

U.S. Corporation - New Plan Sponsor



Background

A large U.S.-based corporation, to be created through a corporate transaction, was to inherit approximately \$2 billion in defined benefit (DB) pension assets and liabilities.

Challenge

The organization needed to establish an appropriate governance framework, investment strategy and implementation structure, along with an associated operational set-up, prior to the close of the corporate transaction.

In addition, with no existing defined contribution (DC) plan in place, the organization also faced the challenge of simultaneously establishing a new 401(k) savings structure for its employees prior to first payroll.

The client, who needed to maximize internal focus on the launch of the operating business of the corporation, required a partner with deep institutional asset management and operational expertise, combined with the resourcing and ability to execute with limited direction under a compressed timeline.

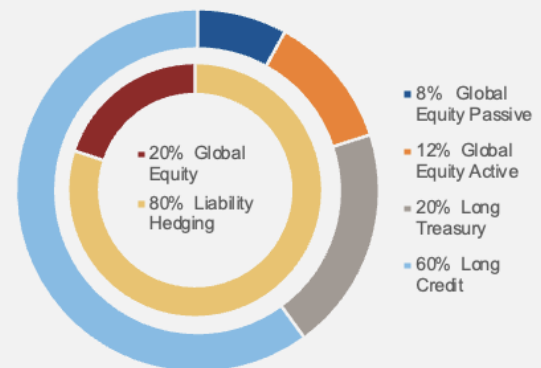
Solution

Russell Investments delivered a comprehensive, outsourced implementation solution tailored to the client's unique needs

- Investment Strategy Design: Developed a DB investment strategy aligned with the client's liability profile, targeting 80% liability-hedging assets and 20% global equity exposure.
- Execution Readiness: Strategy was fully designed and ready for implementation by the time the corporate transaction closed.

Solution

Outsourced implementation partnership



DB Investment strategy designed and ready for implementation by deal close

Designed DC menu from scratch and oversaw \$100+ million in assets in first month

Managed fixed income and equity TM assignments as part of custom implementation solution

- Custom Implementation: Managed fixed income and equity transition management (TM) assignments to ensure seamless execution.

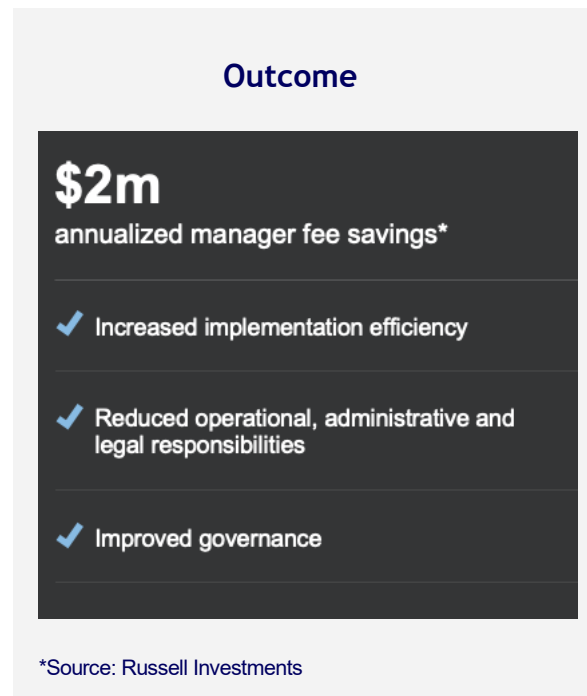
Defined Contribution (DC) Plan:

- Plan Design from Scratch: Designed a new DC investment menu, incorporating both passive and active global equity strategies.
- Rapid Asset Onboarding: Over \$100 million in DC assets were onboarded in the first month of plan launch.
- Operational Support: Assumed key administrative responsibilities, reducing the client's internal burden.

Results

The partnership delivered measurable and strategic outcomes:

- Seamless and on-schedule deployment of both DB and DC plans, with investment strategies customized for \$2 billion DB assets and over \$100 million in DC assets
- \$2 million in annualized fee savings through enhanced consulting and implementation efficiencies.
- Improved governance via a streamlined, outsourced model that reduced complexity and fiduciary risk.
- Operational efficiency with reduced administrative and legal responsibilities, minimizing the burden on the client's internal stakeholders.
- Custom pension investment architecture that aligned with the client's objectives and stringent risk management requirements, including:
 - 80% liability-hedging allocation in the DB plan to fully hedge liability-relative interest rate risks (60% long credit, 20% long treasury).
 - 20% global equity allocation (12% active, 8% passive)



Where to next?



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

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