

# Enhanced Portfolio Implementation



Potential for lower fees, enhanced oversight and streamlined operations.

**Organization:** A corporate pension fund with more than \$2 billion USD in assets under management, supporting the retirement security of Mitsubishi Corporation employees. The Fund manages diversified investment portfolios across public and private markets, with a focus on balancing cost efficiency, governance, and generating long-term returns.

## Challenge

### High fees, complex operations, limited oversight

Mitsubishi Corporation Pension Fund wanted to keep strong active managers while lowering costs and improving governance. Its Japan and global equity portfolios were spread across multiple commingled funds, making oversight difficult. Staff had to reconcile reports from each manager to understand exposures and risks, slowing decisions and adding operational burden. Independent mandates prevented coordinated trading, limiting fee negotiations and raising transaction costs.

## Solution

### Centralized implementation

The Fund partnered with Russell Investments to consolidate its Japan and global equity portfolios into an integrated structure. Russell Investments manages trading, reporting, and implementation, reducing cost and complexity. The Fund's investment team now spends less time on manual work and more time on oversight, supported by a single view of the portfolio. They retain full control of asset allocation and manager selection, while benefiting from their managers' insights and security selection.

## Results

- › **33% lower manager fees**<sup>1</sup>: Leveraging global scale cuts investment manager fees by 33%.
- › **Lower transaction costs**: Centralized trading and netting across managers reduced costs.
- › **Unified oversight**: A single view of portfolio exposures by sector, region, and strategy.
- › **Simpler operations**: No need to manage multiple custodians or coordinate manager transitions.
- › **Governance support**: Clear, timely data to inform fiduciary duties and Japanese regulatory codes.

**“Moving away from the traditional joint management scheme and moving to Russell Investments’ EPI can potentially reduce operating costs. At the same time, there are a wide range of benefits that investors may be able to enjoy from the perspective of practical operation, operational efficiency and asset preservation, which led to the decision to introduce it.”<sup>2</sup>**

# Where to next?



Call Russell Investments at **800-426-8506**  
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## About Russell Investments

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<sup>1</sup> Manager fee reductions will differ client to client and the 33% achieved by Mitsubishi Corporation is an example only. The 33% savings was calculated based on a simple comparison of the weighted average of fees paid by Mitsubishi to their investment providers through the end of February 2025 vs. the fee they pay us to manage their total equity portfolio as an EPI provider as of the end of June 2025. (Note: Mitsubishi transitioned to the EPI structure gradually between February and June 2025.)

<sup>2</sup>This statement was provided by Mitsubishi, a current client of Russell Investments. The client was not compensated for this statement. The provider's views may not be representative of other clients.

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This case study represents a unique situation faced by a large Japanese corporation pensions fund that wanted to keep strong active managers while lowering costs and improving governance. Case studies are problem-solving stories. We select a situation that is indicative of problems clients in this category are facing. The recommendations described do not represent a standard strategy or set of recommendations made for all advisory clients with similar issues. Each client has unique requirements, challenges, and constraints, and our advisory solutions are tailored to each client's specific needs. Every client's situation, experience and needs are different, and Russell Investments does not imply that the solution herein is appropriate for any other client.

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