

STRATEGIC



Sophisticated investments
Simple to use

Target Date Strategy Funds



Finding the right target date fund options is key

If your target date funds are projected to be the majority of your plan assets, should you, as a fiduciary, concentrate them with a single manager?

Today, automatic enrollment and auto-escalation features make it easier for employees to save for retirement. The increased usage of these auto features, which drive contributions into the default option(s), and their attractiveness to participants are projected to increase usage of target date funds—currently the most popular Defined Contribution (DC) plan default option.

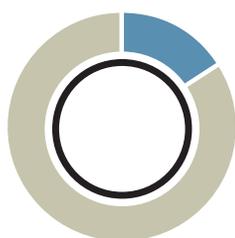


Look beyond a single-manager solution for broader diversification and strong manager expertise.

Most DC plans have moved away from offering participants an investment menu from a single investment manager. Instead, many fiduciaries now offer participants choices managed by a variety of investment managers. If target date funds will be the core option selected by participants, it's likely that they will become the new core of your plan. Clearly, it makes sense to look beyond a single investment solution when selecting target date funds for your participants.

Target date funds

Today¹
21% of plan assets



Catalysts for change

Pension Protection Act of 2006

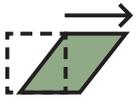
- Increased use as the default option
- Increased use of auto plan features

Attractiveness to participants

- Easy to use
- Single investment solution
- Professionally managed
- Diversified portfolio that automatically adjusts based on target retirement dates

¹ Source: 2020 Investment Company Fact Book Figure 8.12

Where do you start? Make replacement income the target



Income replacement matters—to your plan participants and to us.

One of participants' biggest concerns is maintaining their current standard of living in retirement—so their DC plan needs to be a meaningful source of income replacement.



Our Target Date Strategy Funds are designed to help participants reach their personal income replacement goals.

We believe that participants face their greatest risks on the day they retire. When they're no longer contributing to their savings, they're vulnerable to market declines... with little opportunity to recover. The Russell Investments' glide path is designed to help participants manage this risk.

Glide path construction is focused on participants' income replacement targets

Income replacement objective

Set a 49% income replacement goal from the DC plan to supplement Social Security.

Wealth preservation risk metrics

Applied a shortfall penalty to glide paths that missed the retirement income objective—to manage the risk that a participant will have a significant shortfall.

Disciplined methodology

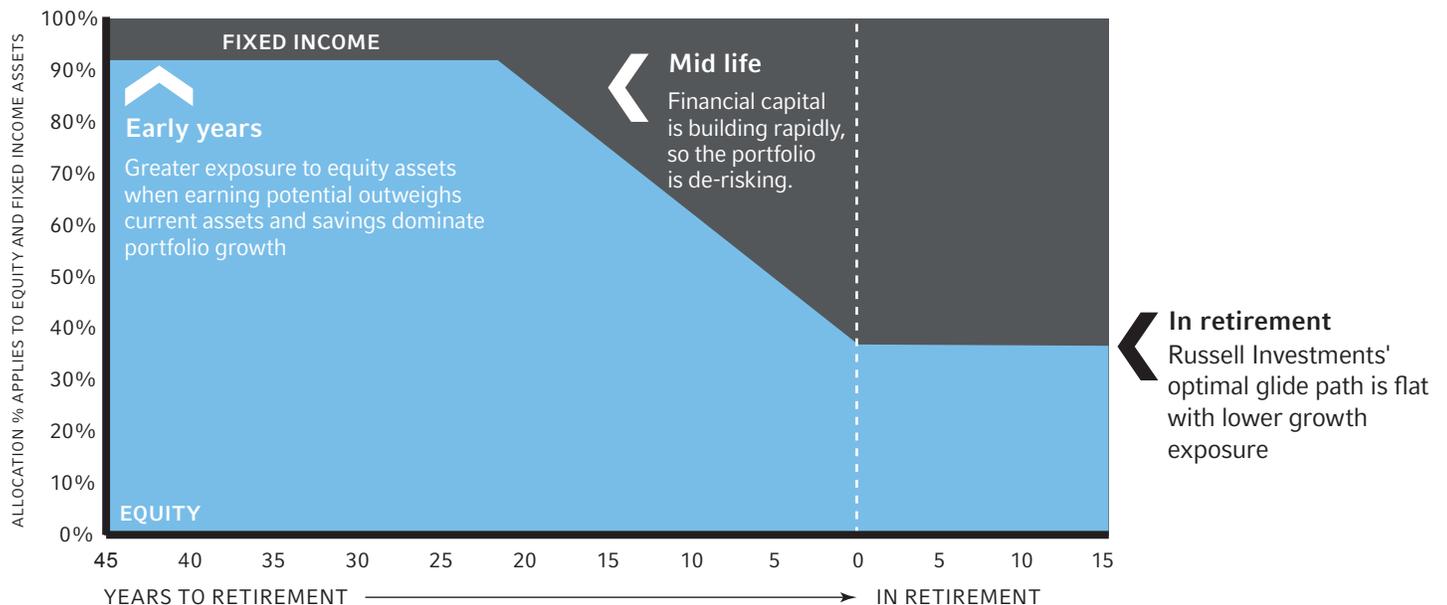
Documented research, optimized glide path and asset allocation help participants reach their retirement income goals.

