

# Russell Investments

A Leading Pension Consultant &  
Outsourced Chief Investment  
Officer Manager

Tiburon Written Research  
June 15, 2026



**TIBURON STRATEGIC ADVISORS**

Industry Leading Think Tank, Advisor, and Investor in  
Wealth & Investment Management (& WealthTech) Firms

## Comments



- **Founded in 1936**
  - **Founded as Frank Russell Company**
  - **Founded by Frank Russell**
- **Based in Seattle, WA**
- **40 countries**
- **18 offices**
- **2,000 employees**
- **\$1.3 billion revenues**
- **CEO: Zach Buchwald**
- **Website: [www.russell.com](http://www.russell.com)**
- **Acquired by The Northwestern Mutual Life Insurance Company (DBA Northwestern Mutual) in 1999**
- **Acquired by the London Stock Exchange Group in 2014**
  - **Paid \$2.7 billion through a combination of debt facilities and a rights issue**
- **Acquired by TA Associates & Reverence Capital Partners in 2016**
  - **Paid \$1.2 billion (for more narrow investment management business)**
  - **London Stock Exchange Group retained Russell's index business (integrating it into FTSE Russell)**
  - **Paid \$900 million upfront and additional performance-based amounts**
  - **Planned to incorporate Russell funds into its variable annuity and variable life products**
  - **Allowed The Northwestern Mutual Life Insurance Company (DBA Northwestern Mutual) to diversify from its insurance focus**

Source: 11/9/13 Wikipedia Website; 7/20/11 Money Management Executive; 7/19/11 CNN Money; 7/19/11 Yahoo! Finance; 7/19/11 Russell Investments Brochure; 7/19/11 LinkedIn; 6/2/11 Russell Conversation (Arenberg); 5/23/11 Northwestern Mutual Website; 5/19/11 The Street.Com Website; 5/16/11 Russell Investments Press Release; 5/11/11 Russell Investments Press Release; Tiburon Research & Analysis



# ***Russell Investments was Founded as Frank Russell Company by Frank Russell in 1936***

Established as  
a brokerage  
firm

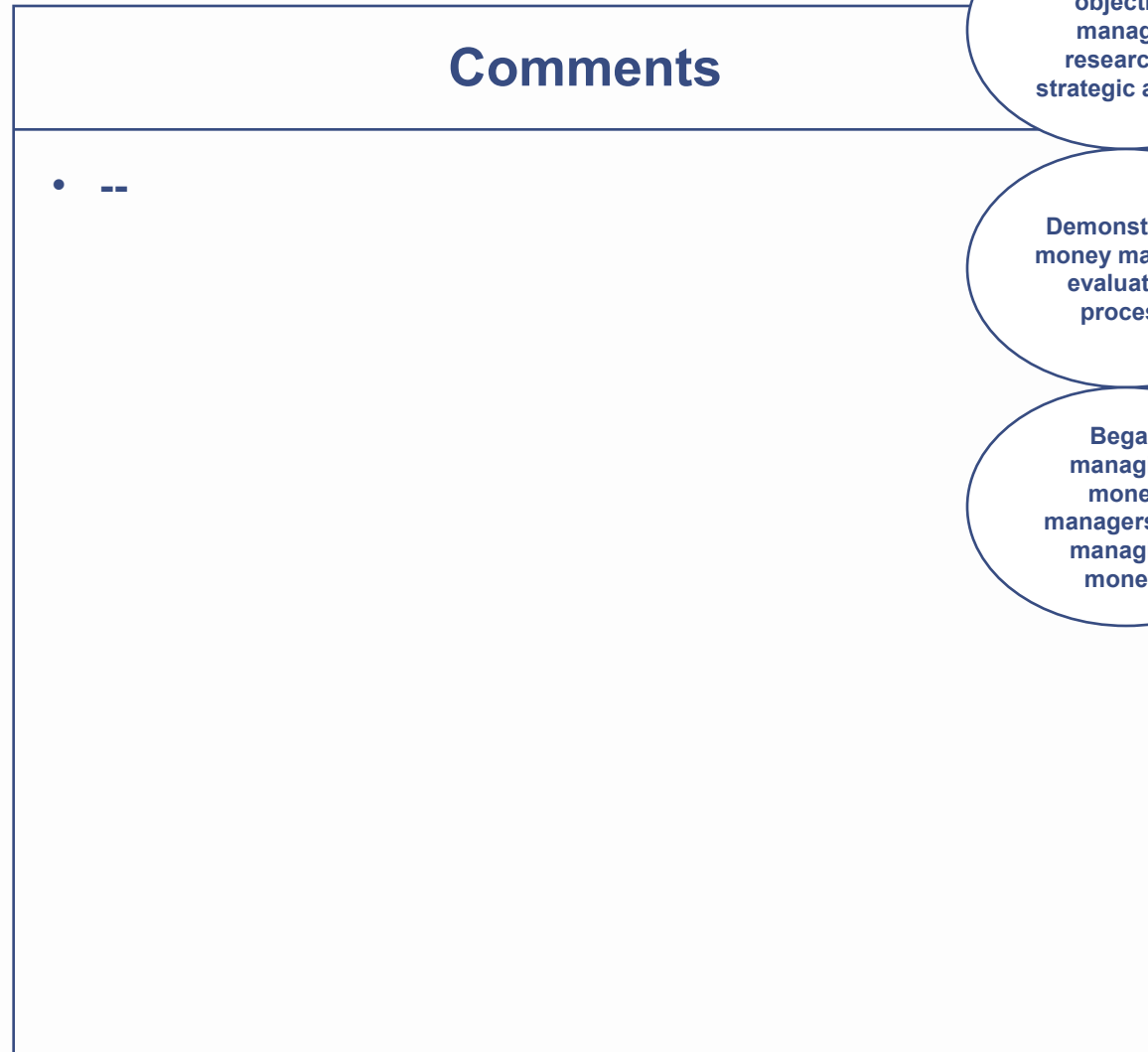
## **Comments**

- **Founded in 1936**
  - **Founded as Frank Russell Company**
  - **Founded by Frank Russell**
- **Based in Tacoma, WA**
- **CEO: Frank Russell**



Source: 11/9/13 Wikipedia Website; 5/24/11 Business Wire; 5/16/11 Russell Investments Press Release; 5/11/11 Russell Investments Press Release; 5/2/11 Russell Investments Presentation (Winnick); 12/6/08 Advisor Software Website; 6/15/05 Russell Investments Brochure; 6/8/05 Capital Markets Consultants Conversation (Mendelson); 5/05 Journal of Financial Planning; 4/27/05 Russell Website; Tiburon Research & Analysis

# Russell Investments' Predecessor Frank Russell Company Pioneered the Investment Consulting Business in 1969



Pioneered objective manager research & strategic advice

Demonstrated money manager evaluation process

Began managing money managers (not managing money)

# ***Russell Investments' Predecessor Frank Russell Company Landed JC Penney as its First Pension Consulting Client in 1969***

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## **Comments**

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Source: 11/9/13 Wikipedia Website; 5/2/11 Russell Investments Presentation (Winnick); 2/7/09 Russell Email (Winnick); 5/12/04 Northwestern Mutual Website; Tiburon Research & Analysis


# Russell Investments Has Opened Eight Additional Offices, Starting with New York, NY in 1969 (Page 1)

## Russell Investments Office Openings

New York, NY	London, England	Toronto, Ontario	Sydney, Australia	Tokyo, Japan
<ul style="list-style-type: none"><li>• Opened in 1969</li></ul>	<ul style="list-style-type: none"><li>• Opened in 1979</li></ul>	<ul style="list-style-type: none"><li>• Opened in 1984</li></ul>	<ul style="list-style-type: none"><li>• Opened in 1986</li></ul>	<ul style="list-style-type: none"><li>• Opened in 1986</li></ul> 


Source: 11/9/13 Wikipedia Website; 6/15/11 Business Wire; 5/2/11 Russell Investments Presentation (Winnick); Tiburon Research & Analysis

## Russell Investments Office Openings

<b>Auckland, New Zealand</b>	<b>Paris, France</b>	<b>Amsterdam, The Netherlands</b>	<b>Singapore</b>	<b>Johannesburg, South Africa</b>
<ul style="list-style-type: none"><li>• Opened in 1991</li></ul>	<ul style="list-style-type: none"><li>• Opened in 1994</li></ul>	<ul style="list-style-type: none"><li>• Opened in 1996</li></ul>	<ul style="list-style-type: none"><li>• Opened in 1999</li></ul>	<ul style="list-style-type: none"><li>• Opened in 2000</li></ul> 

Chicago, IL;  
Melbourne,  
Australia; San  
Francisco, CA

## Russell Investments Office Openings

<p><b>Milan, Italy</b></p>	<p><b>Seoul, South Korea</b></p>	<p>--</p>	<p>--</p>	<p>--</p>
<ul style="list-style-type: none"> <li>• Opened in 2010</li> </ul>	<ul style="list-style-type: none"> <li>• Opened in 2014</li> </ul>	<ul style="list-style-type: none"> <li>• --</li> </ul>	<ul style="list-style-type: none"> <li>• --</li> </ul>	<ul style="list-style-type: none"> <li>• --</li> </ul> 

Source: 6/15/26 Gemini Search Results; 6/15/26 Russell Investments Website; 7/19/11 Russell Investments Brochure; 6/15/11 Business Wire; 5/2/11 Russell Investments Presentation (Winnick); Tiburon Research & Analysis

## Comments

First multi-manager funds launches

Focused more on its manager selection capabilities while competitor SEI focused more on its technology & outsourcing

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# ***Russell Investments' Predecessor Frank Russell Company Created its Russell 1000, 2000, & 3000 Indexes in 1984***

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## **Comments**

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Source: 5/16/11 Russell Investments Press Release; 6/07 Financial Times; 4/27/05 Russell Website; 4/27/05 Northwestern Mutual Website; Tiburon Research & Analysis

# Russell Investments' Launched its Model Strategies in 1985

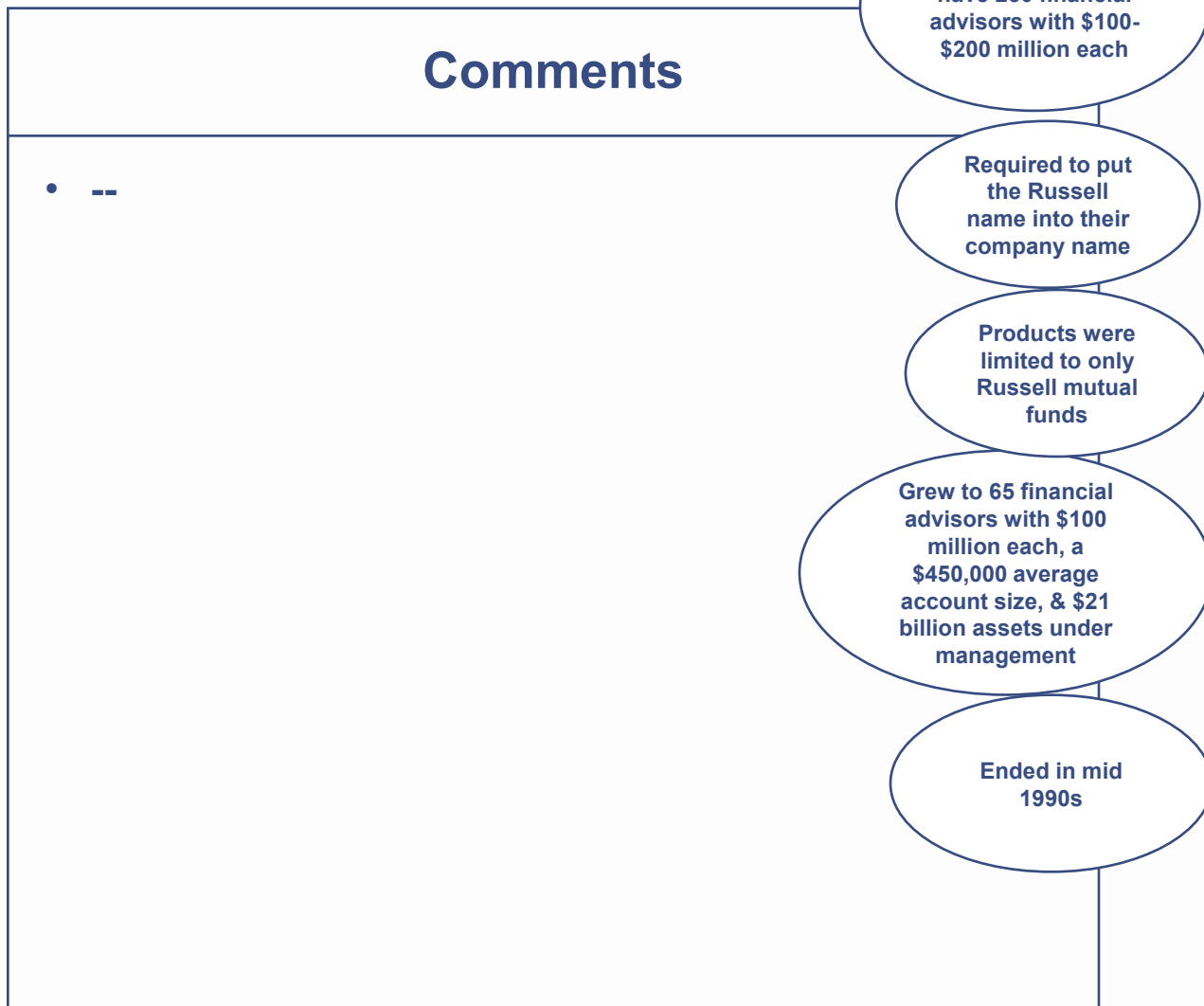
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## Comments

- --



# Russell Investments Predecessor Frank Russell Company Attempted to Build a Dedicated Fee-Based Financial Advisor (RIA) Sales Force in the Late 1980s & Early 1990s



Source: 2/7/09 Russell Email (Winnick); 7/11/05 American Banker; 3/7/05 Investment News; 11/26/02 Frank Russell Conversation (Stark); 2/26/02 Russell Investments Conversation (Stark); Tiburon Research & Analysis

## Comments

- --



## Russell Investments Awards & Recognition

Washington CEO Magazine	Fortune Magazine	Financial News	Plan Sponsor
<ul style="list-style-type: none"> <li>• <b>1997: Named National Family Business of the Year award</b></li> <li>• <b>1999-2001: Named best company to work for Hall of Fame</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>Early 2000s: Named one of the best companies to work for</b> <ul style="list-style-type: none"> <li>– <b>Ranked #13 in 2001</b></li> <li>– <b>Ranked #11 in 2002</b></li> <li>– <b>Ranked in top 100 in 2006</b></li> <li>– <b>Ranked #30 in 2007</b></li> <li>– <b>Fell off list in 2008</b></li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• <b>2005: Named Multi-Manager of the Year</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>2006: Named Transition Manager of the Year</b></li> <li>• <b>2008-2010: Ranked best in class in all categories in a transition management survey</b></li> </ul> <div style="text-align: right; margin-top: 20px;">           </div>

Source: 7/19/11 Russell Investments Website; 5/2/11 Russell Investments Presentation (Winnick); 2/12/09 Russell Presentation (Stark); 2/4/09 Russell Website; 1/28/09 Tacoma News Tribune; 11/08 Wealth Manager; 10/15/08 Investment News; 9/16/08 Wall Street Journal; 4/27/05 Russell Website; 4/27/05 Northwestern Mutual Website; Tiburon Research & Analysis


Really top five  
in Financial  
Research  
Corporation

## Russell Investments Awards & Recognition

Financial Research Corporation & Horsesmouth	Global Investor & Plan Sponsor Transition Management Survey	Global Pensions	Fund Fire
<ul style="list-style-type: none"> <li>• 2008: Ranked # 1 external wholesaler in service &amp; support – 98% approval rating</li> </ul>	<ul style="list-style-type: none"> <li>• 2008: Best in Class                             <ul style="list-style-type: none"> <li>– Pre-Trade</li> <li>– Execution</li> <li>– Post-trade</li> <li>– Organization &amp; support</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• 2008: Rated as #1 manager-of-managers</li> <li>• 2010-2011: Rated as #1 manager-of-managers</li> </ul>	<ul style="list-style-type: none"> <li>• 2009-2010: Rated as having one of the most effective due diligence programs</li> </ul> <div style="text-align: right; margin-top: 20px;">          </div>

Source: 7/19/11 Russell Investments Website; 5/2/11 Russell Investments Presentation (Winnick); 2/7/09 Russell Email (Winnick); 6/19/08 Russell Press Release; Tiburon Research & Analysis

**Russell Investments  
Awards & Recognition**

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• --	• --	• --	• -- 

Source: Tiburon Research & Analysis

# ***Russell Investments' Predecessor Frank Russell Company Began Offering Life Cycle Funds to Provide Smaller Investors with One-Stop Solutions in 1997***

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Funds-of-funds

## **Comments**

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Source: 2/7/09 Russell Email (Winnick); 7/11/05 American Banker; 11/30/01 Lockwood Conversation (Reinhart); 9/3/01 Investment News; 4/01 Institutional Investor; Tiburon Research & Analysis

# ***Russell Investments' Predecessor Frank Russell Company was Acquired by The Northwestern Mutual Life Insurance Company (DBA Northwestern Mutual) in 1999***



## **Comments**

- **Founded in 1936**
  - **Founded as Frank Russell Company**
  - **Founded by Frank Russell**
- **Based in Tacoma, WA**
- **1,400 employees**
- **\$42.0 billion assets under management**
- **\$305 million revenues**
- **Acquired in 1999**
  - **Paid \$900 million upfront and additional performance based amounts**
  - **Acquired to move away from insurance focus**
  - **Planned to incorporate Russell funds into variable annuity and variable life products**
  - **Alliance gave Russell funds brand name recognition**

Source: 2/7/09 Russell Email (Winnick); 6/8/05 Capital Markets Consultants Conversation (Mendelson); 4/27/05 Northwestern Mutual Website; 7/2/01 Barron's; 9/98 Institutional Investor; 8/11/98 Wall Street Journal; Tiburon Research & Analysis

# Russell Investments' Predecessor Frank Russell Company Abandoned its Dedicated Fee-Based Financial Advisor (RIA) Sales Force Strategy in 2000

Late 1990s?

