DEFINED CONTRIBUTION SOLUTIONS

Real solutions designed to improve participant outcomes.

INVESTED. TOGETHER.™

Is your DC plan keeping pace with today's DC challenges?

DC PLANS ARE CHANGING. Today, many workers rely on their employer's defined contribution (DC) plan as their primary retirement savings vehicle. To help participants save consistently to meet income needs in retirement, many sponsors are adding plan features like auto enrollment and auto contribution escalation, and Target Date funds as the plan's qualified default investment alternative (QDIA).

Your default option is increasing in importance

With most sponsors offering target date funds as the default and many participants electing a target date fund on their own, these funds are quickly becoming the centerpiece of DC plans. In fact, within the next 10 years, they may represent 60% to 70% of the assets in your plan.

For the majority of your participants, target date fund performance will determine retirement outcomes. Now, more than ever, your plan's default investment must satisfy a range of needs for your participants.

The growth of a Target Date as a default option.

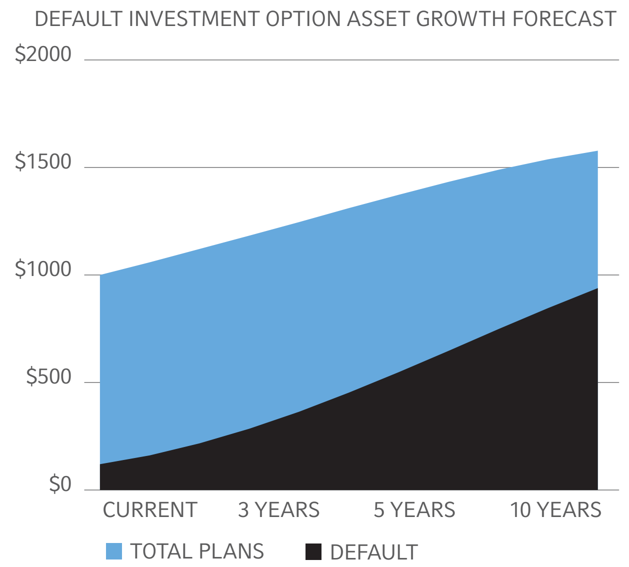


Image is hypothetical and not based on any specific analysis.

Remember, default option doesn't have to mean default quality. At Russell Investments, we bring to bear a robust set of institutional-quality capabilities, on behalf of you and your participants.

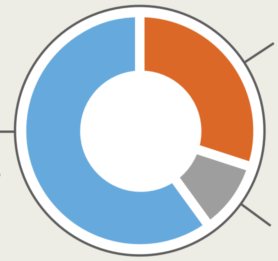
Design a plan that works for *your* participants.

YOUR PLAN'S MENU MATTERS. Experience has taught us that a well-built menu drives better decisions for your participants.

So we work with you to create a default option that's right for your participants—one based on research, built with broad diversification, and aimed at replacing retirement income with as much certainty as possible.

But we also recognize that a segment of your participants may want broader options. Our deep understanding of investor behaviors has led us to strategically limit these do-it-with-me options to a limited set of menu choices that allow participants to easily assemble and manage their own portfolios.

Your plan design drives participant behavior.



Make your options streamlined and simple.

Choosing investments for your plan shouldn't require compromises. A well designed menu should bring your participants institutional-quality investments that can be combined to provide asset allocation, diversification, and risk management. Over the years, DC plan investment menus have moved beyond simply offering what is available from the plan recordkeeper to embracing open architecture. It clearly makes sense to look beyond a single manager's solutions.

Our experience in managing portfolios has taught us powerful lessons on how to identify and incorporate multiple managers to help clients achieve investment goals.

ENHANCE YOUR MENU'S DIVERSIFICATION INTELLIGENTLY. As markets become more complex it is important to understand how to expand your plan menu beyond traditional asset classes to take advantage of the asset classes that can potentially increase a long-term portfolio's diversification, growth, and inflation protection.

[1] Adaptive Retirement Accounts are customized asset allocation strategies for DC plan participants based on their age, gender, savings deferral rate, current account balance, salary and any DB pension benefit. These accounts are designed to better help participants reach their individual retirement income goals.

