CLIENT CASE STUDY

Native American Tribe/OCIO

A Native American Tribe with a total investments program of $1.4 billion

Challenge

A Native American Tribe faced challenges in managing multiple accounts with limited reporting capabilities. This complexity hindered efficient auditing and financial oversight. The existing portfolio was heavily weighted towards U.S. Equity, which posed risks due to lack of diversification. We also believed the manager fees incurred on the portfolio were overly high.

Solution

To address these issues, the Tribe partnered with Russell Investments via an OCIO arrangement. Russell Investments implemented a consolidated account structure with enhanced line-item reporting. This administrative solution worked to facilitate streamlined audits and improved transparency. The investment portfolio was rebalanced to enhance diversification and optimize returns. Key changes included:

- Reduction of U.S. Equity overweight to help mitigate concentration risk.
- Increase in Non-U.S. Equity exposure to capture potential global growth opportunities.
- Addition of Global High Yield Bonds to help improve income generation.
- Introduction of Real Estate and Listed Infrastructure to diversify asset classes.

Result of a consolidated account structure

Streamlined audits and improved transparency for easier financial oversight.

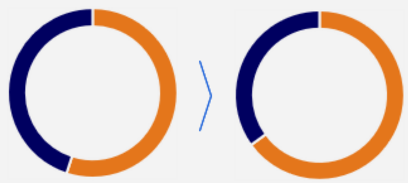
Outcome

The strategic changes led to a more balanced and diversified portfolio, while still delivering more than 1.5% in outperformance net of fees during calendar year 2025, as compared to the legacy allocation on the $1.4 billion portfolio.[1] This represented approximately $21 million in added value. Russell Investments also reduced manager fees by utilizing our scale and manager relationships.

Fees dropped from 39 basis points (bps) to 10.5 bps, resulting in approximately $4 million in annual savings. The consolidated account structure and detailed reporting helped significantly enhance audit processes and financial governance.

[1] Past performance is not indicative of future results.

Driving Performance Through Portfolio Enhancements



Legacy Allocation   New Allocation

- Implemented an enterprise-wide investment framework aligning each portfolio with the Tribe's spending priorities
- Rebalanced portfolio to improve diversification and returns:
  - Reduced U.S. Equity overweight
  - Increased Non-U.S. Equity exposure
  - Added Global High Yield Bonds
  - Introduced Real Estate and Listed Infrastructure
- Transitioned to lower-cost managers to reduce fees

$21 million

in added value from +1.5%[1] of outperformance versus the legacy allocation on a $1.4B portfolio

- ✓ ~$4 million in annual savings through fee reductions—from 39 bps to 10.5 bps
- ✓ Streamlined operations that improved audit readiness, transparency, and monthly reporting processes
- ✓ Enhanced stakeholder engagement through education focused on long-term strategic decision-making

Conclusion

The Native American Tribe's collaboration with Russell Investments serves as a model for similar organizations seeking to enhance their investment management practices.

Where to next?

Call Russell Investments at 866-739-7979
or visit russellinvestments.com/nonprofit

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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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