## Comments

- --



Source: 7/11/05 American Banker; 3/7/05 Investment News; 11/26/02 Frank Russell Conversation (Stark); 2/26/02 Russell Investments Conversation (Stark); Tiburon Research & Analysis

# Russell Investments' Predecessor Frank Russell Company Ended its Practice of Self-Custodying and Referred its Financial Advisors to Fidelity Investments in 2001



Comments	Same as 2000 entry?
<ul style="list-style-type: none"><li data-bbox="664 376 741 396">• --</li></ul>	<p data-bbox="1591 329 1926 515">Russell platform was its transfer agent and called Russell Advantage</p> <p data-bbox="1591 515 1926 701">Allows preferred access to Fidelity Investments events, field access, &amp; website promotion</p> <p data-bbox="1591 701 1926 886">Prior advantage was the proprietary capabilities like automatic account rebalancing</p> <p data-bbox="1591 886 1926 1072">But financial advisors could only trade Russell Investments funds</p> <p data-bbox="1591 1072 1926 1253">25% of assets moved to Fidelity Investments</p>

Source: 2/7/09 Russell Email (Winnick); 10/30/01 Russell Investments Conversation (McKeegan); 8/8/01 Creating Equity Group Conversation (B...); 9/7/00 Fidelity Press Release; Tiburon Research & Analysis

# **Russell Investments' Predecessor Frank Russell Company Partnered with Fidelity Investments to Launch Russell Managed Portfolios in 2001**

## **Comments**




Combined multi-manager investment style with Fidelity Investments' technology platform & services



- **Traditional multiple style portfolios program**
  - **\$300,000 minimum**
  - **Bundled program provided financial advisors with investment strategy, profiling & asset allocation, due diligence processes, and web-enabled performance reporting and client management**
  - **Focused on customization, loss harvesting, & tax management**
- **Introduced in 2001**
- **Fidelity Investments needed something to compete with similar offerings from The Charles Schwab Corporation and Callan Associates**
- **Provided access to 1,000 fee-based financial advisors (RIAs) custodizing at Fidelity Investments**




Source: 2/7/09 Russell Email (Winnick); 11/03 Financial Advisor; 4/02 Investment Advisor; 12/24/01 Fund Marketing Alert; 12/5/01 Trivium Presentation (MacKillop); 11/26/01 Fund Marketing Alert; 11/12/01 Investment News; 11/9/01 American Banker; 11/01 Investment Advisor; 10/30/01 Russell Investments Conversation (McKeegan); 10/29/01 Investment News; 10/8/01 Fund Marketing Alert; Tiburon Research & Analysis

## Russell Investments English Speaking Countries Markets Acquisitions

<b>Pantheon Ventures</b>	<b>Towers Perrin Human Resources Service Operations in Australia</b>	--	--
<ul style="list-style-type: none"> <li>• <b>Founded in 1982</b> <ul style="list-style-type: none"> <li>– <b>Founded by Rhoddy Swire</b></li> </ul> </li> <li>• <b>Based in London, England</b></li> <li>• <b>CEO: Rhoddy Swire</b></li> <li>• <b>Acquired in 2003</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>Founded in 1934</b> <ul style="list-style-type: none"> <li>– <b>Based in Melbourne, Australia</b></li> </ul> </li> <li>• <b>Acquired in 2004</b></li> </ul>	• --	<ul style="list-style-type: none"> <li>• --</li> </ul> <div style="text-align: right; padding-right: 20px;">        </div>

# Russell Investments (and its Predecessor Frank Russell Company) Made Several Divestitures in the English Speaking Countries Markets

## Russell Investments English Speaking Countries Markets Divestitures

<p><b>Pantheon Ventures</b></p>	<p><b>Towers Perrin Human Resources Service Operations in Australia</b></p>	<p>--</p>	<p>--</p>
<ul style="list-style-type: none"> <li>• <b>Founded in 1982</b> <ul style="list-style-type: none"> <li>– <b>Founded by Rhoddy Swire</b></li> </ul> </li> <li>• <b>Based in London, England</b></li> <li>• <b>CEO: Rhoddy Swire</b></li> <li>• <b>Sold to Affiliated Managers Group in 2010</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>Founded in 1934</b> <ul style="list-style-type: none"> <li>– <b>Based in Melbourne, Australia</b></li> </ul> </li> <li>• <b>Sold to Link Group in 2013</b></li> </ul>	<ul style="list-style-type: none"> <li>• --</li> </ul>	<ul style="list-style-type: none"> <li>• --</li> </ul> <div style="text-align: right; margin-top: 20px;">        </div>

Source: 6/15/26 Google Gemini Search Results; 4/27/05 Pantheon Website; 4/27/05 Russell Website; 4/27/05 Northwestern Mutual Website; Tiburon Research & Analysis

# ***Russell Investments' Predecessor Frank Russell Company was Renamed Russell Investment Group in 2003***

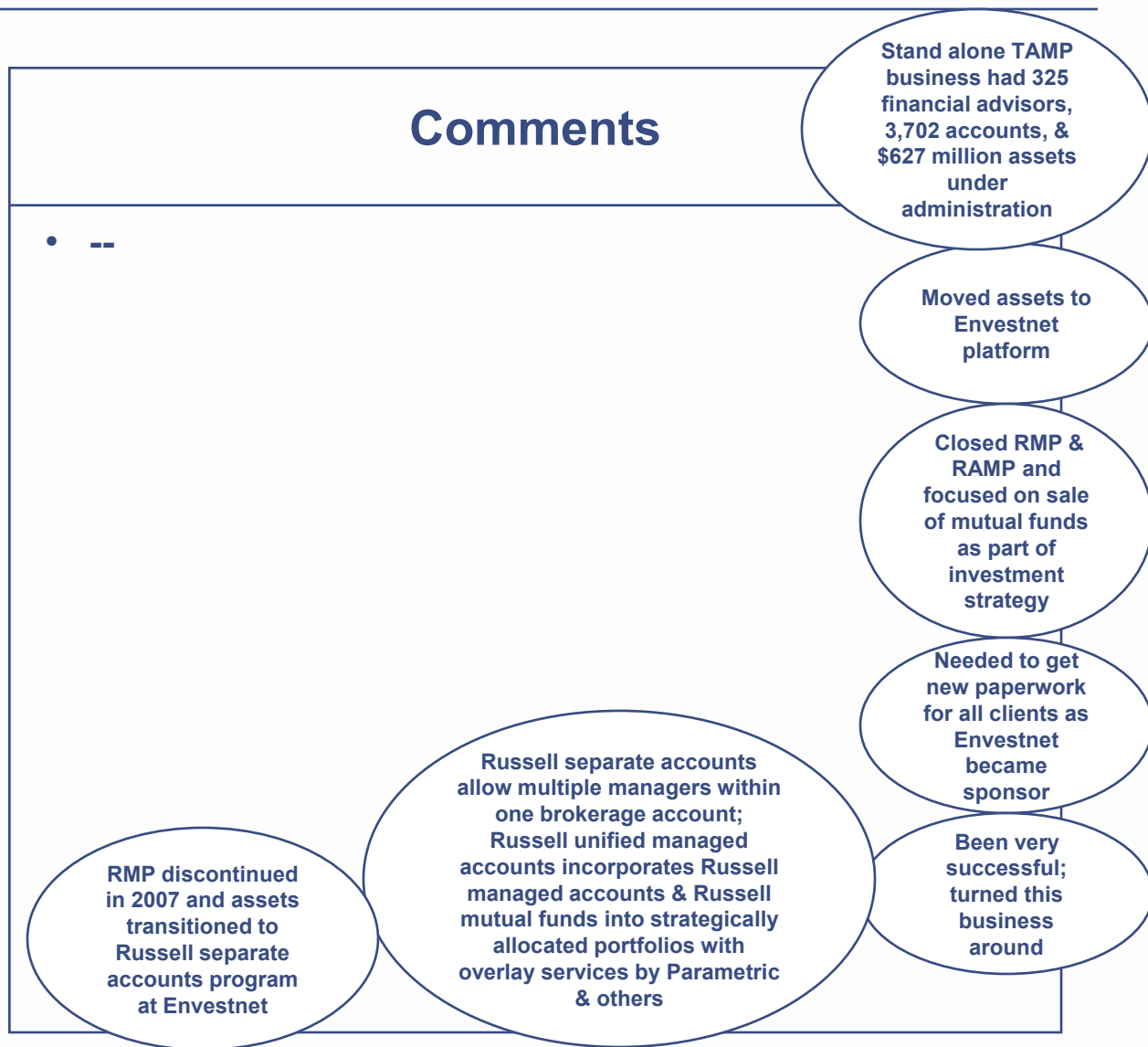
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## **Comments**

- **Founded in 1936**
  - **Founded as Frank Russell Company**
  - **Founded by Frank Russell**
- **Based in Tacoma, WA**
- **CEO: Mike Phillips**
- **Renamed Russell Investment Group in 2003**
  - **Goal was to build better brand awareness across all products & services**

# Russell Investments Ended its Turnkey Asset Management Program (TAMP) Business and Refocused on Being an Investment Strategist Utilizing Its Own Mutual Funds in 2007



Source: 5/23/11 RIA Biz; 5/16/11 Russell Investments Conversation (Winnick); 2/12/09 Russell Presentation (Stark); 2/7/09 Russell Email (Winnick); 1/27/09 Envestnet Email (Hardwick); 1/22/09 Advisor Software Email (Ringquist); 9/16/08 Investment News; 7/23/07 Investment News; 12/04 Russell Asset Management Brochure; 5/12/04 Northwestern Mutual Website; 11/03 Financial Advisor; Tiburon Research & Analysis

# **Russell Investments Changed its Name to Russell Investments in 2008**

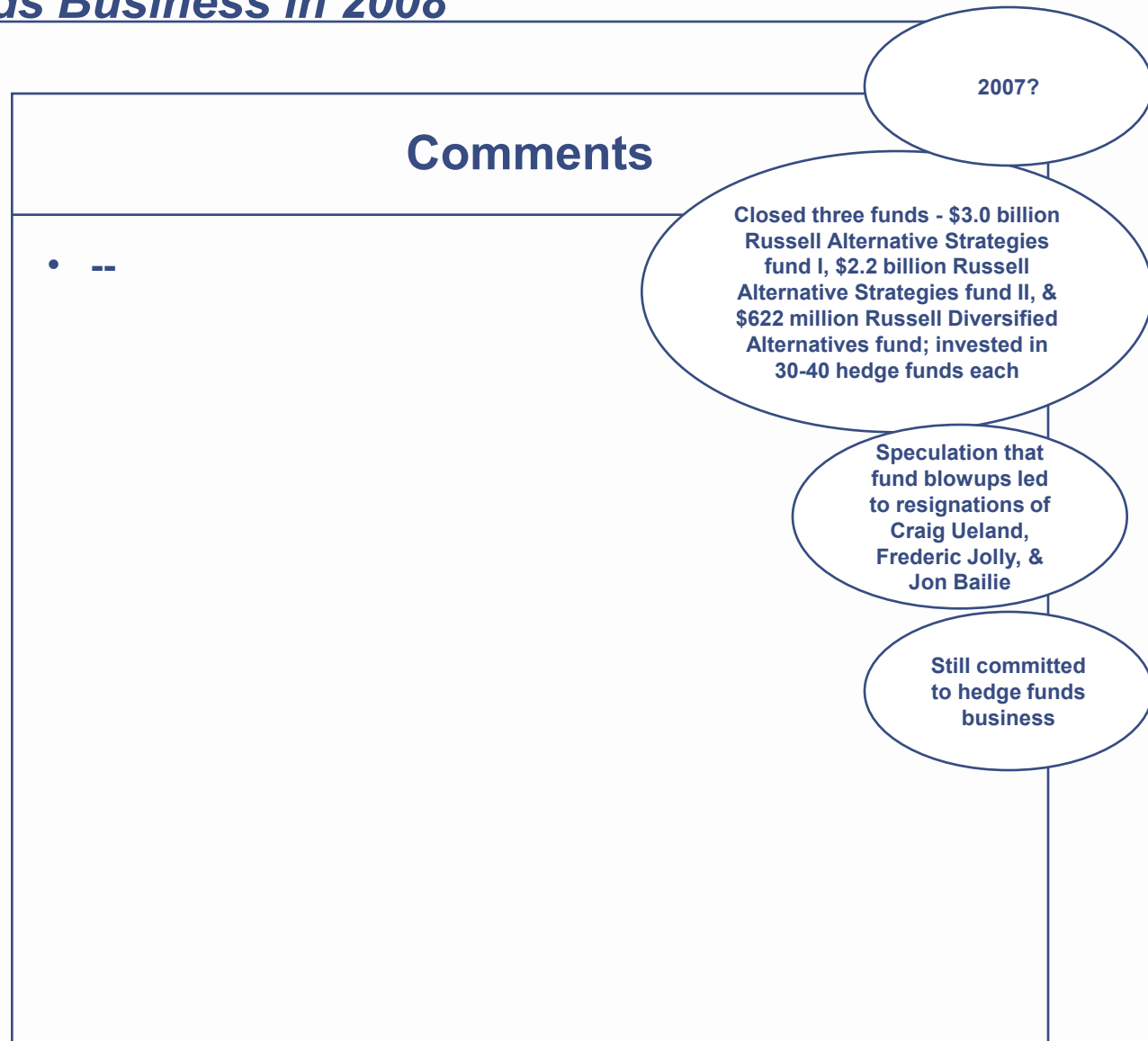
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## **Comments**

- **Founded in 1936**
  - **Founded as Frank Russell Company**
  - **Founded by Frank Russell**
- **Based in Tacoma, WA**
- **CEO: Mike Phillips**
- **Renamed Russell Investment Group in 2003**
  - **Goal was to build better brand awareness across all products & services**
- **Changed name to Russell Investments in 2008**

# Russell Investments was Criticized for Poor Performance in its Hedge Funds-of-Funds Business in 2008



Source: 2/7/09 Russell Email (Winnick); 1/27/09 Tacoma News Tribune; 10/27/08 Pension & Investments; 10/15/08 Wall Street Journal; Tiburon Research & Analysis

# ***Russell Investments Launched its Web-Based Helping Advisors Aid to Assist Financial Advisors in Re-Profiling their Clients Due to the Troubling Economic Environment in 2008***

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## **Comments**

- --



# Russell Investments Experienced a Senior Executive Exodus Due to Lucrative Terms of the Firm's Equity Ownership Program in 2008

## Russell Investments Senior Executive Exodus

- Ernie Ankrim
  - Chief Investment Strategist
- Linda Gutmann
  - Director – Risk Management
- Kelly Haughton
  - Director – Index Strategies