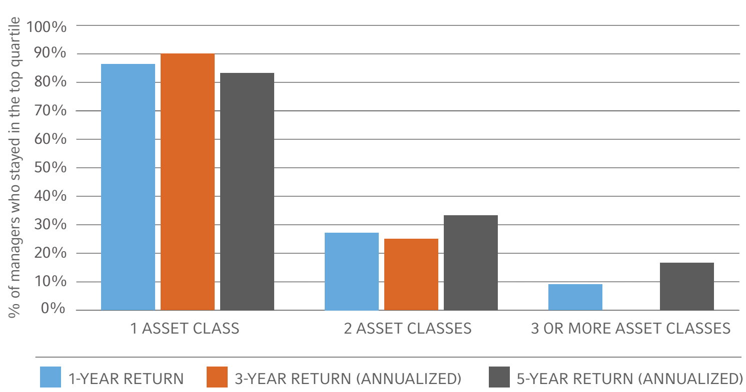
DC capabilities built to align with *your* needs.

At Russell Investments, each of our core capabilities evolved as we worked to meet the needs of our clients—some of the world's most demanding investors and largest plan sponsors. So when it comes to DC solutions, you can be demanding.

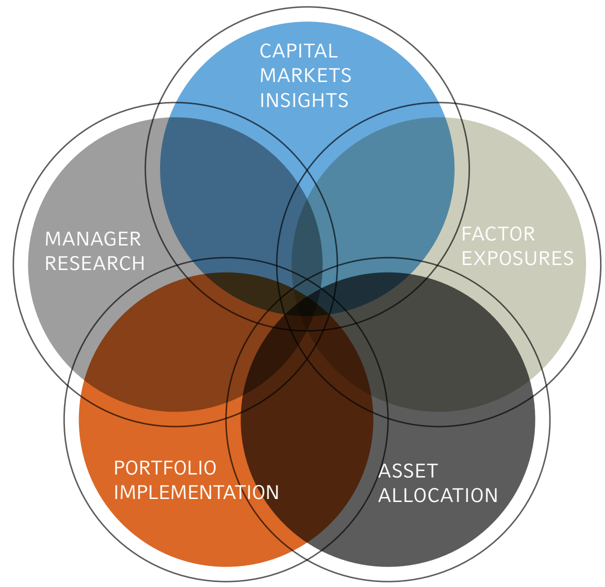
A HERITAGE BUILT ON OPEN ARCHITECTURE MULTI-MANAGER PORTFOLIOS. For over 30 years, we have been building multi-manager, multi-asset class portfolios for our clients. Our manager research process incorporates our belief in the importance of diversification—not only by asset class but by styles and managers for each asset class.

We utilize what we believe are some of the best strategies from around the globe. We understand that no one provider can be best at all investment strategies. Our ability to hire, terminate, and replace managers aligns our interests with those of our clients.

EVIDENCE SHOWS IT IS DIFFICULT FOR MANAGERS TO OUTPERFORM IN MULTIPLE CATEGORIES.



In constructing the chart above we compared the performance of managers in the Russell Investments manager research universe in the following asset classes, U.S. Large Cap Equity (511 managers), International (210 managers) and Core Fixed Income (130 managers). We identified the percentage of managers in those universes that were able to achieve top-quartile performance in one asset class, then identified those that achieved top-quartile performance in two asset classes and finally identified those that could achieve top-quartile performance in three asset classes or more. We compared the results over a 1-, 3- and 5-year period ending 12/31/2012.



Our DC clients benefit from our depth of capabilities in other areas throughout Russell Investments.

Market forecasts, prepared by our **CAPITAL MARKETS INSIGHTS** professionals, are used as inputs in our strategic **ASSET ALLOCATION** process.

