

# SEAMLESS



Managing change together

Transition Management



# Focus on delivering optimal investment outcomes.

## Three of our core transition management beliefs



### 1. Business model matters.

Our interests are aligned with those of our clients in every aspect of a transition.



### 2. Minimise performance impact during a transition, not just transaction costs.

This can be achieved by minimising the time-weighted performance impact of the transition. Managing performance outcomes requires not only the management of transaction costs, but extensive risk management as well.



### 3. Commitment to the industry and an experienced team make a meaningful difference.

We have over 30 years of experience servicing multi-asset investors and continue to expand our transition capabilities.

## Global excellence in transition management



View additional information about these awards in the Important Information section of this brochure.

Any past performance is not necessarily a guide to future performance.

## Reducing risks and controlling costs

Transition management is investment management. That's why we at Russell Investments treat every transition event like an investment management exercise. Any element of a portfolio in transition that's inadequately managed can lead to unexpected costs and/or unintended risks. Our goal is to maximise the value of your assets by reducing risk and controlling both explicit and implicit transaction costs.

From simple manager changes to the most complex plan restructures, our investment management approach to transition management has consistently resulted in improved investment performance.

## Striving to exceed client expectations

At Russell Investments, we work hard to make every aspect of your transition a success—through meticulous project management and close attention to your objectives. Client service is one of the areas in which we consistently earn high marks from institutional investors. For example we have been top ranked in Client Satisfaction for 2018 in the Chief Investment Officer<sup>TM</sup> Survey. Furthermore we ranked as one of the top-five globally in "Cost Performance vs. Estimate" in the CIOTM 2018 Transition Manager Survey.<sup>1</sup>

## Using unbiased, multi-venue trading to get best execution for our clients

Our award-winning global multi-venue trading platform supports a diversified global, multi-venue trading platform that supports best execution, access to liquidity and local execution expertise. This approach reduces costs for our clients and improves their investment outcomes.

Our in-house capabilities include specialist equity, fixed income, currency management and futures teams. We carefully manage information flows to maintain confidentiality of your event, keeping price-sensitive information out of the wrong hands.

<sup>1</sup> Source: Chief Investment Officer. (2018, October). "2018 Transition Management Survey". Available at: <https://www.ai-cio.com/surveys/2018-transition-management-survey/>

# Transition management capabilities are core to the investment process.

At Russell Investments, we're not tied by formal or informal arrangements to any one source of liquidity. As markets evolve, we can—and do—change our trading strategy so that your fund can capitalise on the dynamic environment.

## Aligning our interests with yours

Russell Investments built its extensive trading platform, professional team and systems infrastructure for the sole purpose of serving institutional investors like you. Our client-aligned model places our focus on improving performance results for our clients and delivering on expectations. We only represent your side of the trade, since we transact on a pure agency basis. Our ability to bring you the full breadth of market liquidity, and innovative solutions, has not been constrained by other business considerations.

## Disclosing our fees—always

Should you decide to engage Russell Investments, we recommend that you hire us as an interim investment adviser—a recommendation that the vast majority of our clients have taken. By doing so, you ensure that you will receive the highest level of care, fiduciary attention, and disclosure throughout your transition.

Under any contracting arrangement, Russell Investments' fees are always fully transparent and disclosed up front. You never need to be concerned about any hidden or undisclosed sources of revenue that can detract from the value of your assets.

## Ensuring transparency with the T-Standard

We provide you with a reliable estimate of implementation shortfall before your transition. Our estimate, which is T-Standard-compliant, includes all costs. When your event is complete, we use the T-Standard to measure actual performance.

Because we use the T-Standard, you can count on the integrity of our estimate and the actual results we report. The T-Standard is just one in a suite of best practices we follow when managing your transition.

For a definition of The T-Standard please see the Important Information section of this brochure.

### Access to some of the most advanced solutions

We're continuously researching new ways to more effectively transition your assets with one goal in mind: to maximise the performance of your fund by reducing risk and controlling costs.

For over 30 years, we have pioneered important innovations in transition management, including the use of implementation shortfall, multi-venue trading, the T-Standard, and Agency FX.

Our clients benefited from these advancements before they became industry standards.

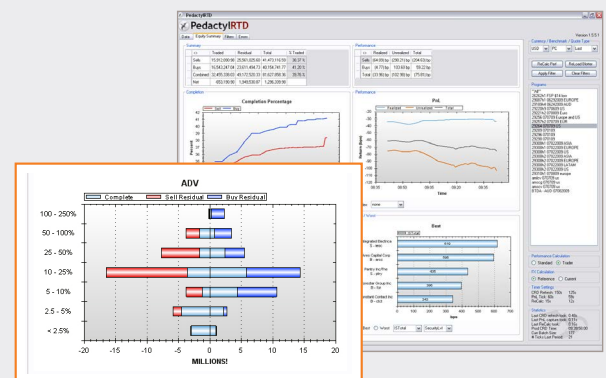
### Specialists in multi-asset portfolio restructuring

As one of the largest multi-asset solutions providers, we are committed to efficiently restructuring portfolios with minimal performance impact. We continue to invest in the transition management business and have created a suite of proprietary applications to help us manage risk and lower costs for our clients.

### Real-time performance management

Russell Investments has constructed a robust proprietary risk and performance management tool called Pedactyl. Pedactyl plots portfolio performance during the transition. It gives a real-time view of not only performance, but cash raised/spent, progress and portfolio characteristics.

Complex analysis, snapshot graphs and time series graphs are generated in real time, giving users more time to focus on trading and enabling them to make more informed decisions, examples of which are shown below:



## For more information

Call Russell Investments on +44 (0)20 7024 6000 or visit [russellinvestments.com](http://russellinvestments.com)

### IMPORTANT INFORMATION

Unless otherwise specified, Russell Investments is the source of all data. All information contained in this material is current at the time of issue and, to the best of our knowledge, accurate. Any opinion expressed is that of Russell Investments, is not a statement of fact, is subject to change and does not constitute investment advice.

The value of investments and the income from them can fall as well as rise and is not guaranteed. You may not get back the amount originally invested.

### Pensions & Investments:

In 25 out of 29 most recent quarters, Russell Investments Implementation Services, LLC has been ranked as a top-tier broker in Pensions & Investments' Tradewatch report based on the quality of its trade execution (most recently in P&I's June 2019 issue). Rankings are based on best-performing brokers as measured by the difference in cost/savings against the universe of Elkins/McSherry, a State Street company. The Elkins/McSherry universe is based on the top 50 brokers in each category by U.S. dollar volume. This is a quarterly ranking based on the previous four-quarters as of March 31, 2019.

### European Pensions:

The judges unanimously felt that we were a clear winner in this category. 'Russell Investments understands the needs of its clients in this space, and demonstrated performance and innovation' – Pensions Age and European Pensions.

### CIO:

Russell Investments was ranked as one of the top-five globally in "Overall Client Satisfaction" in Chief Investment Officer's "2018 Transition Manager Survey."<sup>1</sup>

For the sixth year in a row, Russell Investments was ranked as one of the top-five globally in "Cost Performance vs. Estimate" in Chief Investment Officer's "2018 Transition Manager Survey."<sup>1</sup>

<sup>1</sup> The 2018 results were based on responses from 243 global asset owners' ratings, on the portfolio transitions they mandated and the managers they used in the previous 12-months. Cost performance vs. estimate was rated on a scale from 1 (always missed) to 5 (always beat), with a "3" meaning "usually matched." Therefore, average scores closest to 3.00 are ideal.

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