- Noel Lamb
  - United States Chief Investment Officer
- Randy Lert
  - Chief Portfolio Strategist
- Mike Phillips
  - Chairman

- Hal Strong
  - Vice Chairman
- Craig Ueland
  - CEO
- Ann Watson
  - Chief Human Resources Officer

Terms allowed executives who exercise options before year-end to receive May 2008 valuation on shares

Karl Ege, Frederic Jolly, & Jon Ballie

Ege & Phillips were planned retirements; Ueland was personal reasons; Lamb returned to United Kingdom



# Russell Investments Cut 20% of its Staff in 2009

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## Comments

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Source: 2/7/09 Russell Email (Winnick); 1/27/09 Milwaukee Business Journal; 1/27/09 The Biz Buzz; 1/27/09 Business Journal; Tiburon Research & Analysis

# ***Russell Investments Changed its United States Retail Compensation Plan in 2010***

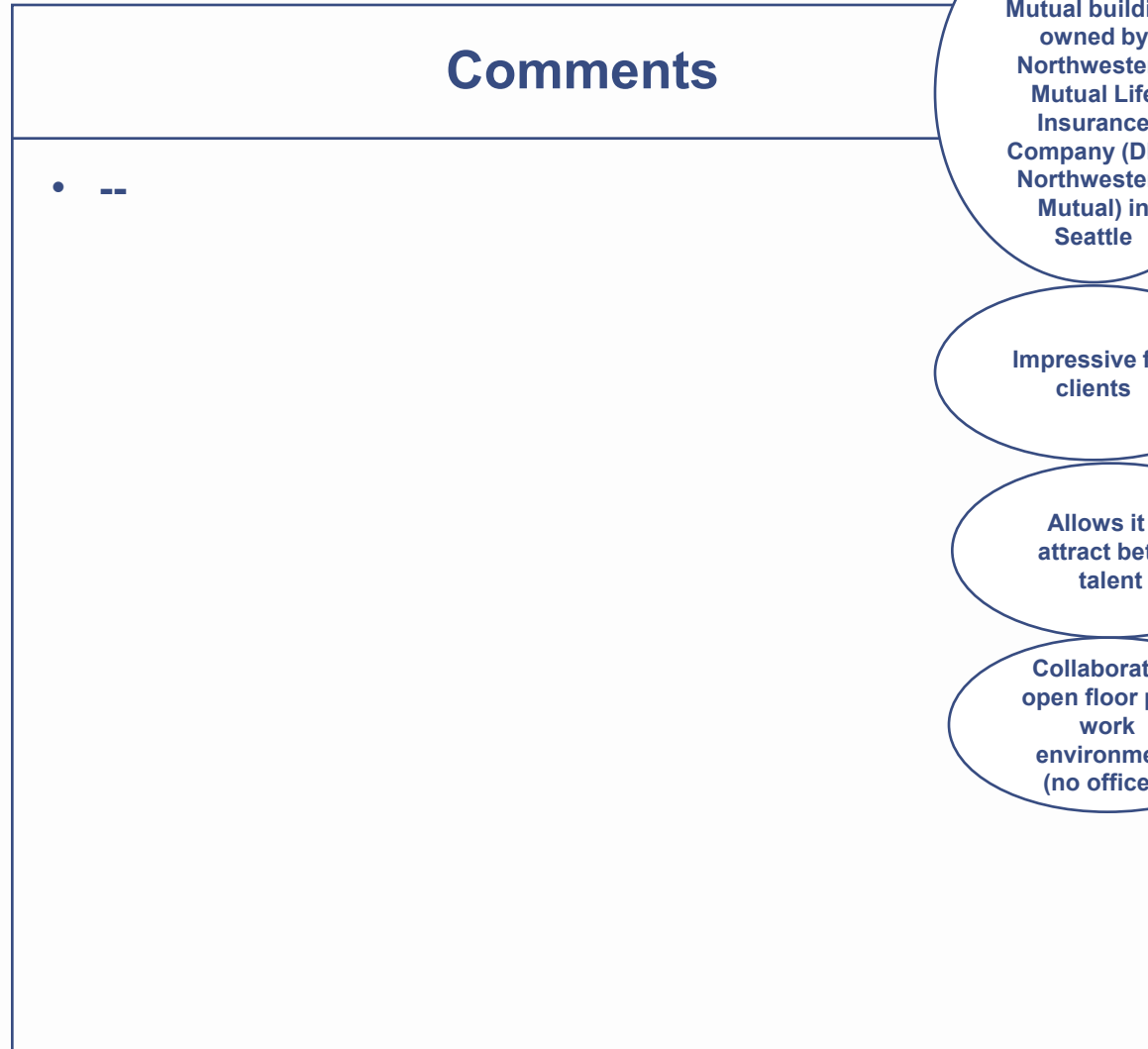
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## **Comments**

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# ***Russell Investments Moved its Headquarters from Tacoma, WA to Seattle, WA in 2010***



Source: 6/2/11 Russell Meeting (Arenberg); 5/16/11 Russell Investments Conversation (Winnick); 7/12/10 Russell Investments Meeting (Arenberg); 1/27/09 Tacoma News Tribune; 10/3/08 Pudget Sound Business Journal; Tiburon Research & Analysis

# Russell Investments Launched its Exchange Traded Funds (ETFs) Business in 2010

## Comments

- --

Started with Australian business followed by US One acquisition and then investment discipline exchange traded funds (ETFs) in 2011




Source: 6/9/11 Russell Investments Email (Arenberg); 6/7/11 Wall Street Journal; 6/6/11 Advisor One; 5/25/11 ETF Trends; 5/20/11 Money Management Executive; 5/20/11 Investment News; 5/19/11 The Street.Com Website; 5/16/11 Russell Investments Conversation (Winnick); Tiburon Research & Analysis

# Russell Investment's Has Acquired at Least One Investment Management Firm, Including US One in 2010

## Russell Investment's Investment Management Firm Acquisitions

US One had the  
One Fund ETF  
of ETFs

2011?

US One	--	--	
<ul style="list-style-type: none"> <li>• <b>Founded in 2008</b></li> <li>• <b>Based in Reno, Nevada</b></li> <li>• <b>One exchange traded fund</b></li> <li>• <b>Acquired in 2010</b> <ul style="list-style-type: none"> <li>– <b>Launched Russell's exchange traded funds (ETFs) business</b></li> <li>– <b>Renamed One Fund as Russell Equity ETF</b></li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• --</li> </ul>	<ul style="list-style-type: none"> <li>• --</li> </ul>	<ul style="list-style-type: none"> <li>• --</li> </ul> <div style="text-align: right; margin-top: 20px;">  <p><b>Russell Investments</b> Russell ETFs Exposure driven by insight™</p> </div>

Source: 6/2/11 Russell Meeting (Arenberg); 5/25/11 ETF Tends; 5/20/11 Investment News; 5/19/11 The Street.Com Website; Tiburon Research & Analysis

# Russell Investments Celebrated its 75th Anniversary in 2011

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## Comments

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# ***Russell Investments Partnered with Indxis to Create a Non-Traditional Index Family in 2011***

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## **Comments**

- --



# Russell Investments Partnered with Axioma to Launch its Risk-Factor Based Indexes and Corresponding Exchange Traded Funds (ETFs) in 2011



Delete?

## Comments

- --

Beta, volatility, & momentum have influence on portfolio returns

Five risk factors for large-cap -> US large-cap high beta index, US large-cap low beta index, US large-cap high volatility index, US large-cap low volatility index, & US large-cap high momentum index; five risk factors for small-cap -> US small-cap high beta index, US small-cap low beta index, US small-cap high volatility index, US small-cap low volatility index, & US small-cap high momentum index

# Russell Investments Launched its Investment Discipline Indexes and Corresponding Exchange Traded Funds (ETFs) in 2011

## Comments

- --

US large-cap aggressive growth index, US large-cap consistent growth index, US large-cap growth at a reasonable price (GARP) index, US large-cap equity income index, US large-cap low P/E index, & US large-cap contrarian index



Source: 6/13/11 Barron's; 6/13/11 Investment News; 5/31/11 Advisor Biz; 5/16/11 Russell Investments Press Release; 5/16/11 Insurance Newscast; Tiburon Research & Analysis

# Russell Investments Launched a Series of 24 Alternative Beta Fundamental Indexes with Research Affiliates in 2011



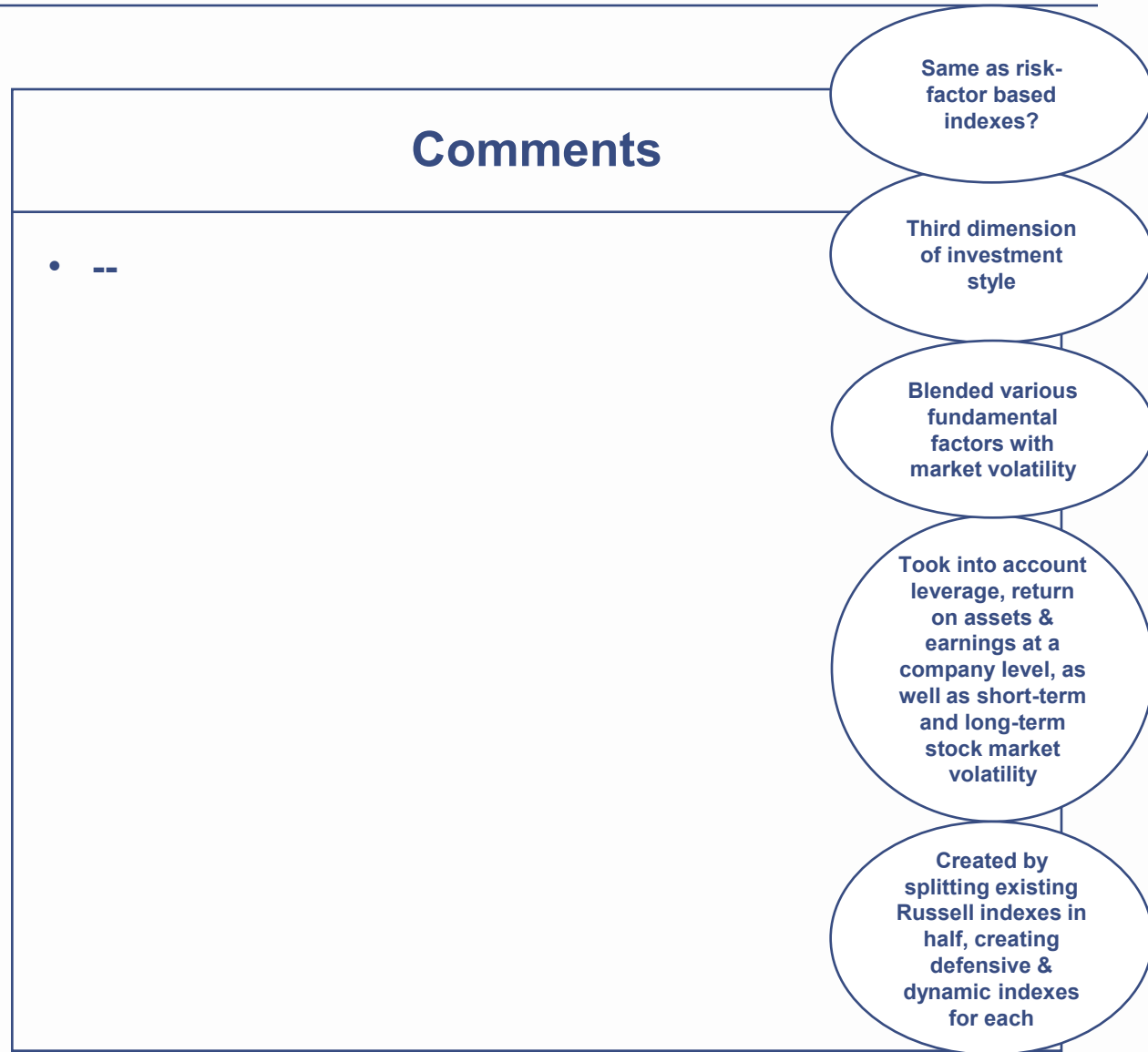
## Comments

- --

Russell  
Fundamental  
Index Series

Used company size rather than market capitalization to weight their components (used adjusted sales, retained operating cash flow, & individual payouts plus share buybacks)

# Russell Investments Launched its Stability Indexes in 2011



# Russell Investments Added its Mutual Funds to Jefferson National's Platform in 2011



Jefferson  National

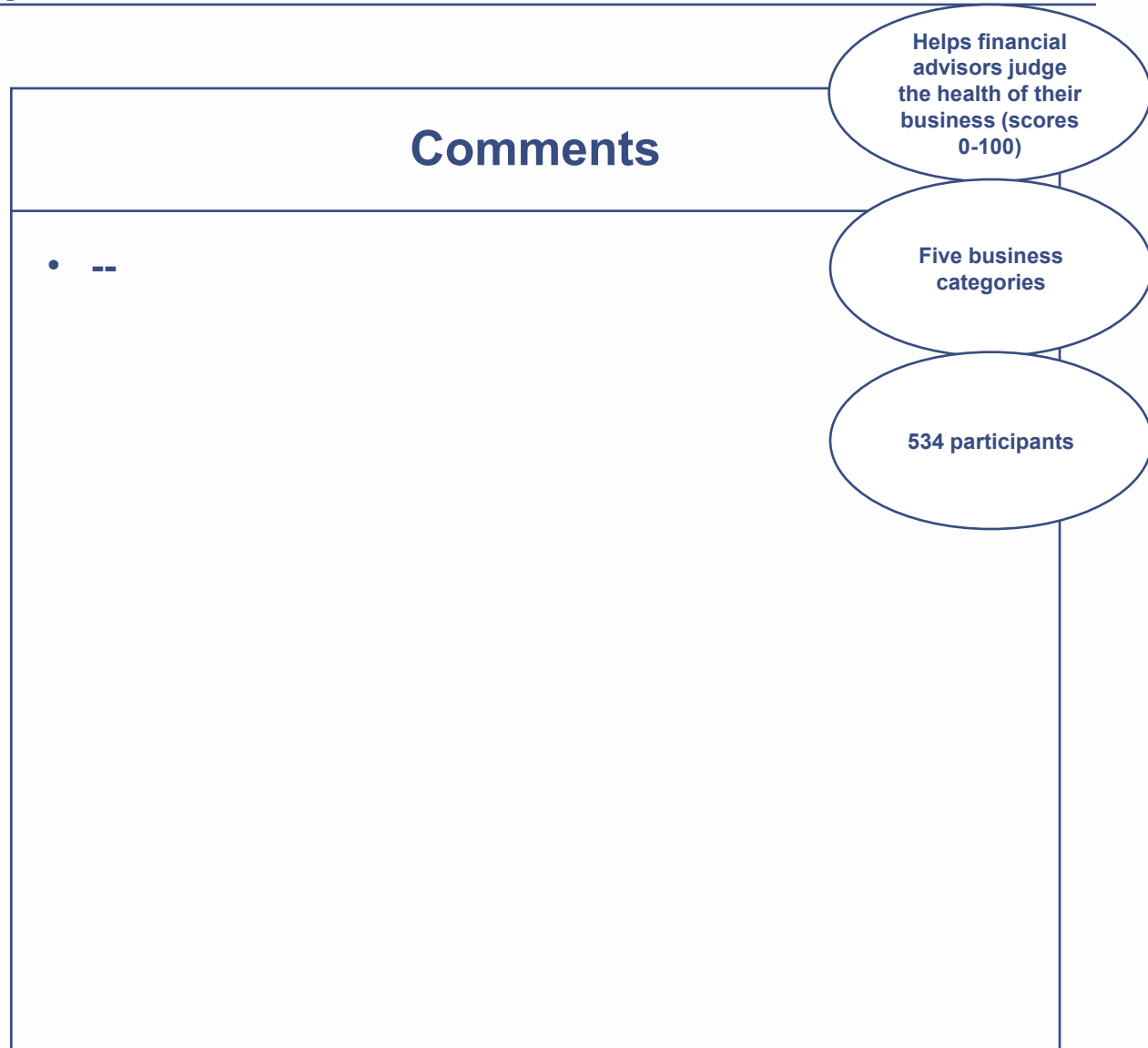
Delete?