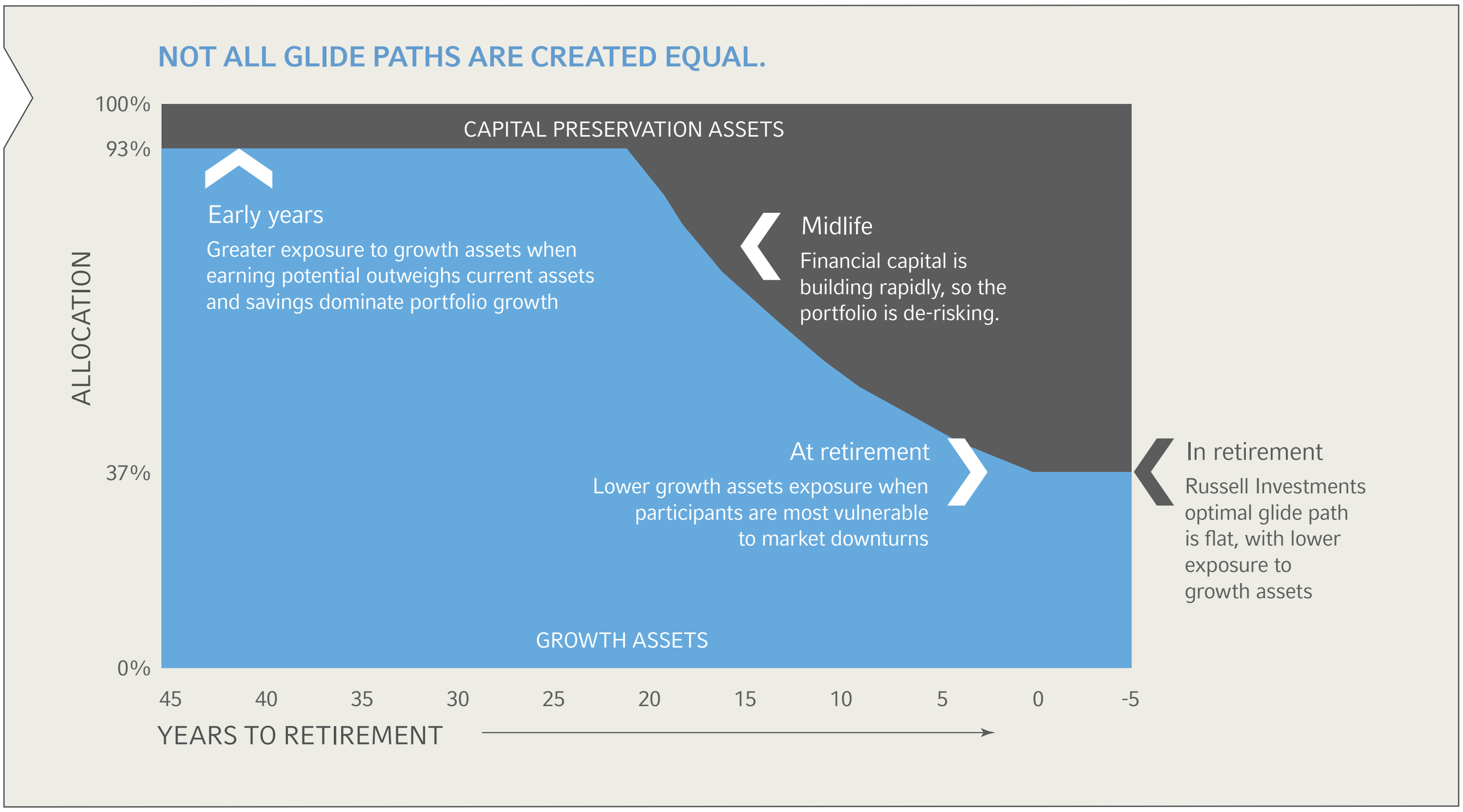
Insights from our **MANAGER RESEARCH** team help us better understand the likely performance behavior when pairing various managers.

Our deep understanding of **FACTOR EXPOSURES** helps us know when it makes sense to access specific investment exposures via active management, and when it may be better to take a more cost-effective, passive approach.

And our target date implementation and rebalancing process helps keep investments on track, with the experience of our **PORTFOLIO IMPLEMENTATION** services, one of the industry's largest transition managers.

This broad set of experiences, coupled with our heritage and ongoing client engagements as a leading investment consultant, is what we believe differentiates Russell Investments from our competition.

Portfolios built to fund retirement.



