

Private markets manager research & implementation support for a healthcare system



Extending investment staff capacity for a large health system

Organization

A health center with a sophisticated investment program spanning public and private markets. The organization has a small investment team, that manages a growing pool of assets across many strategies. To continue building out this program effectively, the team sought a trusted partner who could provide research depth, implementation support, and ongoing access to high-conviction private market opportunities.

Challenge

The health system wanted to expand and maintain a diversified private markets portfolio, but faced several constraints:

- **Limited internal resources.** A lean investment staff made it challenging to conduct broad manager research and source high-quality opportunities across multiple private market strategies.
- **Need for proactive idea flow.** The client wanted regular exposure to high-conviction private market ideas, rather than only reactively evaluating opportunities as they surfaced.
- **Implementation inefficiencies.** Once a manager was selected, the client needed support executing operational due diligence, coordinating meetings, and managing contracting within a **fund-of-one structure**.
- **Reliance on a trusted advisor.** As their consultant, the client looked to Russell Investments to serve as an extension of staff, bringing both breadth of research and efficient implementation while allowing them full discretion over hire and fire decisions.

The organization's goal was clear: access strong private market managers, build a well-constructed program, and do so without materially expanding internal staffing.

With a lean investment team, the health system needed to source and evaluate high-quality private market managers without adding internal headcount.



Solution

Russell Investments partnered with the health system to design and support a high-touch private markets program, providing a scalable model that integrated manager research, efficient implementation, and ongoing portfolio development.

1. Proactive, continuous manager idea generation

We established a cadence of monthly consultations to present our highest-conviction ideas across private equity, private credit, private real estate, and private infrastructure. This ensured the client had a timely view of the most compelling opportunities emerging from our global research platform.

2. Efficient sourcing and due-diligence coordination

Once the client expressed interest in a strategy, Russell Investments:

- Arranged in-person meetings with shortlisted managers
- Supported the client's operational and investment due-diligence process
- Streamlined evaluation through curated materials and research insights

3. Fund-of-one implementation and contracting

The client's private markets program is implemented through a fund-of-one vehicle, for which Russell Investments manages on behalf of the health system:

- Contracting and subscription execution with underlying managers
- Implementation pacing across multiple strategies
- Ongoing communication with managers on behalf of the client
This structure allows the client to retain full control over investment decisions while benefiting from our private markets consulting and implementation expertise.

4. A focused, high-touch consulting model

Beyond typical advisory services, our team acts as a specialized extension of the client's private markets staff—delivering research, operational support, and implementation management tailored specifically to their program needs.

Monthly idea sessions and a fund-of-one structure provide curated access to our global private markets research while the client retains full hire-and-fire discretion.

Results

A comprehensive, diversified private markets portfolio

Over multiple years, the client has built a robust and well-constructed private markets program, with numerous commitments across private equity, private credit, real estate, and infrastructure.

Consistent adoption of recommended investment ideas

Because of the trusted relationship and strength of our idea flow, the client has regularly invested in the high-conviction opportunities we have brought forward—demonstrating continued confidence in our research and sourcing capabilities.

Strong performance relative to public market equivalents

The private markets program has delivered meaningful excess returns versus its public market equivalent benchmarks, reinforcing the value of a disciplined sourcing and selection process.

Ongoing partnership and a scalable model for future growth

The program continues as an active, ongoing mandate. With Russell Investments providing research and implementation support, the client can confidently pursue new private market opportunities without expanding internal headcount—allowing them to focus on strategic decision-making while relying on us for execution and operational efficiency.

The resulting private markets program is diversified across equity, credit, real estate and infrastructure and has delivered meaningful excess returns over public market equivalents.

Where to next?



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

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