



Fiduciary solutions for
MULTI-EMPLOYER PLANS

Discretionary consulting options for your pension plan





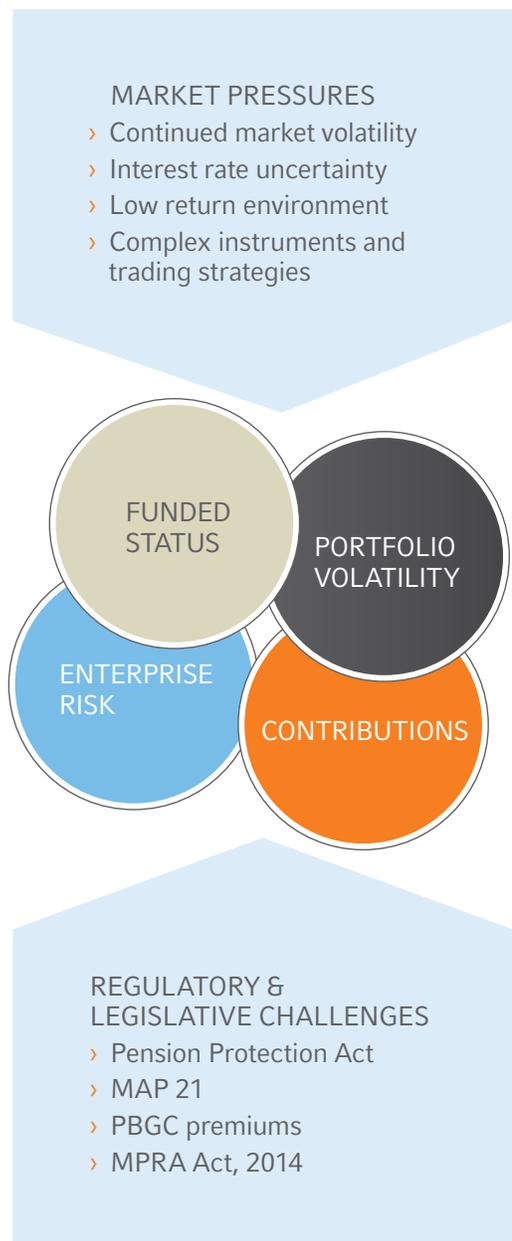
Managing complexity

Managing a pension plan is not getting any easier. Rapid-fire regulatory and accounting changes, unpredictable interest rates, volatile markets, constant downward pressure on resources... There's a lot to manage.

As is often the case when managing complexity, delegation and oversight are key. Many organizations are finding that their traditional approach is no longer effective – that quarterly meetings used to manage the operations of different vendors for advice, investment management, and administration may often short in a rapidly evolving investment environment.

Hiring a co-fiduciary to manage the day-to-day details of your investment program can give your members and trustees the breathing room they need to refocus their attention on the issues that matter most. Russell Investments' discretionary consulting solution has been helping pension plans do just that since 1980.

By delegating some current responsibilities to a skilled and trusted provider, the trustees can increase their focus on achieving the best outcomes for their members.



Simplify your journey. Enhance your investment program.

WHAT IS DISCRETIONARY CONSULTING?

The press is full of buzzwords, but all of these competing terms really boil down to one value proposition: **the idea that your investment program might be improved by delegating some day-to-day management responsibilities to a trusted provider.**

In our experience it's possible to not only delegate many of your current duties to a trusted provider, but to dramatically enhance the oversight of your investment program at the same time. There's a lot of detailed work to

accomplish between quarterly investment meetings, and usually too few in-house resources to get it all done. As a co-fiduciary, Russell Investments can act as an extension of your staff.

ONE SIZE DOES NOT FIT ALL

Hiring a co-fiduciary does not mean signing up for a "one size fits all" approach. As shown on the following pages, the level of discretion you delegate can be tailored to suit your needs and comfort level. It's up to you to decide how you want to work with us. If desired, Russell Investments can assume primary responsibility for:

STRATEGIC ADVICE

- Governance & fiduciary structure
- Investment policy development
- Objective setting
- Asset/liability & spending studies
- Model portfolios
- New investment strategies

IMPLEMENTATION

- Investment management
- Manager research, selection, monitoring & contracting
- Portfolio & manager rebalancing
- Cash securitization
- Risk management
- Manager terminations and new hires (Transition management)

ADMINISTRATION

- Trust & custody
- Retiree services & benefits payments
- Pension administration
- Accounting & performance reporting online
- Audit assistance