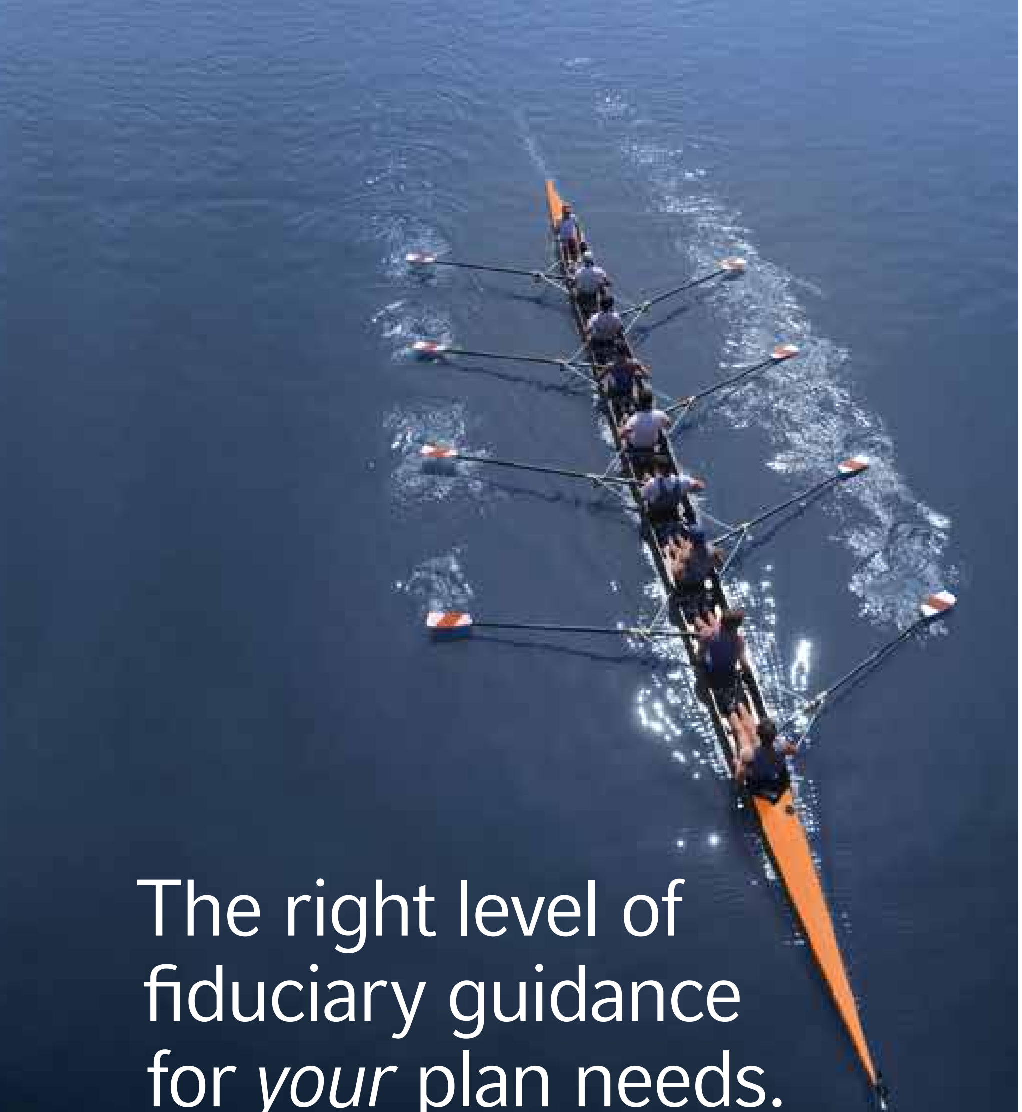
UP MARKETS, DOWN MARKETS, ECONOMIC GROWTH, AND RECESSION. Russell Investments-built portfolios have been through it all. With our experience creating portfolios designed to securely fund the retirements of plan participants, we have a deep understanding of where to focus. And instead of simply following industry trends, the reasoning behind our glide paths is based on that experience, plus robust quantitative modeling.

INCORPORATING ALTERNATIVES IN THE GLIDE PATH. We incorporate alternative asset classes, such as real assets, along the glide path to provide participants with the potential to increase returns and expand diversification beyond traditional asset classes.

OUR COMMITMENT TO THE FUTURE. Our focus on new and innovative trends comes from our real world client and consulting experience. Adaptive Retirement Accounts take the attractive features of target date investing one step further. Based on factors beyond age, including; contribution rate, account balance, gender and recent market impact, we build and manage a custom asset allocation for each participant. Our commitment is to continue to assist you in finding solutions that are best tailored to your plan.

Designed for greater certainty.

Missing your retirement goal by a little is manageable, but missing it by a lot is disastrous. So our glide paths are designed to avoid extreme outcomes.



The right level of fiduciary guidance for *your* plan needs.

Whether you select Russell Investments to manage your target date funds, a stand-alone menu option, or a complete fiduciary solution, we're prepared to take on the precise level of responsibility you are looking for.

Benefit from both sides of the equation.

When you work with Russell Investments, you get the benefit of the real world skills we have gained from managing money, paired with our intellectual heritage as an investment consultant. Our execution experience makes us a better consultant; our consulting knowledge makes us a better asset manager.

A complete range of fiduciary options

	Manager research	Investment management	Glide Path methodology	Participant communications	Recordkeeper search
Complete Fiduciary Solutions	✓	✓	✓	✓	✓
LifePoints Target Date funds	✓	✓	✓	✓	
Custom Glide Path management		✓	✓	✓	
Adaptive Retirement Accounts		✓	✓	✓	
Standalone Multi-asset options	✓	✓			
Investment Consulting	✓				

INCREASING LEVELS OF FIDUCIARY CONTROL AND ACCOUNTABILITY

Manager research is available as a consulting service or within the multiple manager funds offered by Russell Investments Investments.
Manager research may be included with Adaptive Retirement Accounts and Custom Glide Path Management as an optional service and for an additional fee is requested.