## Comments

- --

Added ten mutual funds, including Russell Investment Funds & Life Point Funds, to Monument Advisor flat-fee variable annuity (makes it to 1,300 fee-based financial advisors (RIAs))

# Russell Investments Launched its Advisor Health Index as a Value Added Service in 2011



# ***Russell Investments was Acquired by The London Stock Exchange Group in 2014***

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**LSEG**

## **Comments**

- **Founded in 1801**
  - **Founded as London Stock Exchange**
- **Based in London, England**
- **\$12.8 billion revenues**
- **\$549.4 million operating profits**
- **\$800.8 million adjusted operating profits**
- **\$442.3 million profits before tax**
- **\$693.8 million adjusted profits before tax**
- **Publicly Owned**
- **Chairman: Chris Gibson-Smith**
  - **CEO: Xavier Rolet**
  - **Chief Operating Officer: Antoine Shagoury**
- **Websites: [www.lseg.com](http://www.lseg.com) & [www.londonstockexchange.com](http://www.londonstockexchange.com)**

# ***Russell Investments was Acquired by TA Associates & Reverence Capital Partners in 2016***

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## **Comments**

- **Founded in 1968**
  - **Founded as a business of Tucker Anthony**
- **Based in Boston, MA**
- **5 offices**
- **55 employees**
- **\$5.0 billion assets under management**
- **Chairman: Brian Conway**
- **Website: [www.ta.com](http://www.ta.com)**

# Russell Investments Considered Strategic Opportunities in 2026

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## Comments

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The firm that acquires Russell will inherit not just \$370 billion in assets under management but a set of institutional relationships, segment expertise, and implementation infrastructure that would take a decade to build organically

# ***Russell Investments Received a \$1.225 Billion Loan from Apollo Global Management in 2026***

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## **Comments**

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# Russell Investments is a Frequent Advertiser

Advertising

## Comments



- --

Source: Tiburon Research & Analysis

# ***Russell Investments' Tagline Emphasizes its Innovative Approach***

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## **Russell Investments Tagline**




## Russell Investments Advertising Campaigns

The Weight of Responsibility	The High Road	Equality	In Good Times & Bad
<ul style="list-style-type: none"> <li>• Pitches its honest dealings</li> </ul>	<ul style="list-style-type: none"> <li>• Pitches its honest dealings</li> </ul>	<ul style="list-style-type: none"> <li>• Pitches providing the same intelligent counsel for all investors</li> </ul>	<ul style="list-style-type: none"> <li>• Pitches support provided to financial advisors</li> <li>• Promotes its #1 wholesaler ranking</li> </ul> <div style="text-align: right; margin-top: 20px;">  </div>

Source: 6/6/11 Investment News; 1/26/09 Barron's; 12/08 Financial Planning; 11/24/08 Barron's; 11/10/08 Investment News; 11/3/08 Barron's; 11/08 Wealth Manager; 10/20/08 Barron's; 10/13/08 Investment News; 10/08 Financial Planning; 9/22/08 Barron's; 9/8/08 Barron's; 9/1/08 Barron's; Tiburon Research & Analysis

## Russell Investments Advertising Campaigns

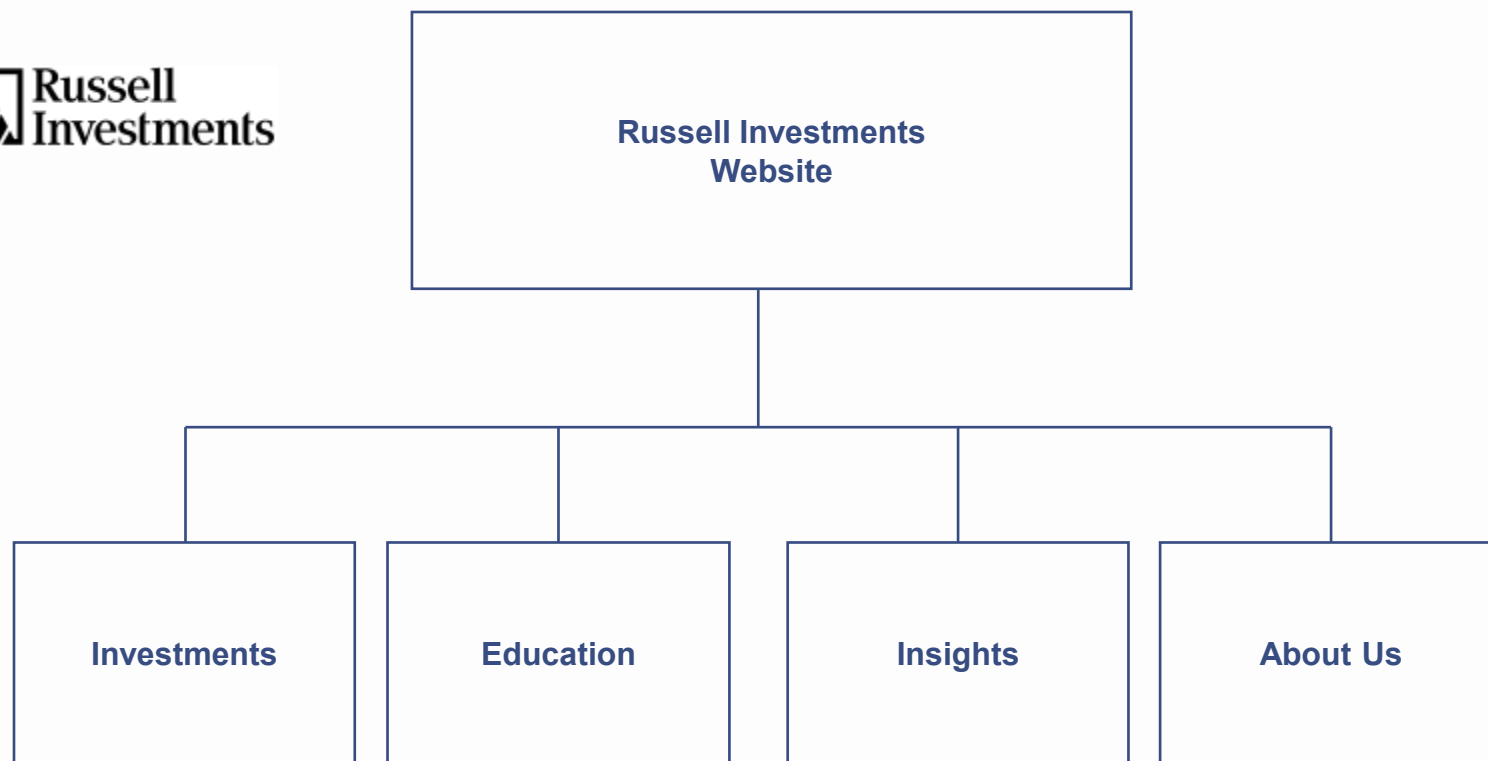
<p><b>Institutions Put Trust in Russell Investments</b></p>	<p><b>When an Investment Lacks Discipline, it is Never this Easy to Spot</b></p>	<p>--</p>	<p>--</p>
<ul style="list-style-type: none"> <li>• <b>Pitches mutual funds for financial advisors</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>Promotes Russell Investment Discipline ETFs</b></li> </ul>	<ul style="list-style-type: none"> <li>• --</li> </ul>	<ul style="list-style-type: none"> <li>• --</li> </ul> 

Source: 6/27/11 Barron's; 6/20/11 Investment News; 6/15/11 Wall Street Journal; 6/13/11 Barrons; 6/7/11 Wall Street Journal; 1/26/09 Barron's; 12/08 Financial Planning; 11/24/08 Barron's; 11/10/08 Investment News; 11/3/08 Barron's; 11/08 Wealth Manager; 10/20/08 Barron's; 10/13/08 Investment News; 10/08 Financial Planning; 9/22/08 Barron's; 9/8/08 Barron's; 9/1/08 Barron's; Tiburon Research & Analysis

# Russell Investments Has a Website with Four Core Sections, Including Investments, Education, Insights, & About Us



## Russell Investments Website



# Russell Investments' Strong Reputation and Focus on Research is Referred to by Many Industry Participants



## Comments

Needs Update

### Strong Reputation

- “Good reputation for their mutual funds and indexes”
- “Pre-eminent consultant to \$1.0 billion+ pension funds”
- “Familiar, but I thought they were just institutional, \$100 million plus”
- “A lot going for them – name recognition, etc.”
- “Bulk of time is institutional consulting”
- “I acknowledge that they know institutional managers”
- “They are being a lot more flexible than the last few years”
- “Their focus on separate account manager research is now for VAs and VUL”
- “Only know them as a data provider”
- “Similar to Callan Associates; focus on institutional market”

### Poor Reputation

- “Their mutual fund wrap performance was horrible”
- “A lot of their financial advisors are now at Lockwood”
- “They are doing the picking of mutual funds, where they end up duplicating some of the value added we are already performing. We see ourselves as investment managers, not marketers”
- “Not a lot of functionality; different business than I am in”
- “Mostly pensions with their managers found elsewhere”
- “They are facing a major identity crisis. Went with Fidelity Investments for a while to see how they could participate in the revenue flows, but they are having problems, especially on the ERISA side. Schwab's plan is a real challenge.”
- “Russell Investments is unwilling to revenue share so plan sponsors dump them. Their ability to continue with the closed TAMP model will kill them”
- “Alienated external financial advisor network”
- “Not come up much in New York, but it was near religious in Northern California”

Source: 11/30/01 Lockwood Conversation (Reinhart); 11/5/01 Vista Email (Ridout); 10/23/01 Russell Investments Email (McKeegan); 10/30/01 Russell Investments Conversation (McKeegan); 8/16/01 Greenrock Conversation (Malone); 8/8/01 Schwab Conversation (Turner); 8/1/01 Cap Trust Conversation (Granzow); 7/31/01 Citigroup Conversation (Waller); 7/17/01 CSFBdirect Conversation (Roush); 7/17/01 Prima Conversation (Watson); Tiburon Research & Analysis

# Russell Investments is Not a Frequent Acquirer

Acquisitions

## Comments



- --

Source: Tiburon Research & Analysis

# Russell Investments Has a Charitable Giving Program

Charitable Giving

## Comments

- --

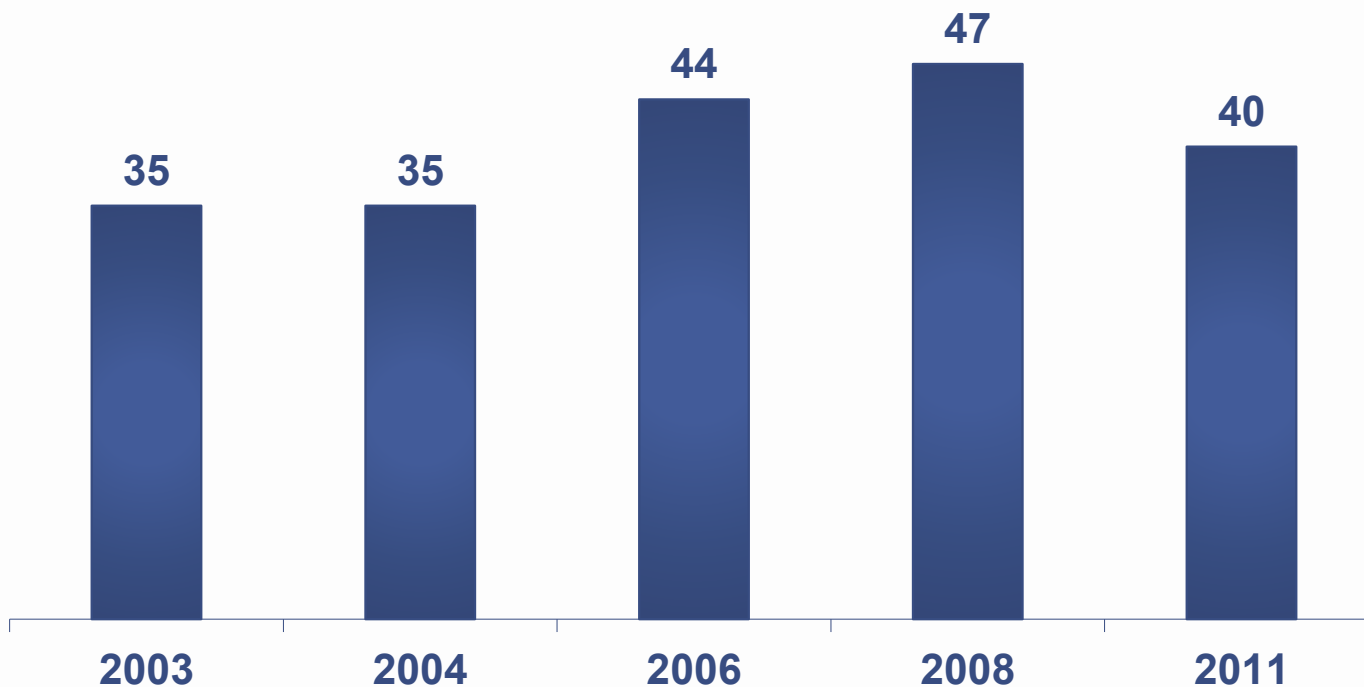


# Russell Investments Serves Clients in 40 Countries, Down from 47 in 2008 But Up from 35 in 2003

Needs update

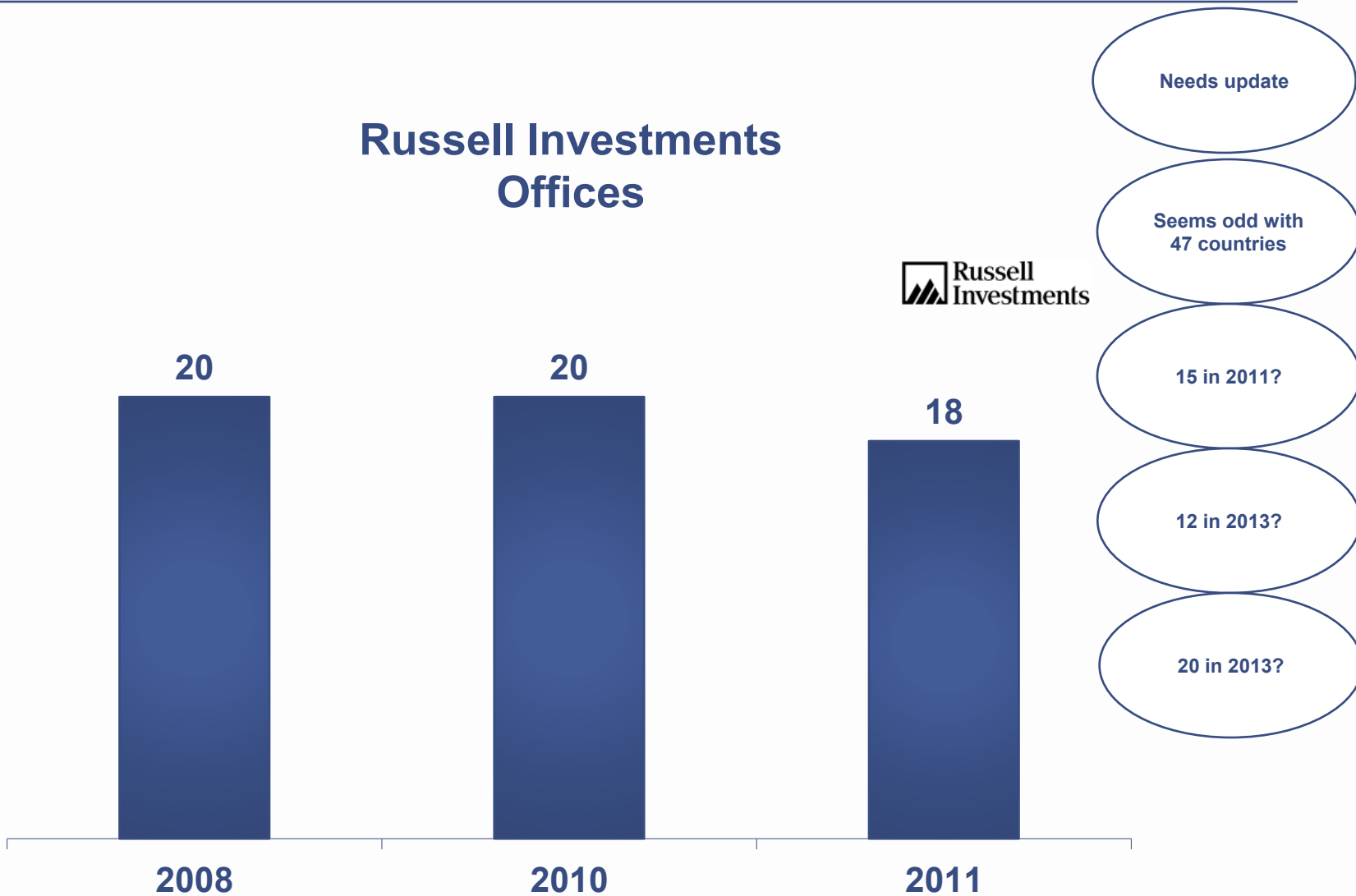
Does not mean  
it has an office

## Russell Investments Countries



Source: 5/25/11 Business Wire; 5/19/11 The Street.Com Website; 5/16/11 Russell Investments Press Release; 2/12/09 Russell Presentation (Stark); 11/2/06 Business Wire; 9/23/03 Business Wire; 5/28/03 Business Wire; Tiburon Research & Analysis