OTHER VALUE-ADDED SERVICES

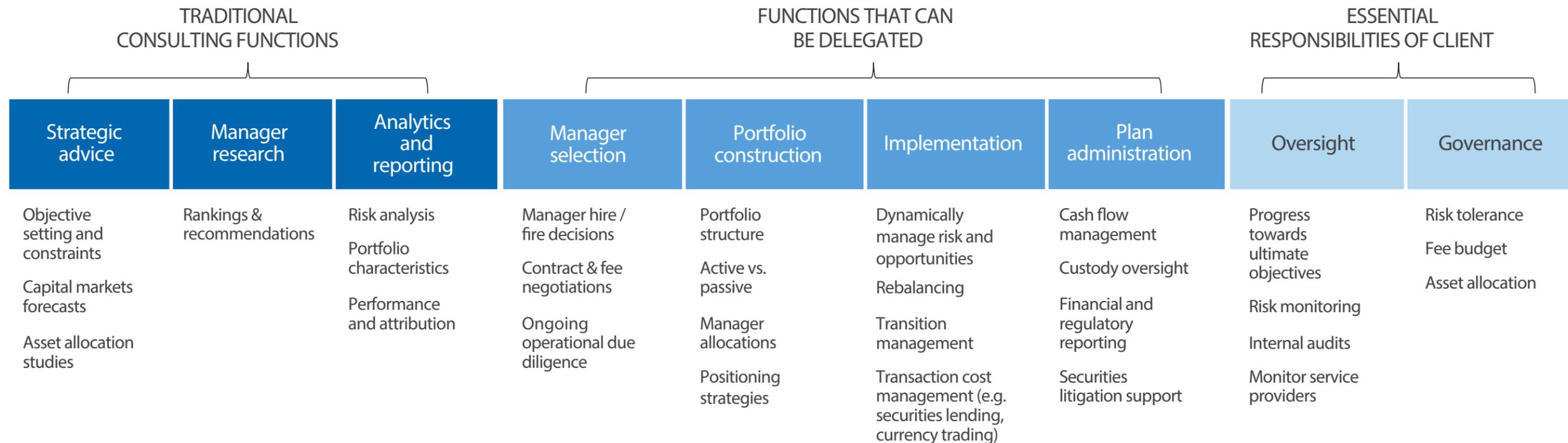
- Russell Investments ClientLINK website
- Review meetings
- Capital markets research
- Investment research
- Regulatory updates
- Educational events

Pension plan management options

There are many ways to divide responsibility for the tasks involved in running a pension. Some essential functions cannot be delegated by the members and trustees, while others are widely accepted as the responsibility of a traditional consultant. Between these two extremes lie a range of discretionary consulting options.

Russell Investments is flexible in the level of investment discretion we can assume, with solutions ranging from manager selection and monitoring through full asset allocation discretion.

FUNCTIONAL RESPONSIBILITIES OVERVIEW



CUSTOM DELEGATION



Benefit from a different approach.

One of the key benefits of shifting to a discretionary consulting approach is streamlining the management of the investment portfolios, asset managers and vendor relationships by delegating much of this oversight to your trusted provider.

The Russell Investments approach can provide meaningful benefits:

- › **A SOLUTION TO YOUR RESOURCE PROBLEM:** A dedicated and experienced client service team will serve as an extension of your staff so that you and your trustees can focus on strategy, oversight, and the needs of your members.
- › **INCREASED ACCOUNTABILITY:** Russell Investments will serve as a co-fiduciary for your plan – that’s a whole different order of accountability than what’s typically offered by a traditional consultant.
- › **TOTAL PORTFOLIO RISK MANAGEMENT:** Understanding risk is more important than ever, and Russell Investments understands that keeping your plan out of the red zone and in the green zone is of the utmost importance.
- › **FOCUS ON PERFORMANCE AND OUTCOMES:** Performance is good, but only if it moves you toward your desired outcome. Russell Investments can help you manage and track your progress toward the goals that matter most to you.
- › **DYNAMIC MANAGEMENT:** Managing a portfolio via quarterly committee meetings leaves too much on the table. We can manage your portfolio on a daily basis without asking you to sacrifice transparency or oversight.
- › **COST EFFICIENCIES AND SCALE BENEFITS:** Size matters when negotiating fees. Russell Investments’ clients benefit from the access and pricing we get from asset managers.

It can pay to delegate.

Russell Investments employs hundreds of investment professionals to help keep you abreast of the latest industry innovations, regulatory developments and accounting rule changes.

We use this knowledge to create customized, state-of-the-art investment programs for our clients – programs we not only recommend, but also implement for you and help manage on an ongoing basis.





Seven questions to ask investment outsourcing providers

1. Do they draw the line at advice?

Consultants provide vital advice. Asset managers bring that advice to life. Don't be forced to choose between the two when you can have the best of both worlds. Russell Investments has decades of experience in both advising pensions and managing their multi-asset portfolios.

2. Will they limit my investment options?

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.

3. Do they actively manage client portfolios?

Hire a provider who will commit portfolio managers to work on your portfolio in real time every day, taking advantage of immediate opportunities and dislocations in the market.

4. Will they measure progress against the goals that matter to me?

Are they focused solely on beating asset class benchmarks or also on the outcomes that matter most to your plan? Performance is important, but progress is essential – you can exceed your return benchmarks in every asset class and still lose ground in zone status.

5. Are they truly focused on discretionary consulting?

If they're new to the discretionary consulting business, are you willing to help them learn it? Choose a provider who has decades of hands-on investment experience.

6. How strong are they in research? In implementation?

Your investment program needs industry-leading research and award-winning implementation services. Your trustees deserve thought leadership and access to innovative, results-oriented strategies.

7. How customized is their "customized" approach?

Here's a simple checklist: Can they tailor the level of discretion to suit your trustees' appetite? Can they incorporate only those program elements that you want, without charging you for those you don't need?

We'd love to have a conversation. For more information:

Call Russell Investments at **866-687-1216** or
visit russellinvestments.com/pensions

ABOUT RUSSELL INVESTMENTS

Russell Investments has helped trustees and plan sponsors navigate challenges and meet goals since 1969. We work with each of our clients to fully understand their investment program and unique needs. The comprehensive solutions we design for our clients are tailored to meet each plan's specific goals and incorporate Russell Investments' award-winning advice, investment strategy and implementation.

Important Information

Nothing contained in this material is intended to constitute legal, tax, securities, or investment advice, nor an opinion regarding the appropriateness of any investment. The general information contained in this publication should not be acted upon without obtaining specific legal, tax, and investment advice from a licensed professional.

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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