Seven attributes of an excellent defined contribution plan

Excellence can differ for each plan. Based on our experiences here are some of the key attributes plans should consider as they strive for excellence.

1. A Retirement Income Mindset—First, change the attitude of participants. Use statements and other communications to encourage them to think in terms of replacement income in retirement.

2. A Thoughtfully Designed Plan Menu—Streamline your "Core" menu and make it simple. Consider a menu with a limited number of broad multi-manager and multi-style funds as core options.

3. Best-of-Breed Investments—Move outside the recordkeeper's "box." Don't settle for a single manager's solution. Providing the best available investment options is more likely to lead to better outcomes.

4. Appropriate Participant Diversification—Be a guide to your participants. Construct a plan menu that provides options for your different participant investor types.

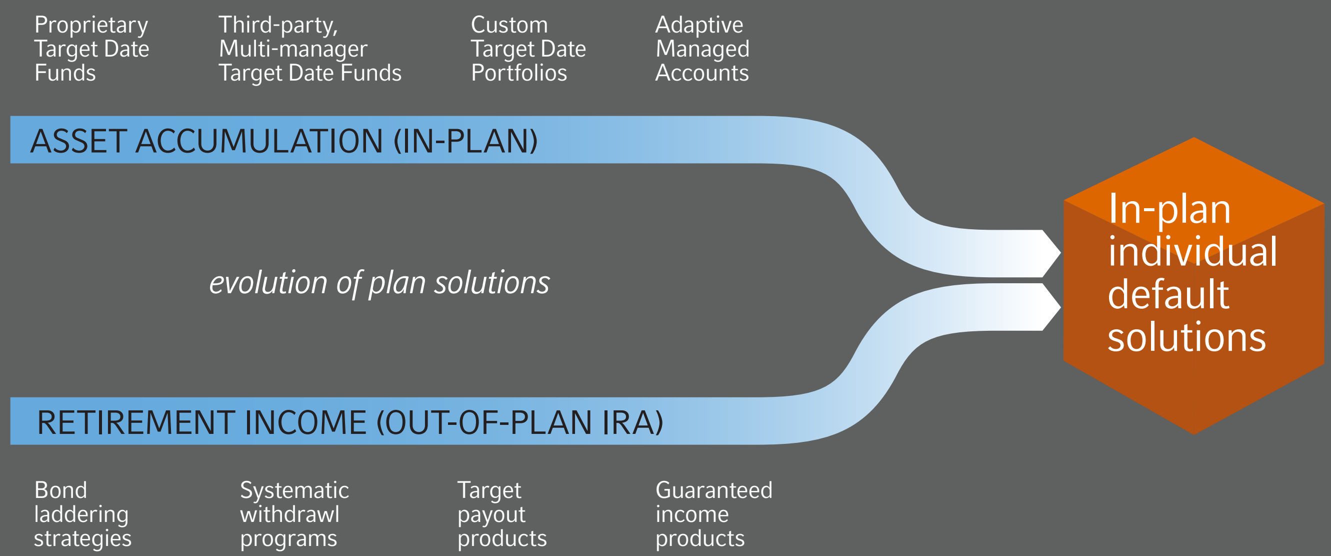
5. Effective Employee Education—Focus on financial education.

6. High Participation Rates—Get everybody involved. Decide if auto enrollment is right for your plan and consider doing a complete plan re-enrollment during your next enrollment cycle.

7. High Contribution Rates—Give participants the best chance of success. Utilize tools like auto escalation. targeted communications campaigns and education to focus participants on saving now to replace their income in retirement.

Russell Investments

The future of America's retirement system?



Historically, defined contribution plans were viewed purely as accumulation vehicles, and investment solutions focused on building balances for retirement. Retirees were encouraged to leave the plan and roll balances into Individual Retirement Accounts. It was their responsibility to manage their own retirement income, often with the help of a financial advisor.

For some retirees, generating retirement income may no longer be an out-of-plan challenge. Now some progressive plans are beginning to manage distribution and withdrawal programs for their retirees . . . who are encouraged to stay in the plan for life. We think your distribution strategies may be as important as your accumulation strategies. But we would like to hear your point of view.

Call us at 866-272-9166 or visit russellinvestments.com/institutional

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