# Russell Investments Has Eighteen Offices, Down from Twenty in 2008



Source: 11/9/13 Wikipedia Website; 7/19/11 LinkedIn; 6/15/11 Business Wire; 5/2/11 Russell Investments Presentation (Winnick); 2/12/09 Russell Presentation (Stark); Tiburon Research & Analysis

Only sixteen  
listed

## **Russell Investments Offices**

Amsterdam;  
Chicago;  
Johannesburg; &  
Milan not listed in  
2013

- **Amsterdam, The Netherlands**
- **Auckland, New Zealand**
- **Chicago, IL**
- **Johannesburg, South Africa**
- **London, England**
- **Melbourne, Australia**
- **Milan, Italy**
- **New York, NY**
- **Paris, France**
- **San Francisco, CA**
- **Seattle, WA**
- **Seoul, South Korea**
- **Singapore**
- **Sydney, Australia**
- **Tokyo, Japan**
- **Toronto, Ontario**

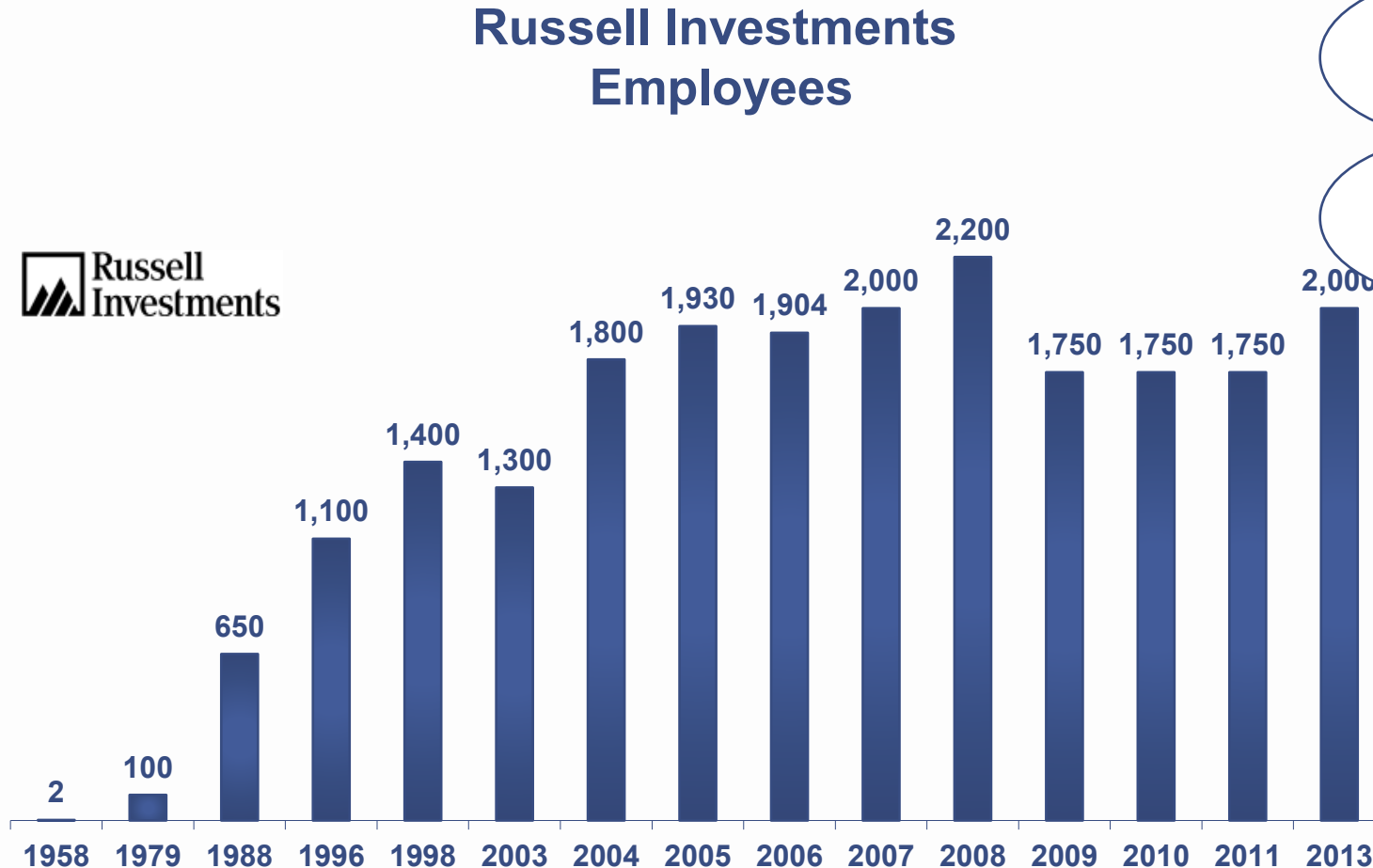


# Russell Investments Has 2,000 Employees, Up Hugely Since 1958, But Down From its Peak of 2,200 in 2008

2013 = 11/19/13

Cutting 20% of staff by end of 2009

500 investment professionals



Source: 7/19/11 Russell Investments Company Brochure; 7/9/11 LinkedIn; 2/12/09 Russell Presentation (Stark); 2/7/09 Russell Email (Winnick); 2/2/09 Russell Website; 1/29/09 Russell Website; 1/28/09 Investment News; 1/27/09 Tacoma News Tribune; 1/27/09 Milwaukee Business Journal; 1/16/09 Russell Website; 10/06 Fortune; 10/4/05 The News Tribune Website; 4/27/05 Russell Website; Tiburon Research & Analysis

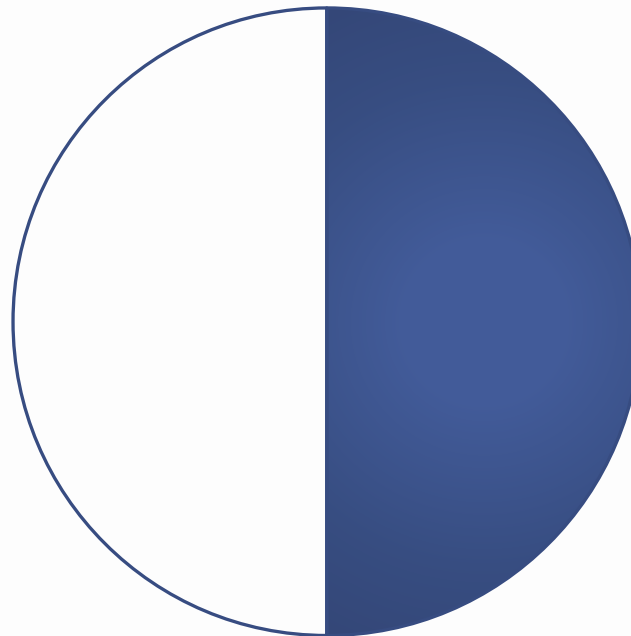
# Russell Investments' Employees are Half Located in Seattle, WA

Formerly largest employer in Tacoma, WA with 1,100

## Russell Investments Employees By Location



Other Locations  
50%



Seattle, WA  
50%

Source: 2/12/09 Russell Presentation (Stark); 2/2/09 Russell Website; 1/29/09 Russell Website; 1/28/09 Investment News; 1/27/09 Tacoma News Tribune; 1/27/09 Milwaukee Business Journal; 1/16/09 Russell Website; 10/06 Fortune; 10/4/05 The News Tribune Website; 4/27/05 Russell Website; Tiburon Research & Analysis

# Russell Investments Generates \$1.3 Billion Revenues, Up From \$500 Million in 2002

Needs update

20% operating profit?

## Russell Investments Revenues (\$ Millions)



Source: 7/19/11 CNN Money; 2/12/09 Russell Presentation (Stark); 10/06 Fortune; 4/27/05 Russell Website; 4/27/05 Northwestern Mutual Website; 5/12/04 Northwestern Mutual Website; Tiburon Research & Analysis

# Russell Investments Earns Earnings Before Interest, Taxes, Depreciation, & Amortization (EBITDA)

Needs data

## Russell Investments Earnings Before Interest, Taxes, Depreciation, & Amortization (EBITDA) (\$ Millions)



2024 2025

# Russell Investments Earns \$\_\_\_ Million

Needs data

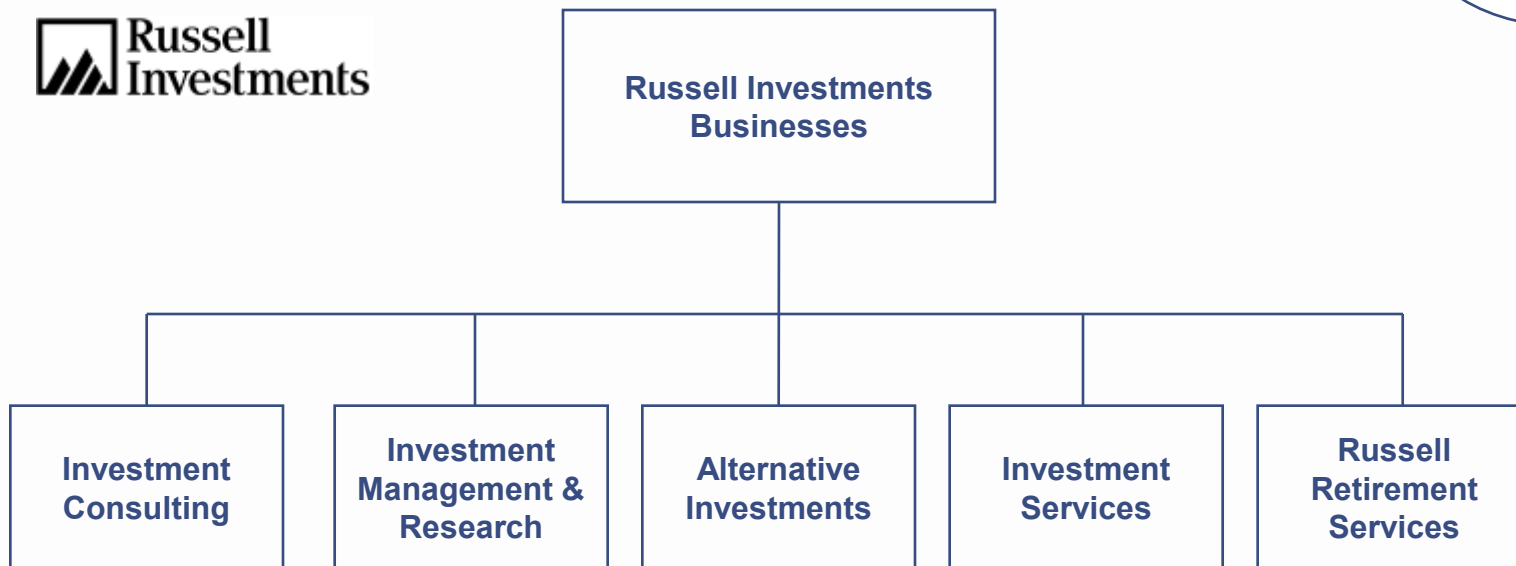
## Russell Investments Net Profits (\$ Millions)



2024 2025

Source: Tiburon Research & Analysis

## Russell Investments Businesses

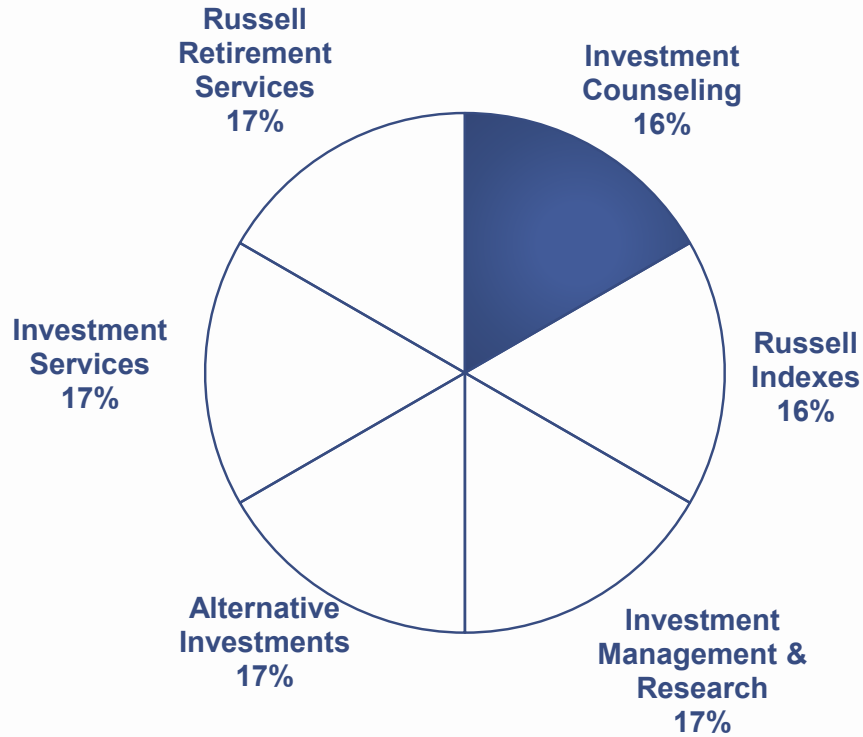


Roll alternative investments into investment management & research?

Roll retirement services into investment management & research?

Needs data

## Russell Investments Revenue By Business



# Russell Investments' First Business is Investment Consulting



## Comments

- **2,300 institutional clients**
- **\$2.0 trillion assets under advisement**

Greg Gilbert –  
Americas  
Institutional

Includes consulting,  
asset management,  
& implementation  
servicer (asset  
management pages  
in investment  
management &  
research business;  
implementation  
services pages are  
stand alone  
chapter)

Really only US  
retail business  
(mutual funds-of-  
funds so to  
financial advisors)  
business reports  
here

Europe: Johan  
Crass

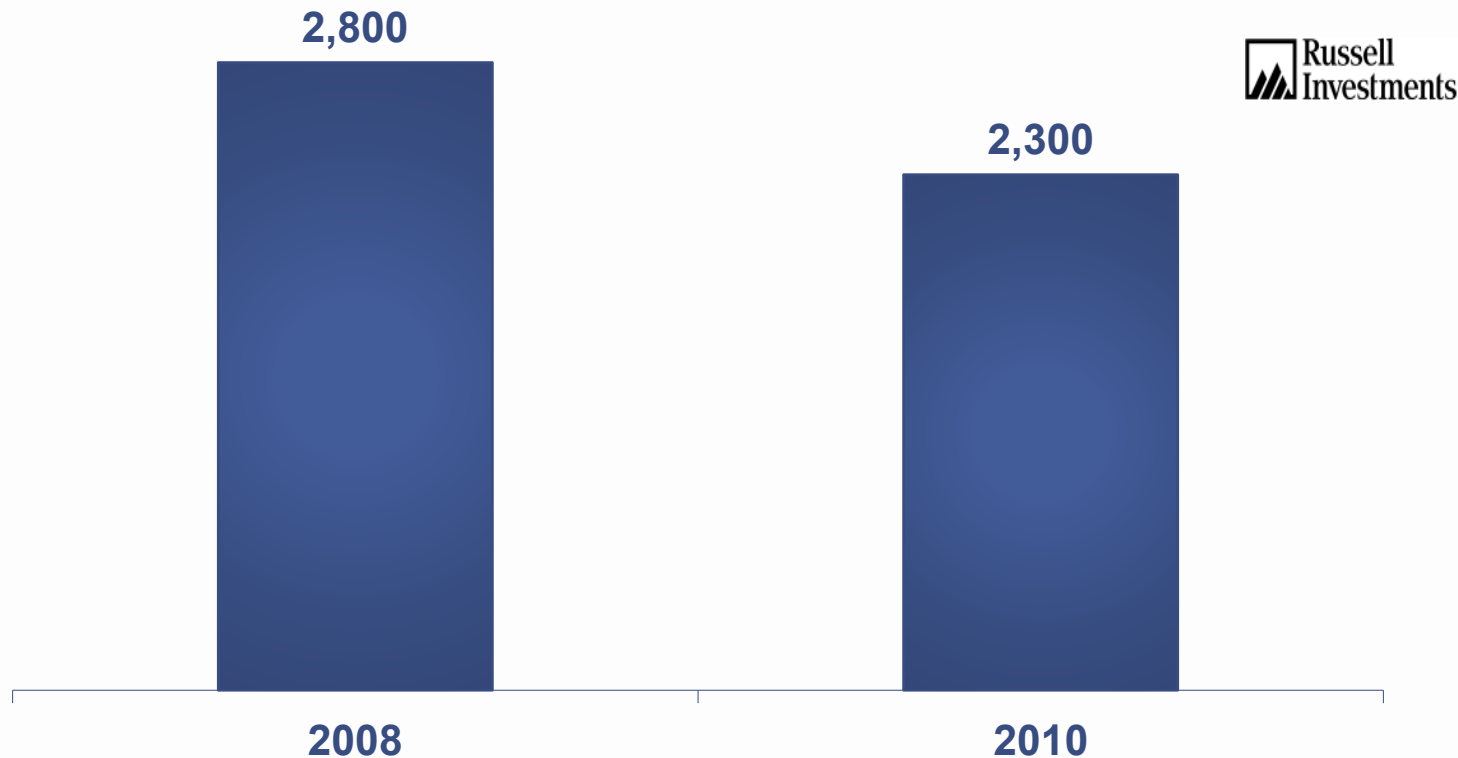
Asia: Alan  
Schoenheimer

Source: 6/15/11 Business Wire; 6/2/11 Russell Meeting (Arenberg); 5/31/11 Russell Email (Kendall); 1/16/09 Russell Website; 5/12/04 Northwestern Mutual Website; 11/03 Financial Advisor; 12/17/01 Russell Investments Brochure; 10/30/01 Russell Investments Conversation (McKeegan); 8/8/01 Schwab Conversation (Turner); 3/00 Investment Consulting News; Tiburon Research & Analysis