Designed to adapt to changing markets

Our process allows us to make adjustments for current or forecasted market conditions to help us manage and balance risk and returns.

Focus on managing risks at—and through—retirement

Target Date Strategy Funds



For illustrative purposes only.

The question isn't "Active or passive?" It's "What's the right mix?"

A blend of active and passive management creates cost efficiencies while maintaining focus on return potential for participants.

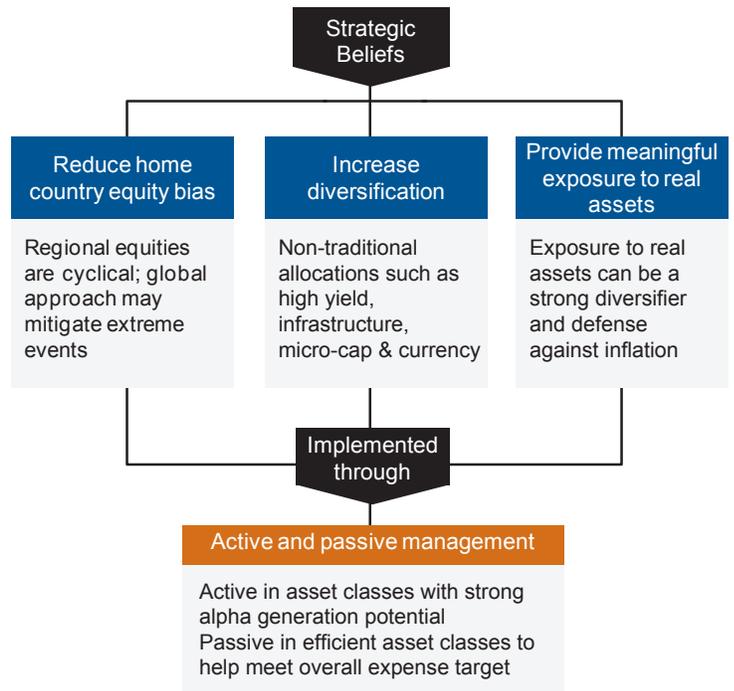
We understand that managing risks and fees for your participants is important. To help you balance those concerns, our Target Date Strategy Funds use a blend of active managers (those who aim to outperform a market index) and passive managers (those who aim to replicate index returns). This approach allows us to manage overall fund costs while bringing participants a diversified combination of potential return sources—including some asset classes (e.g., real assets) that are typically more expensive.

Our capital markets expertise informs our unbiased decisions about the use of active and passive management.

To design the mix of active and passive management, we use our capital markets expertise to undertake thoughtful and informed forecasting of returns, volatility, and correlations. As a consultant, Russell Investments has made active and passive selections for clients without bias or favor. We rely on that experience to drive decisions about the target date funds.

Our funds' mix of active and passive management is driven by excess return potential.

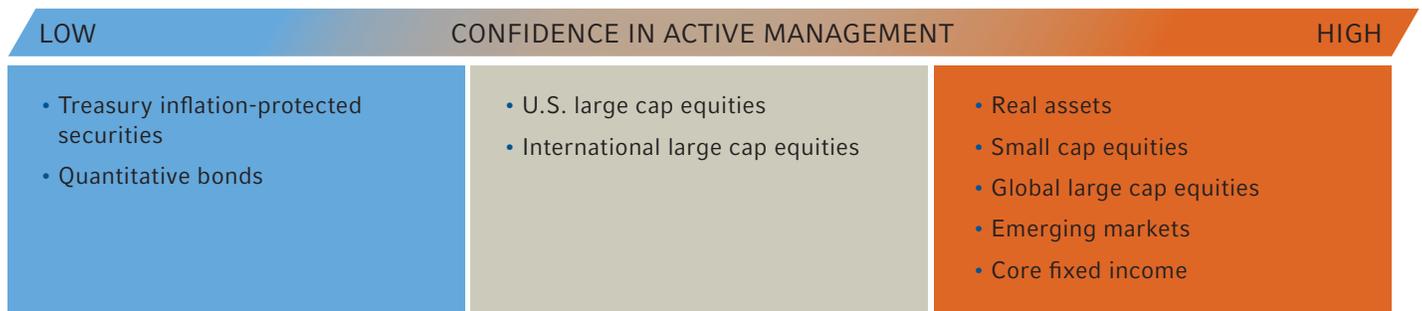
Our target-date strategic investment philosophy



Active management focused on asset classes that offer your participants better alpha opportunities.

Our Target Date Strategy Funds are actively managed in areas like infrastructure, commodities and global real estate where evidence supports a richer opportunity to deliver consistent, positive excess returns.

