversight can provide much needed support.

The OCIO specialist can coordinate activity between the recordkeeper and your organization, review vendor compliance with contract performance targets, recommend changes (where appropriate) and review whether fees charged remain reasonable.

Recordkeeper searches

Russell Investments has developed a short list of preferred recordkeepers based on the following:

- Quality services at a reasonable price
- Competitive and transparent fee arrangement
- Flexible investment platform
- Track record of creating and maintaining efficient and compliant retirement programs
- Focus on retirement readiness

We can help you with your recordkeeper search using a process that is...



Efficient

We make the best use of your time and resources by leveraging our preferred provider list, industry knowledge and utilizing best practices for project management.



Customized

Proposals are evaluated based on criteria developed specifically for you.



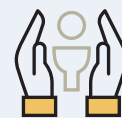
Flexible

Timeframes can be revised to support your availability and to respond to issues as they arise.



Balanced

While fees are always a consideration, services, compliance, security, and other areas are carefully reviewed and considered.



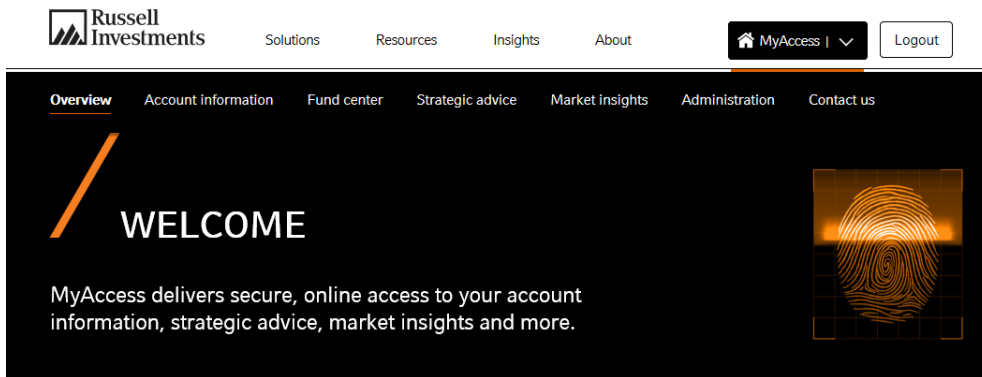
Consultative

We will listen carefully and offer our views.

Plan sponsor reporting and participant communication

Service tailored to meet your needs

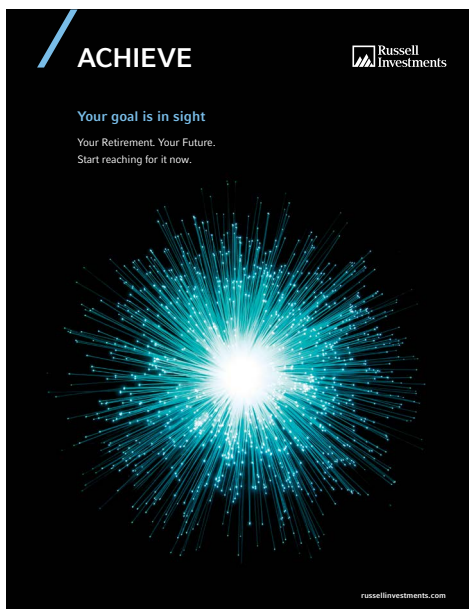
- An experienced, responsive relationship management team to support your staff
- Online access to investment data and accounting reports
- Online access to data required by your auditor
- Access to Russell Investments' research and events



Guidance on participant communications

We can work with your recordkeeper to develop impactful materials designed to encourage participants to take action, helping them reach their retirement income goals.

- Enrollment materials
- Regulatory notices
- Fund fact sheets
- Plan-change communications



Seven questions to ask investment fiduciary outsourcing providers

	1.	Do they draw the line at advice? <p>Consultants provide vital advice. Asset managers bring that advice to life. Avoid being forced to choose between the two when you can have the best of both worlds. Russell Investments has decades of experience in both advising plan sponsors and managing multi-manager, multi-asset portfolios.</p>
	2.	Will they limit my investment options? <p>Active. Passive. Single manager. Multi-manager. Alternatives. Your choice of provider should not constrain the investment program you want to build. Beware of captive programs that limit your choices.</p>
	3.	Do they actively manage client portfolios? <p>Hire a provider that will commit portfolio managers to work on your portfolio in real time every day, taking advantage of immediate opportunities and dislocations in the market.</p>
	4.	Will they measure progress against the goals that matter to me? <p>Are they focused solely on beating asset class benchmarks or also on the outcomes that matter most to your organization? Performance is important, but progress is essential — your participants can exceed return benchmarks in every asset class and still lose ground.</p>
	5.	Are they truly focused on investment outsourcing? <p>If they're new to the outsourcing business, are you willing to help them learn it? Choose a provider who has decades of hard-won, hands-on investment outsourcing experience.</p>
	6.	How strong are they in research? Implementation? <p>Your investment program needs industry-leading manager research and award-winning implementation services. Your committee deserves thought leadership and access to innovative, results-oriented strategies.</p>
	7.	How customized is their "customized" approach? <p>Here's a simple checklist: Can they tailor the level of outsourcing discretion to suit your committee's appetite? Can they incorporate only those program elements you want, without charging you for those you don't need?</p>

Maintain control of what is important to you.

As a plan sponsor you will always maintain control of strategic decisions affecting your DC plan and your unique group of participants.

Delegate the rest.

Consider delegating time-consuming investment manager selection, monitoring and replacement duties and recordkeeper evaluation decisions to Russell Investments. For 30 years we've provided multi-manager, multi-asset fiduciary management to corporate retirement plans. We've developed specialized expertise in target date fund design, implementation and investment management – expertise that can help you deliver a 'best in class' plan to your participants.

For more information call us at **866-272-9166**
or visit russellinvestments.com/dc

IMPORTANT INFORMATION

Nothing in this presentation is intended to constitute legal, tax, securities, or investment advice, nor an opinion regarding the appropriateness of any investment, nor a solicitation of any type. The contents of this presentation are intended for general information purposes only and should not be acted upon without obtaining specific legal, tax, and investment advice from a licensed professional concerning your own situation and any specific investment questions you may have.

Target date fund investing involves risk, principal loss is possible. The principal value of the fund is not guaranteed at any time, including the target date. The target date is the approximate date when investors plan to retire and would likely stop making new investments in the fund.

Copyright © 2019 Russell Investments Group, LLC. All rights reserved. This material is proprietary and may not be reproduced, transferred, or distributed in any form without prior written permission from Russell Investments. It is delivered on an "as is" basis without warranty.

Russell Investments' ownership is composed of a majority stake held by funds managed by TA Associates with minority stakes held by funds managed by Reverence Capital Partners and Russell Investments' management.

Frank Russell Company is the owner of the Russell trademarks contained in this material and all trademark rights related to the Russell trademarks, which the members of the Russell Investments group of companies are permitted to use under license from Frank Russell Company. The members of the Russell Investments group of companies are not affiliated in any manner with Frank Russell Company or any entity operating under the "FTSE RUSSELL" brand.

First used March 2015. Revised January 2019

AI-27118-12-20