# ***Russell Investments' Investment Consulting Business Serves 2,300 Institutional Clients, Down from 2,800 in 2008***

Needs update

## **Russell Investments Investment Consulting Business Institutional Clients**



Source: 6/15/11 Business Wire; 7/19/11 Yahoo! Finance; 7/19/11 Russell Investments Company Brochure; 1/16/09 Russell Website; Tiburon Research & Analysis

# **Russell Investments' Investment Consulting Business' Institutional Clients Include Asahi Newspaper, AT&T, BASF, BHP, Boeing, Campbell Soup, & Caterpillar**

Retirement plans,  
endowments,  
foundations, &  
investment plans  
of all types

## **Russell Investments Investment Consulting Business Institutional Clients**

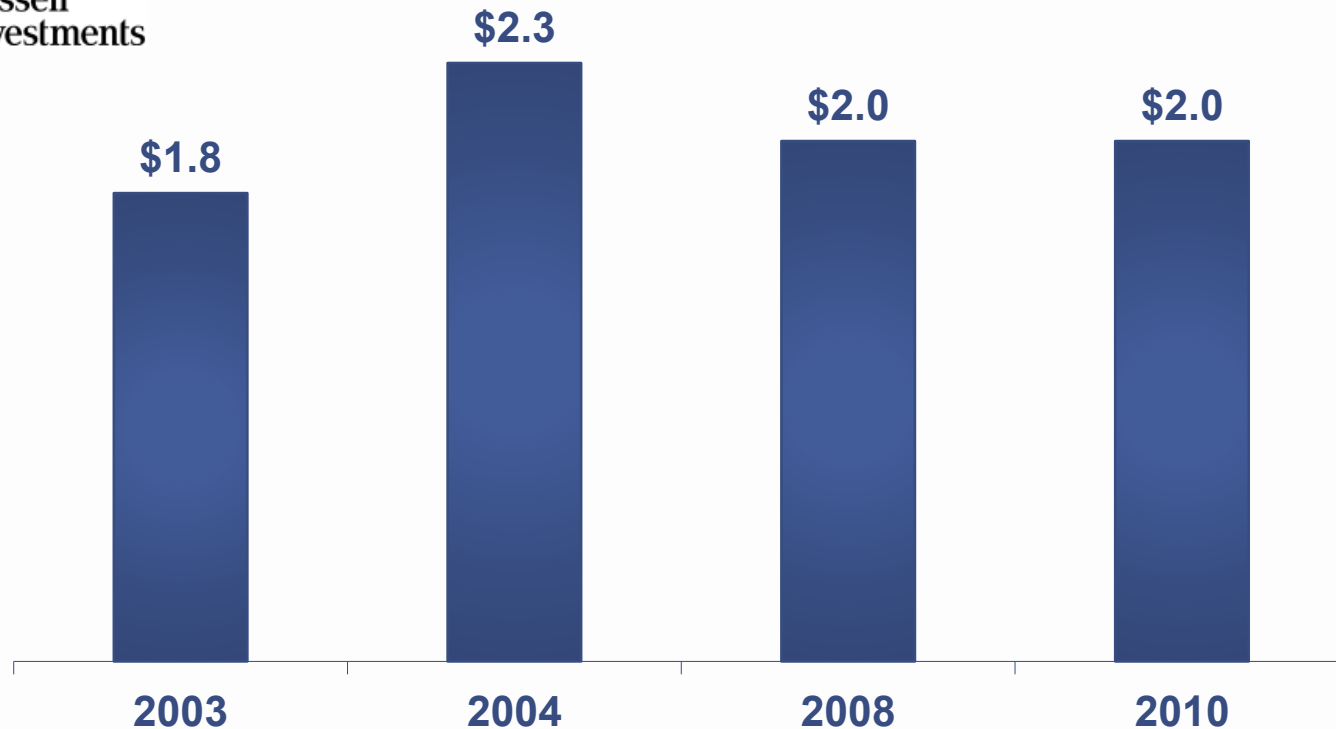
- **Asahi Newspaper**
- **AT&T**
- **BASF**
- **BHP**
- **Boeing**
- **Campbell Soup**
- **Caterpillar**
- **Civil Aviation Authority**
- **Electricite do France**
- **General Motors**
  - **Holden**
- **Government Employees' Superannuation Fund**
- **Hitachi**
- **Japan Airlines (JAL)**
- **JC Penny**
- **Kobe Steel**
- **Mitsubishi**
- **Molson**
- **NEC Corporation**
- **Nestle**
- **Ontario Pension Board**
- **Sears, Roebuck, & Company**
  - **Sears Canada**
- **Shell Oil**
- **Sunsuper**
- **Takeda Chemical**
- **Toshiba**
- **Toyota Motor**
- **Transport Accident Commission**
- **Unisys**
- **United Airlines**
- **University of Western Ontario**
- **Woolworths Group**



Source: 11/9/13 Wikipedia Website; 2/7/09 Russell Email (Winnick); 7/27/08 Russell Website; 6/15/05 Russell Investments Brochure; 4/27/05 Russell Investments Website; 8/19/04 Russell Press Release; Tiburon Research & Analysis

**Russell Investments' Investment Consulting Business Has \$2.0 Trillion in Assets Under Advisement, Up From \$1.8 Trillion in 2003 But Down From its Peak of \$2.3 Trillion in 2004**

**Russell Investments  
Investment Consulting Business  
Assets Under Advisement  
(\$ Trillions)**



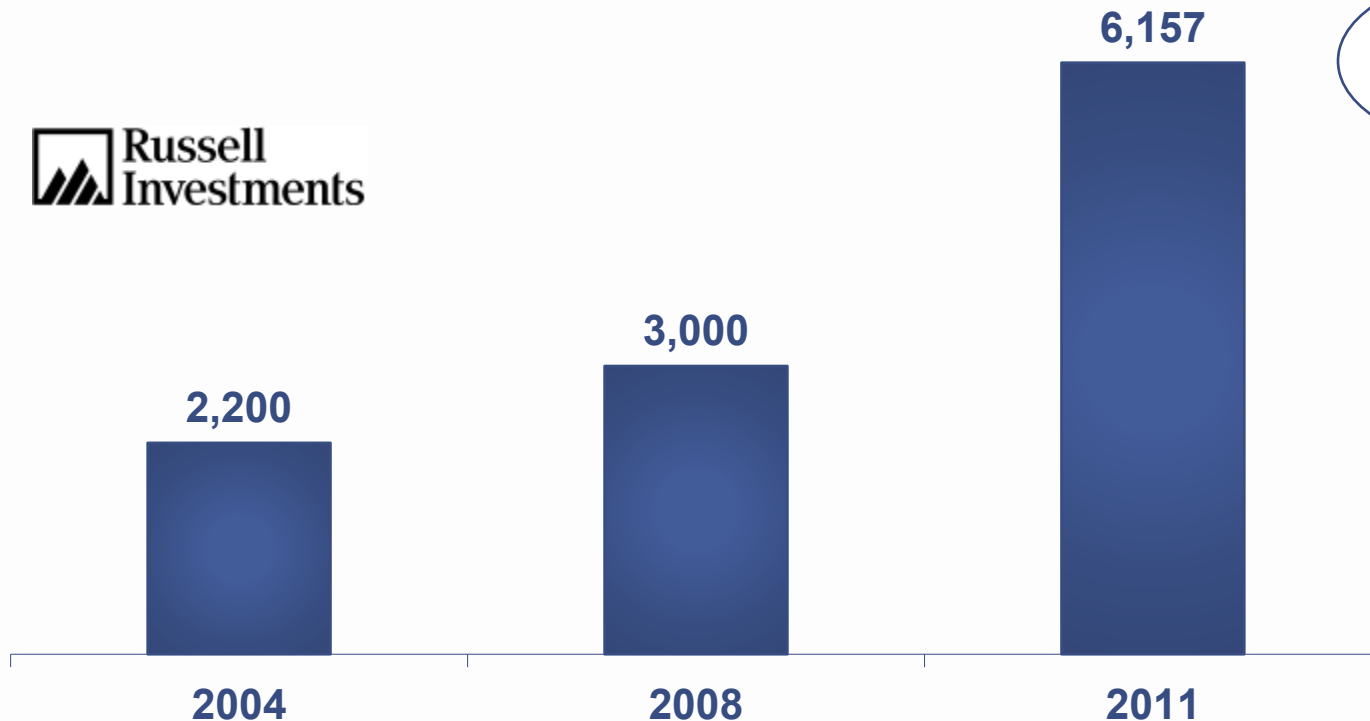
Needs update

Another source said that \$910 billion assets under advisement as of 9/30/07

Source: 6/15/11 Business Wire; 1/16/09 Russell Website; 12/6/08 Advisor Software Website; 10/20/08 Barron's; 7/27/05 Russell Website; 6/15/05 Russell Investments Brochure; 4/27/05 Russell Website; 5/23/03 Business Wire; Tiburon Research & Analysis

# Russell Investments' Investment Consulting Business' Investment Staff Monitors 6,157 Investment Managers, Up From 2,200 in 2004

## Russell Investments Investment Consulting Business Monitored Investment Managers



Delete?

Needs update

Holds 5,000  
research  
meetings per  
year

Source: 5/2/11 Russell Investments Presentation (Winnick); 2/19/09 Russell Presentation (Stark); 1/27/09 Russell Website; 5/12/04 Northwestern Mutual Website; Tiburon Research & Analysis

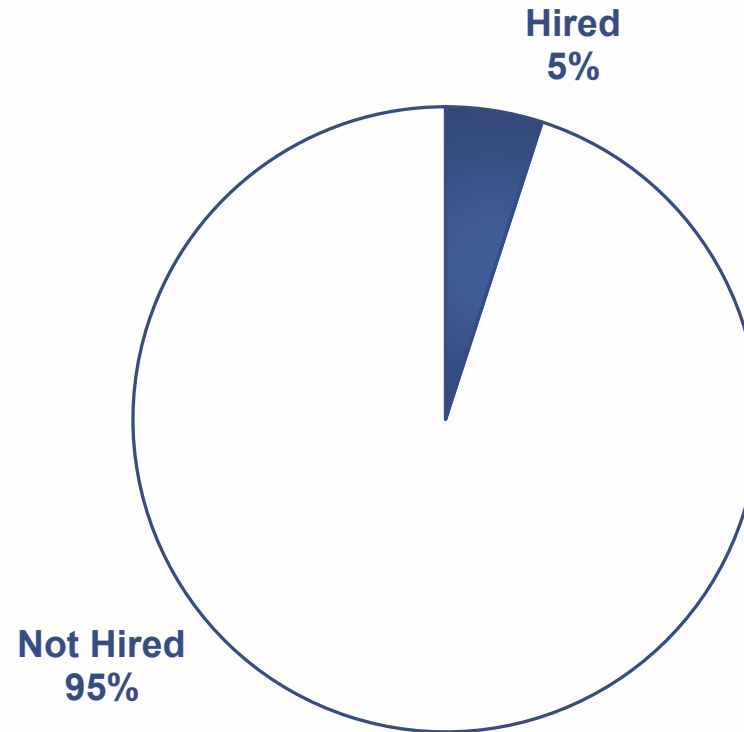
**Russell Investments  
Investment Consulting Business  
Monitored Investment Managers  
By Propensity to Become Rated as Worth Hiring**



# ***Russell Investments' Investment Consulting Business Hires Only 5% of its Monitored Investment Managers***

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## **Russell Investments Investment Consulting Business Monitored Investment Managers By Propensity to Be Hired**



# **Russell Investments' Investment Consulting Business Utilizes Alliance Bernstein, Marsico Capital Management, & Turner Investment Partners**

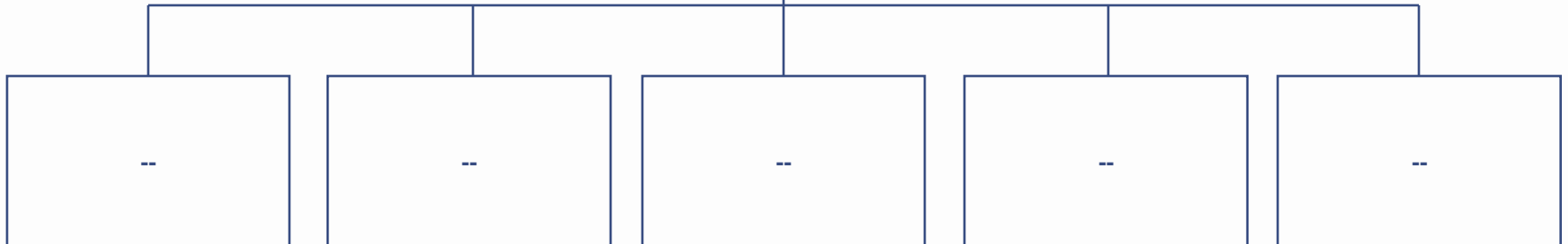
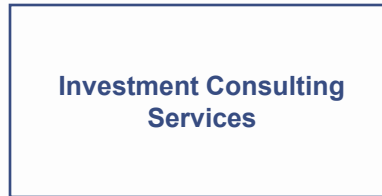
## **Russell Investments Investment Consulting Business Money Managers**

- **Arnhold & Bleichroeder Advisers**
- **AXA**
- **Columbus Circle Investors**
- **Equitable Holdings**
  - **Alliance Bernstein**
- **Institutional Capital**
- **Marsico Capital Management**
- **Montag & Caldwell**
- **Schneider Capital Management Corporation**
- **Suffolk Capital Management**
- **Sun Life of Canada**
  - **MFS Institutional Advisors**
- **Turner Investment Partners**



# Russell Investments' Investment Consulting Business Provides a Number of Services, Including...

## Russell Investments Investment Consulting Business Services



# *Russell Investments' Investment Consulting Business' First Service is...*

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## Comments

- --



# ***Russell Investments' Investment Consulting Business' Second Service is...***

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## **Comments**

- --



# ***Russell Investments' Investment Consulting Business' Third Service is...***

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## **Comments**

- --



# ***Russell Investments' Investment Consulting Business' Fourth Service is...***

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## **Comments**

- --



# *Russell Investments' Investment Consulting Business' Fifth Service is...*

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## Comments

- --



# Russell Investments' Second Business is Investment Management & Research

## Comments

- **\$237 billion assets under management**

IM&R products sold to independent financial advisors as well as small pension clients & international clients (pension and international business actually report outside of investment management & research); ETF business also really reports through index business

All sell "pies" = asset allocation & funds-of-funds

Chief Investment Officer: Pete Gunning



Source: 11/9/13 Wikipedia Website; 6/2/11 Russell Meeting (Arenberg); 5/31/11 Russell Email (Kendall); 5/25/11 Business Wire; 5/19/11 The Street.Com Website; 5/16/11 Russell Investments Press Release; 5/16/11 Russell Investments Conversation (Winnick); 5/11/11 Russell Investments Press Release; 2/12/09 Russell Presentation (Stark); 2/7/09 Russell Email (Winnick); 9/16/08 Investment News; Tiburon Research & Analysis

# Russell Investments' Investment Management & Research Business Has \$162 Billion Assets Under Management, Down 30% Since 2007, But Up Almost 300% Since 1983

## Russell Investments Investment Management & Research Business Assets Under Management (\$ Billions)

Includes pension business, US retail, & international

Include hedge funds, private equity, & real estate from alternative investments business?

