

Outsourced trading



Streamline your trading for greater control and cost reduction

Service summary



The challenge

Institutional investors have been seeking greater control over investment decisions, many deciding to internalize portions of their portfolio. This comes with several challenges, most notably the cost of establishing a global trading capability with scale and reach. However, executing with limited or local counterparties may not offer the same execution quality or risk management that investors require to manage exposures in a manner consistent with their fiduciary obligations.

Introducing Russell Investments' outsourced trading

We know how important it is to match solid execution with a sound investment strategy. Our seasoned trading team delivers client-centric, flexible solutions while employing the latest advances in technology to find liquidity pools that reduce transaction costs and manage risk.



Our global execution services can streamline your trading desk by acting as an agent on your behalf, seamlessly extending your existing trading infrastructure.



Assets are traded using a pure agent approach, throughout global market hours with a broad set of trading counterparties.



This can allow you to achieve the best prices from natural liquidity with a team of traders that understand the nuances of portfolio trading and risk exposures.



You gain on-demand trading without the cost and operational burden of establishing this capability independently.

Benefits of outsourced trading

Execution quality

A partnership with an outsourced execution platform, such as Russell Investments, can improve execution quality through a greater number of dealer relationships, aggregation of order flow, increased crossing opportunities, and advanced technology sourcing liquidity from both buy-side and sell-side capabilities.

Fixed cost reduction

Designing and developing an in-house trading desk can be costly from head count and staffing to technology and settlements. Each of these, if not done correctly, can directly influence execution quality. These costs do not show up in the performance of the fund, but in the profitability of the firm itself. By outsourcing execution, you can reduce fixed trading expenses, minimize impact to firm profitability and allows you and your managers to be more competitive in the markets.

Enhanced performance

Outsourced trading can improve execution quality while removing the trade burden and counterparty management. This allows portfolio managers to focus solely on the core skills of alpha strategies, portfolio construction and client interaction.

Flexible market capabilities

Outsourcing provides the ultimate flexibility and liquidity tools for portfolio construction. By having an execution partner whose global capabilities span across all regions and asset classes adds flexibility to the investment process and improves the efficiency of implementation.

How do we deliver these benefits?

Our goal is to provide our clients with optimal execution solutions to achieve enhanced returns. We employ the latest advances in technology to find liquidity, reduce transaction costs and manage risk. Our knowledgeable, experienced trading team delivers client centric, flexible solutions. Together, we can address all your best execution, cost, technology, risk and regulatory needs.

The Russell Investments advantage



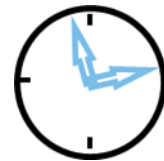
Our unique structure with dual registration as both investment manager and broker enables you to leverage our extensive network of both buy and sell side trading.



Through our multi venue trading approach, Russell Investments **reduces trading cost an average of 54% versus Peer universe.**¹



Access to **Exchanges, dealers, MTF's, Crossing Networks, globally** across a multi asset dealing desk.



Our executing desk is staffed **24 hours a day** by asset class specialists with visibility to program level data to prioritize exposure risk and execution quality.

Russell Investments price improvement

3.7 bps

Fixed Income Price improvement versus Top 20 Asset Managers²

9.0 bps

Equity Price Improvement versus Elkins McSherry Peer Universe³

6+ bps

FX price improvement versus FX Transparency Manager Universe⁴

Recognized leader

Top Tier Broker



In 26 out of 30 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 September 2019 issue).⁵

A Leading OCIO Provider



For the ninth year in a row, Russell Investments was globally ranked among leading institutional outsourcing managers based on outsourced assets under management (AUM) from 65 firms in the June 2019 Pensions & Investments' "Outsourcing Manager Survey."

¹ Externally verified by Elkins McSherry, our inhouse trading capability allows us to trade with lower market impact, resulting in a 47% price improvement relative to the industry average.

² MarketAxess, data as at January 2018 through to December 2018 for USD investment grade corporates.

³ Figures as at 31 December 2018 *Asset transitioned based on AUM. ^Elkins McSherry data as of 31 December 2018. Highlight cost of global equity trading relative to full Elkins McSherry universe (both buy and sell side firms). Data is benchmarked against the "arrival price".

⁴ MarketAxess, data as at January 2018 thru December 2018 for USD investment grade corporates.

⁵ 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 June 30, 2019.

For more information

Call Russell Investments at **800-426-8506**
or visit russellinvestments.com

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First used: August 2019 Revised: October 2019

RIIS-03742 (08/22)