Active and passive: implementation drivers



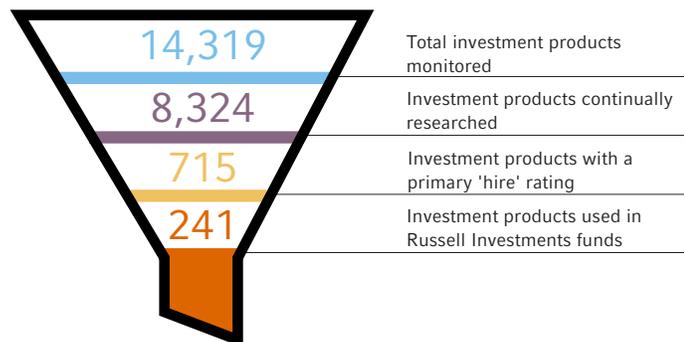
How do you choose? Pick one built from some of the world's best managers

Open architecture gives your plan participants access to some of the best managers.

Our 30+ year history of managing portfolios has taught us that the best investment portfolios are diversified on multiple levels and that no single manager can be best in all disciplines. That's why our Target Date Strategy Funds offer your participants a multi-manager solution. Each fund invests across a broad range of asset classes and uses a blend of active and passive management. Within each actively managed asset class, we include a diversified mix of third-party advisors.

Russell Investments' manager research process

Researching and selecting money managers from around the world



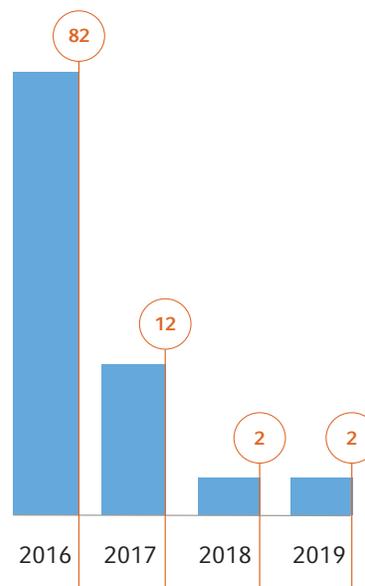
Data as of 12/31/2020.

Total Investment Products Monitored: is the total number of products listed in the database. Investment Products Continually Researched is the number of products in the database with an active offering status where Russell Investments has applied a defined rank (1,2,3,4,A,B,C,D). Investment Products with a Primary 'Hire' Rating is the number of products in the database with an active offering status with a Hire (4) rank. Investment Products Used in Russell Investments Funds is the total number of products with signed executed contracts for Russell Investments funds as of the quarter-end reporting period. Note: Research numbers include Alternative products. However, the numbers for all four levels of the manager research funnel (shown above) do not include closed-end private markets funds or products.

Very few managers stay in the top quartile consecutively

Of the top 68 performing managers in 2014, only one manager stayed on top over time. Few managers stay in the top quartile consecutively.

Four years 2016 - 2019



*Source: INTWORLD active global equity universe of 330 manager returns for calendar year 2016 and subsequent returns. Data as of December 31, 2019.

Ongoing manager research and monitoring brings the expertise of many leading investment managers to your plan participants.

We employ investment professionals around the globe to research capital markets and money managers. Our approach combines face-to-face interviews and objective analysis to select and combine those we believe to be among the world's best money managers. We continuously monitor the managers for quality and performance. Our structure gives us the flexibility to easily add or remove managers, allowing us to stay objective and focused on participants' results at all times.

Our Target Date Strategy Funds can help you focus on participants' needs. They are designed to provide participants with:

- A blend of leading money managers, chosen objectively
- Cost efficiency
- An asset allocation glide path focused on retirement income replacement

Is it time to take a fresh look at your target date funds?

To learn more about how you may benefit from our approach to funds, call us at 866-272-9166 or visit russellinvestments.com/institutional

IMPORTANT INFORMATION

Russell Investments Trust Company (RITC) funds are collective or commingled funds for which Russell Investments Trust Company serves as Trustee and investment manager. They are not funds of Russell Investments Company, nor a mutual fund registered under the Investment Company Act of 1940.

Certain inherent conflicts of interest may arise from the Funds' ability to make investments through Russell Investments affiliated entities. Russell Investments addresses these conflicts in compliance with applicable law and in accordance with its obligations as an ERISA fiduciary.

Each of the Target Date Strategy Funds invests its assets in units of a number of underlying Russell Investments Funds. The allocation of each Target Date Strategy Fund's assets is based solely on time horizon and will become more conservative over time until approximately the year indicated in the fund's name, at which time the allocation will remain fixed. The asset allocation of the Retirement Fund is fixed. From time to time, the fund's manager expects to modify the target asset allocation for any fund and/or the underlying funds in which a fund invests. In addition, the funds may in the future invest in other funds which are not currently underlying funds.

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.

Target date funds are not intended to be a complete solution to investors retirement income needs. Investors must weigh many factors when considering to invest in these funds, including how much an investor will need, how long will the investor need it for, what other sources the investor will have and, if the investor is purchasing shares in an IRA account, whether the fund's target distributions will meet IRS minimum distribution requirement once age 72 is reached.

Diversification and strategic asset allocation do not assure profit or protect against loss in declining markets.

Please remember that all investments carry some level of risk. 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.

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