2013 = 6/30/13



Source: 11/9/13 Wikipedia Website; 6/15/11 Business Wire; 5/2/11 Russell Investments Presentation (Winnick); 5/25/11 Business Wire; 5/19/11 The Street.Com Website; 5/16/11 Russell Investments Press Release; 5/16/11 Russell Investments Conversation (Winnick); 5/11/11 Russell Investments Press Release; 2/7/09 Russell Email (Winnick); 1/29/09 Russell Website; 1/28/09 Investment News; 1/16/09 Russell Website; Tiburon Research & Analysis

# Russell Investments' Investment Management & Research Business can be Organized by Channels

530  
independent  
distribution  
partners

## Comments

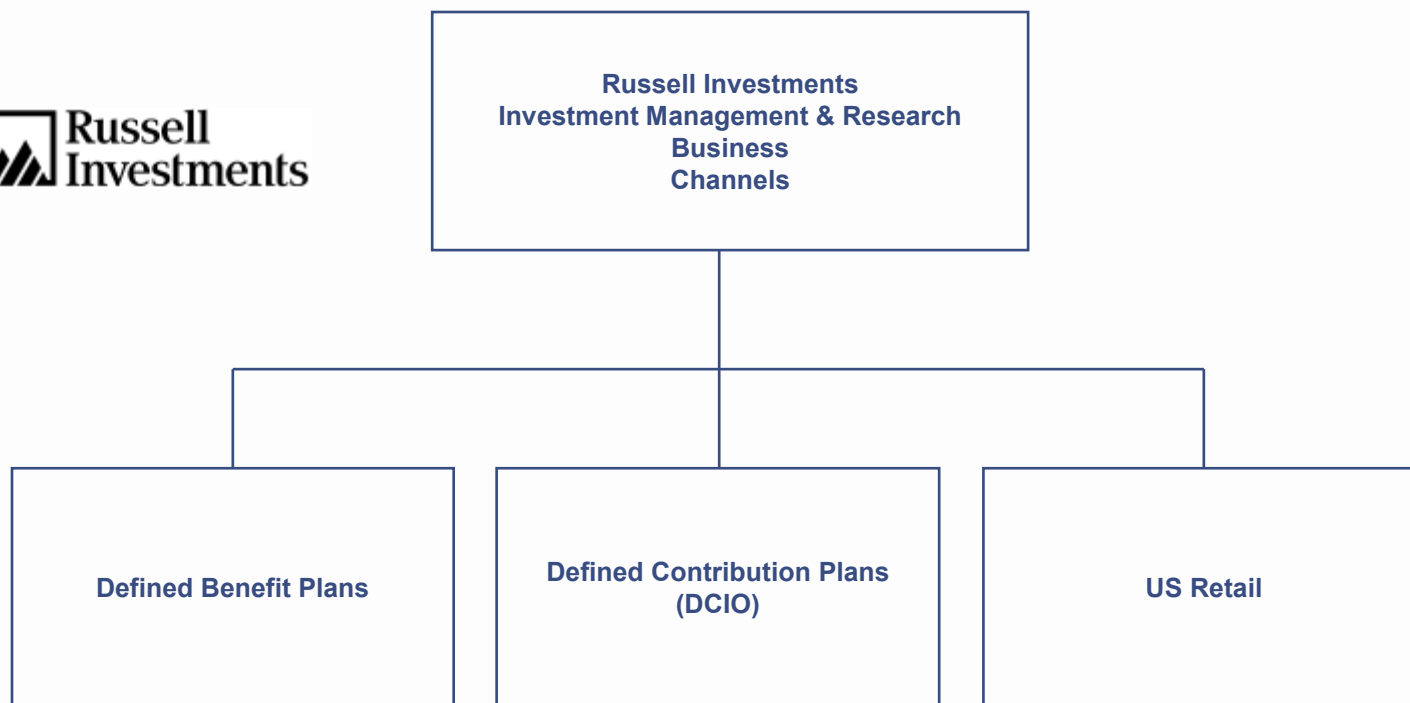
- --



# ***Russell Investments' Investment Management & Research Business' Channels Include Defined Benefit Plans, Defined Contribution Plans (DCIO) & US Retail***

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## **Russell Investments Investment Management & Research Business Channels**



Source: 6/2/11 Russell Meeting (Arenberg); 6/27/11 Russell Investments Conference Brochure; 5/16/11 Russell Investments Conversation (Winnick); Tiburon Research & Analysis

# ***Russell Investments' First Investment Management & Research Business' Channel is Defined Benefit Plans***

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## **Comments**

- --



# Russell Investments' Second Investment Management & Research Business' Channel is Defined Contribution Plans (DCIO)

## Comments

- --



# ***Russell Investments' Third Investment Management & Research Business' Channels is US Retail***

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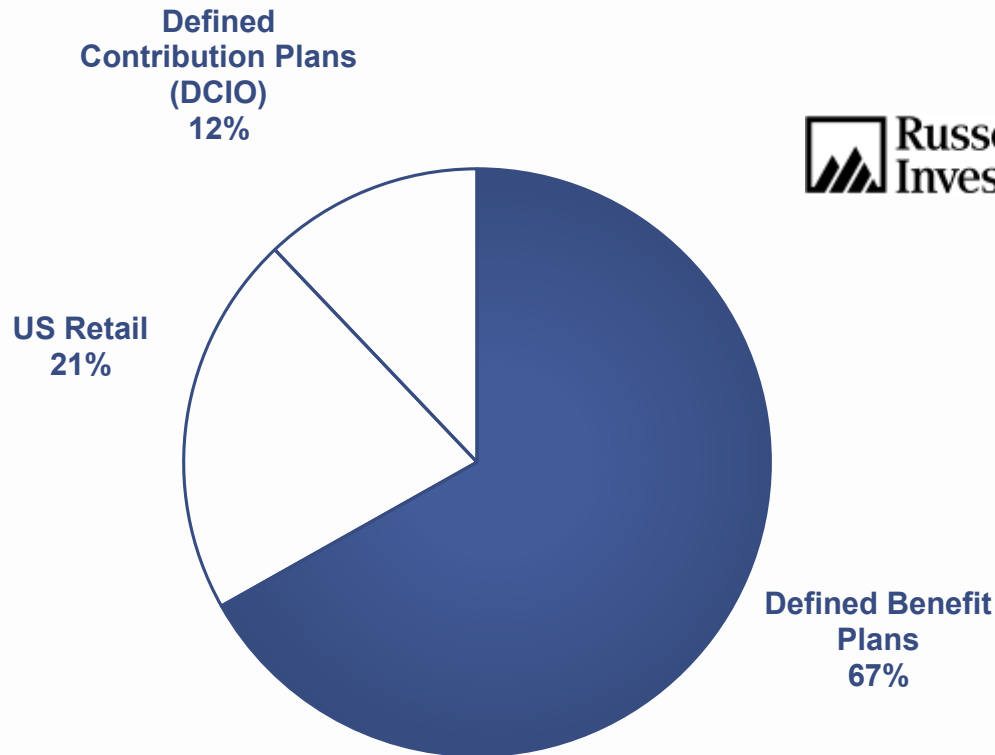
## **Comments**

- --



# Russell Investments' Investment Management & Research Business' Assets Under Management are Primarily from the Defined Benefit Plan Market

## Russell Investments Investment Management & Research Business Assets Under Management By Market



Blend defined benefit and defined contribution; add international? (e.g. Australian super innovation plans are defined contribution)

Include hedge funds, private equity, & real estate from alternative investments business?

Source: 6/2/11 Russell Meeting (Arenberg); 6/27/11 Russell Investments Conference Brochure; 5/16/11 Russell Investments Conversation (Winnick); Tiburon Research & Analysis

# ***Russell Investments' Investment Management & Research Business' First Market is Defined Benefit Plans***



## **Comments**

- **\$127 billion assets under management**

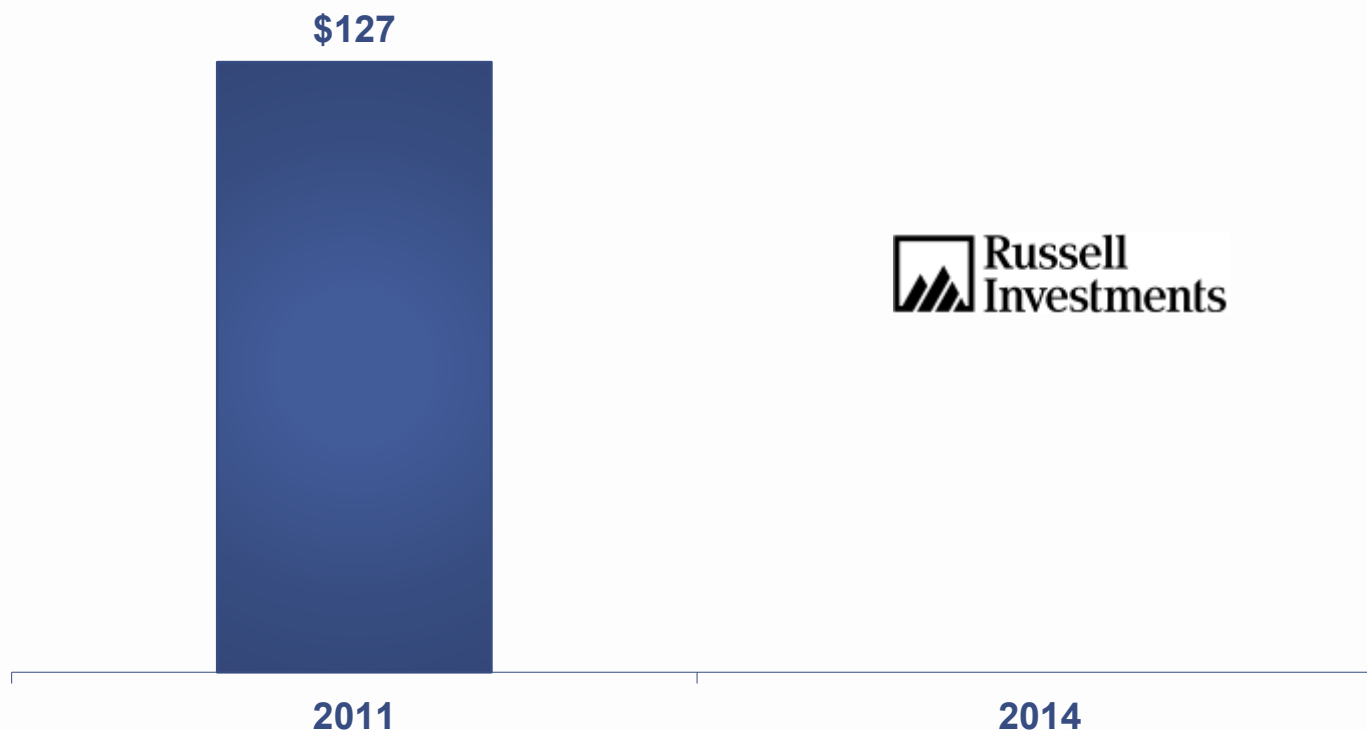
Really reports to investment consulting business?

Targets mid size plans with assets under management model versus investment consulting model

# ***Russell Investments' Investment Management & Research Business' Defined Benefit Plan Business Has Gathered \$127 Billion Assets Under Management***

## **Russell Investments Investment Management & Research Business Defined Benefit Plan Business Assets Under Management (\$ Billions)**

Needs update



Source: 5/16/11 Russell Investments Conversation (Winnick); Tiburon Research & Analysis

# Russell Investments' Investment Management & Research Business' Second Market is Defined Contribution Plans (DCIO)



Comments
<ul style="list-style-type: none"><li>• <b>\$23 billion assets under management</b></li></ul>

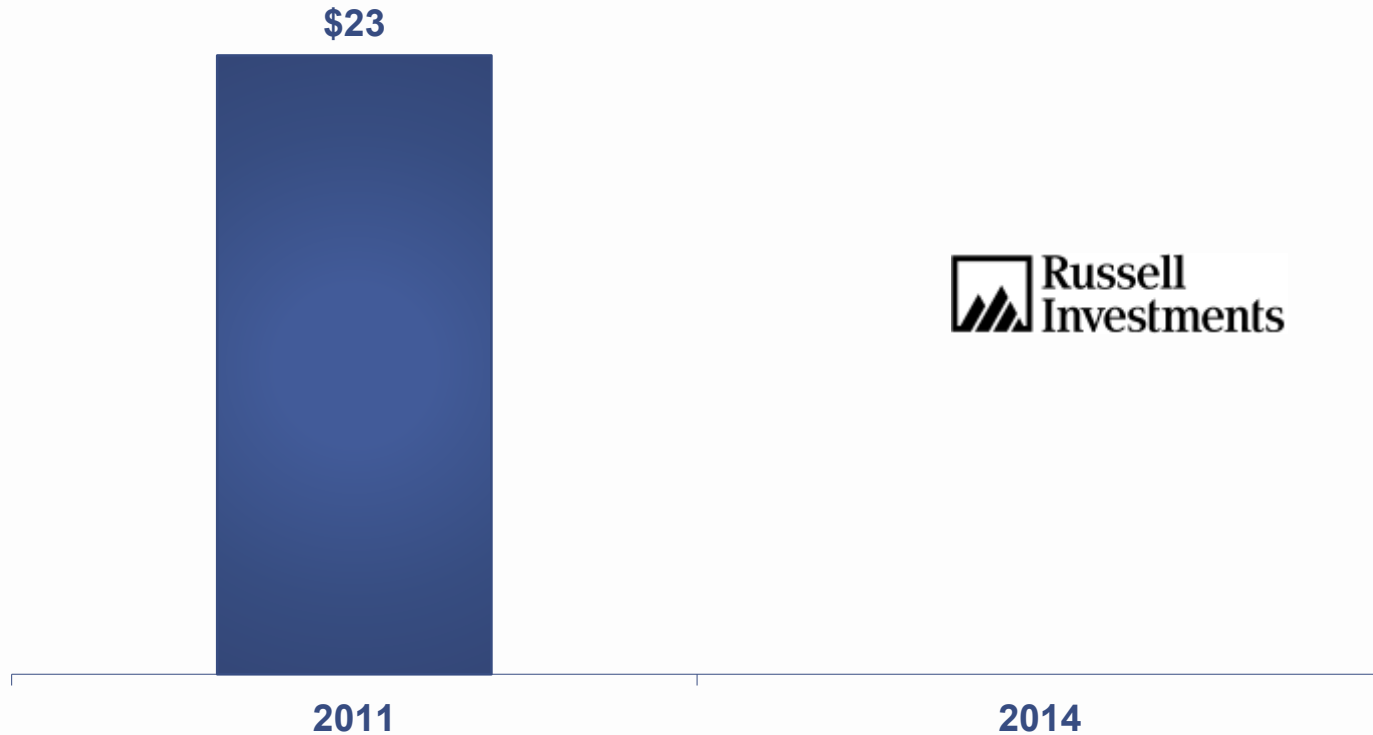
Defined contribution investment only

Works with State Street Corporation & Millman as record keepers

**Russell Investments' Investment Management & Research Business' Defined Contribution Plans Business Has \$23 Billion Assets Under Management**

**Russell Investments  
Investment Management & Research Business  
Defined Contribution Plans Business  
Assets Under Management  
(\$ Billions)**

Needs update



Source: 5/16/11 Russell Investments Conversation (Winnick); Tiburon Research & Analysis

# ***Russell Investments' Investment Management & Research Business' Third Market is US Retail***

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## **Comments**

- **\$40 billion assets under management**

**Sandy  
Cananaugh**

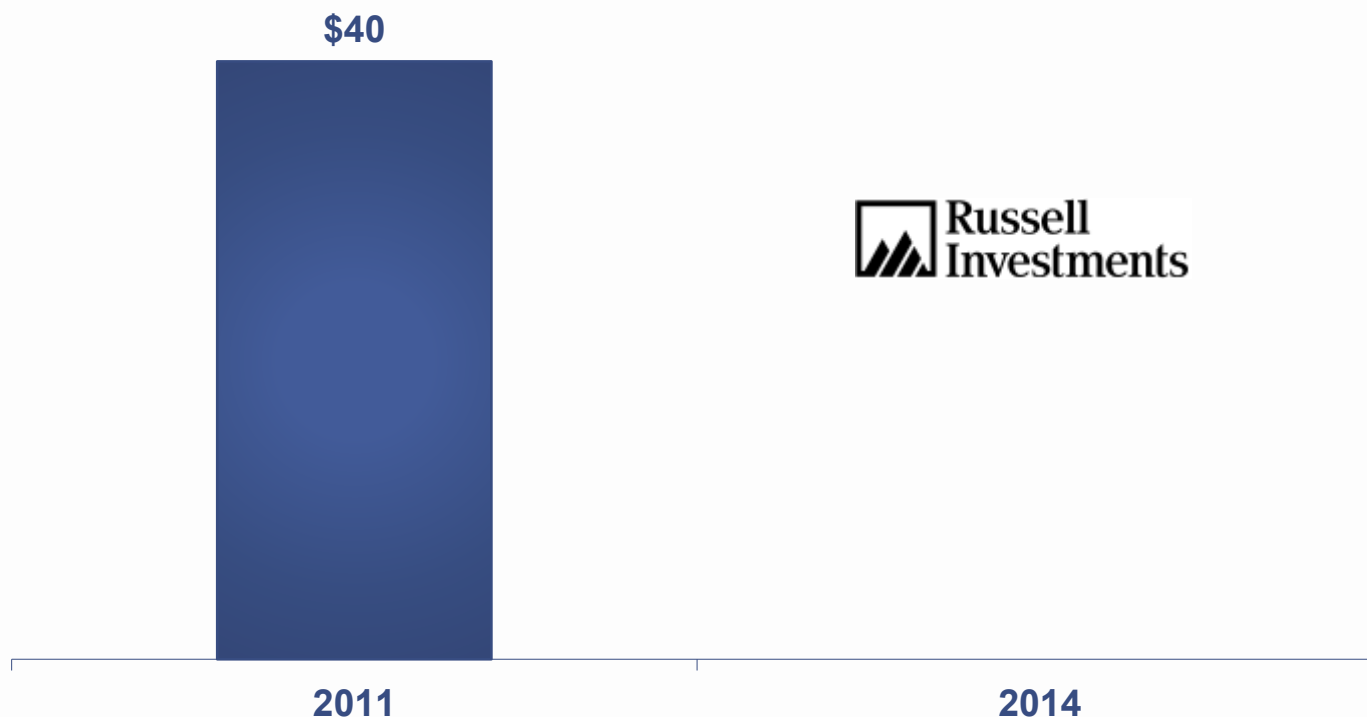
**Revenue share  
business**

**Canada may  
report here as  
well**

# ***Russell Investments' Investment Management & Research Business' US Retail Business Has \$40 Billion Assets Under Management***

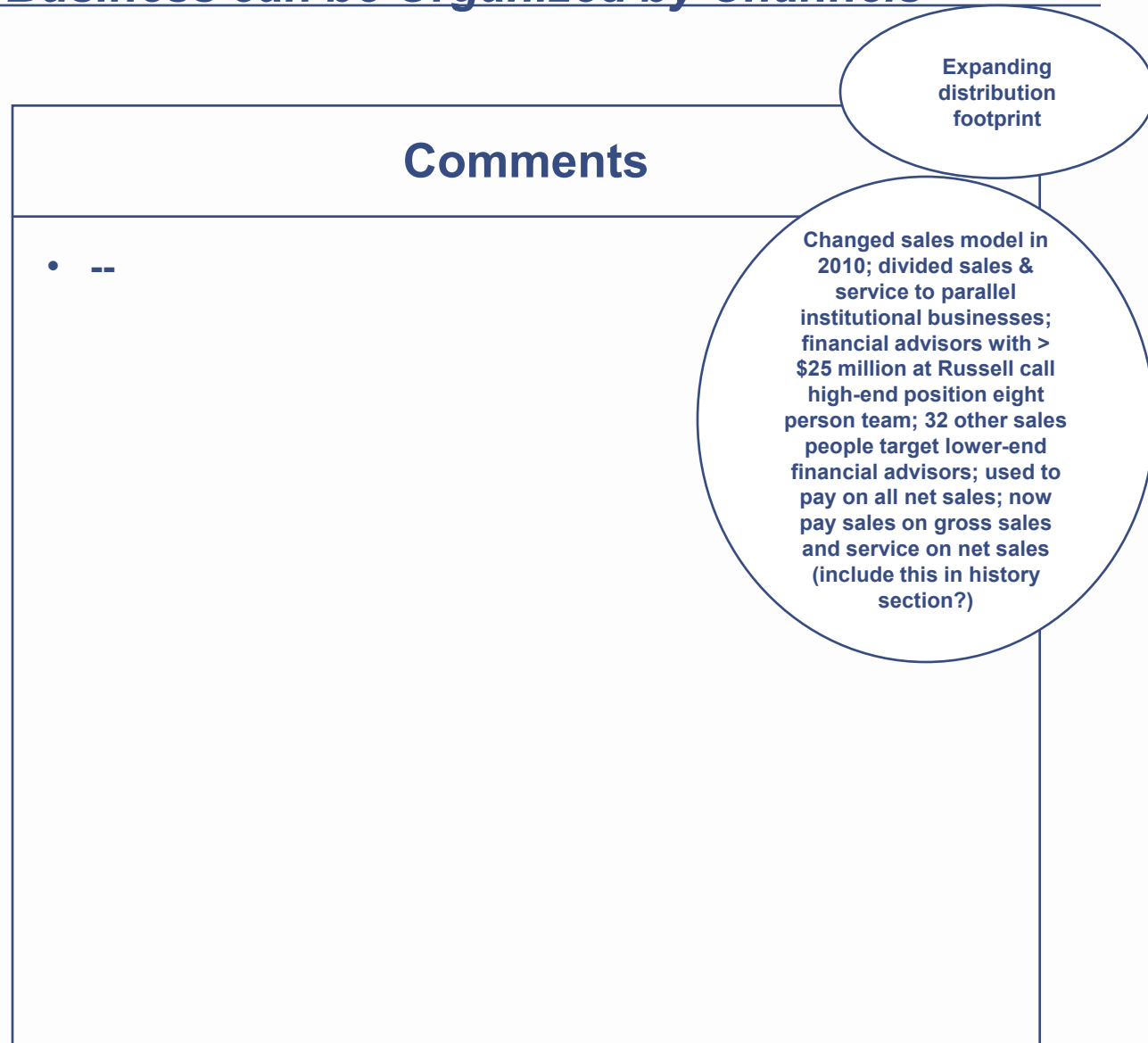
## **Russell Investments Investment Management & Research Business US Retail Business Assets Under Management (\$ Billions)**

Needs update

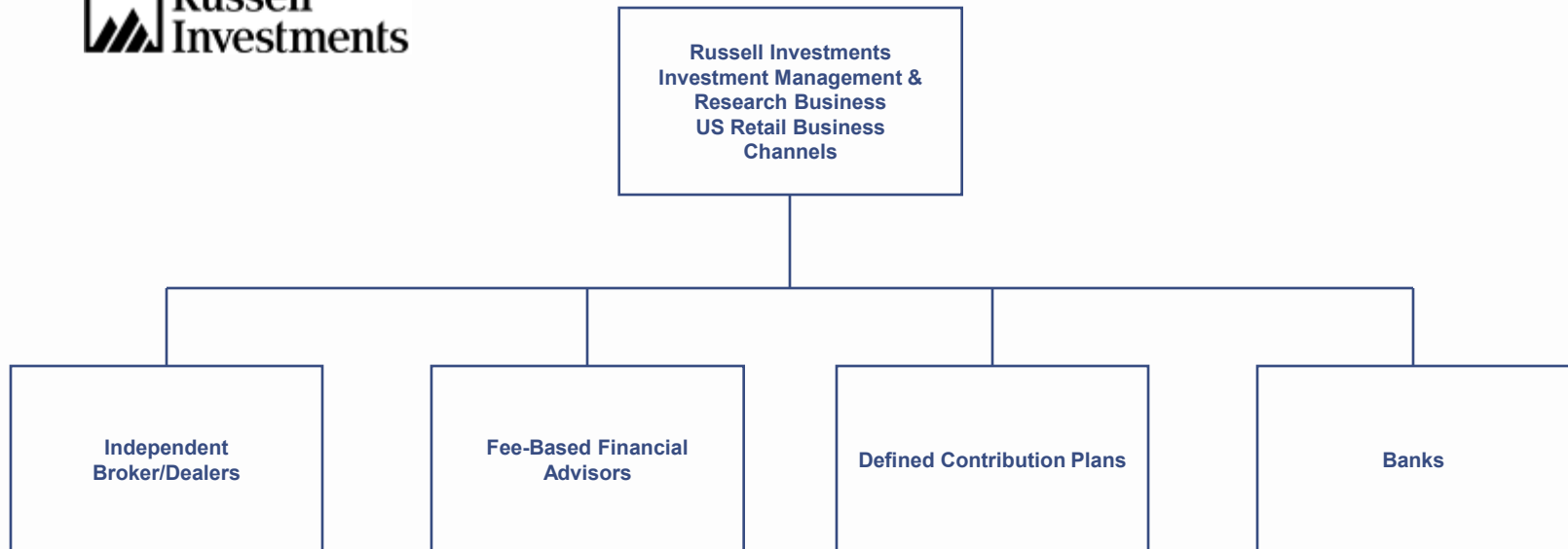


Source: 6/2/11 Russell Meeting (Arenberg); 5/16/11 Russell Investments Conversation (Winnick); Tiburon Research & Analysis

# Russell Investments' Investment Management & Research Business' US Retail Business can be Organized by Channels



# Russell Investments Investment Management & Research Business US Retail Business Channels



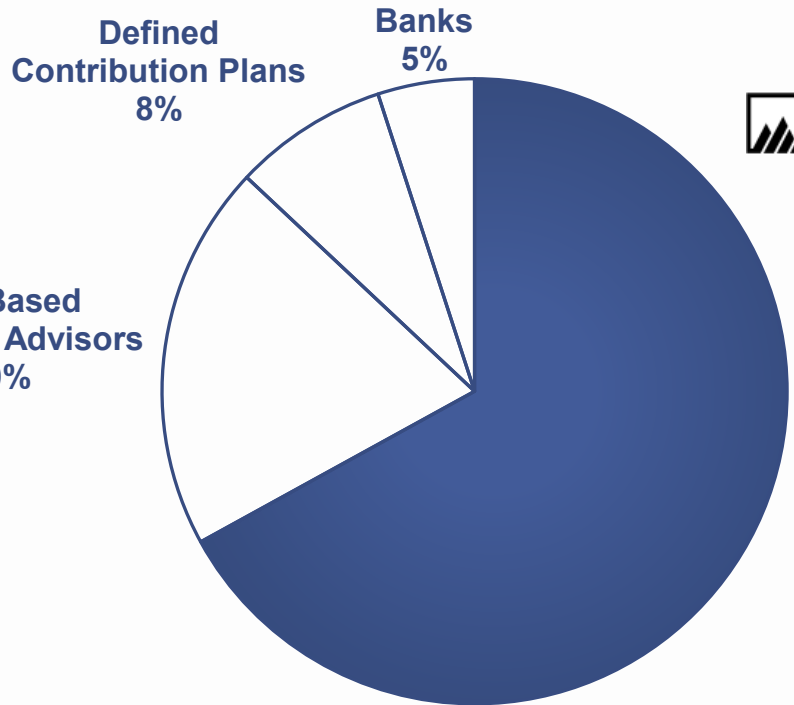
Source: 6/27/11 Russell investments Conference Brochure; 5/16/11 Russell Investments Conversation (Winnick); 5/2/11 Russell Investments Presentation (Winnick); 2/7/09 Russell Email (Winnick); 10/10/05 Investment News; 6/8/05 Capital Markets Consultants Conversation (Mendelson); 3/7/05 Investment News; 5/12/04 Northwestern Mutual Website; 2/26/02 Russell Investments Conversation (Stark); Tiburon Research & Analysis

# Russell Investments Investment Management & Research Business US Retail Business Assets Under Management By Client Type

\$627 million assets via Investnet

15.3 billion) via Northwestern Mutual (included in independent broker/dealers?)

Add national firms (e.g., Wells Fargo & Northwestern Mutual) (good flows at Wells Fargo; Northwestern Mutual is big asset manager but slow flows) & regional broker/dealers (e.g., DA Davidson, Morgan Keegan, & Janney Montgomery Scott) (great success at regional firms which lack some resources)



Initially distribution mainly through banks & defined contribution plans

Tried high end RIA strategy in 1990s (legacy business exists)

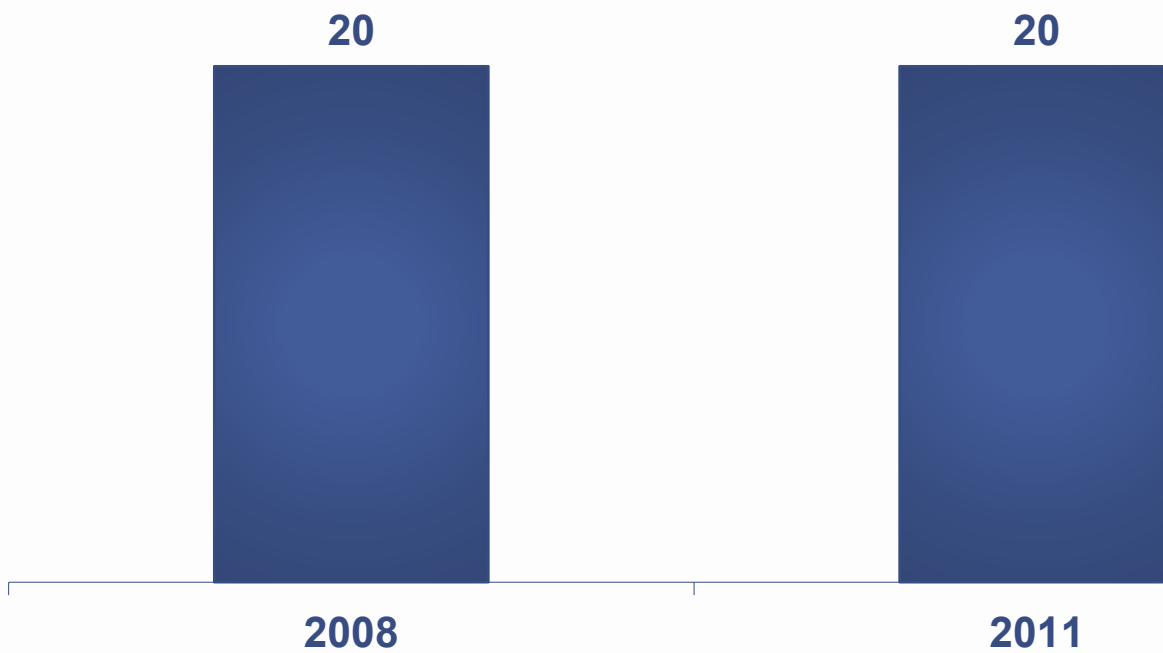
Custodians; independent broker/dealers; regional broker/dealers; national firms; DC record keepers; & banks

IBDs are challenging case-to-case; defined contribution provides hope for future growth

Source: 6/27/11 Russell investments Conference Brochure; 5/16/11 Russell Investments Conversation (Winnick); 5/2/11 Russell Investments Presentation (Winnick); 2/7/09 Russell Email (Winnick); 10/10/05 Investment News; 6/8/05 Capital Markets Consultants Conversation (Mendelson); 3/7/05 Investment News; 5/12/04 Northwestern Mutual Website; 2/26/02 Russell Investments Conversation (Stark); Tiburon Research & Analysis

# Russell Investments' Investment Management & Research Business' US Retail Business Has Just 20 Institutional Clients, Consistent Since 2008

## Russell Investments Investment Management & Research Business US Retail Business Institutional Clients



Needs update

Focused distribution channels?

Not hundreds of selling agreements

RIG distributes to 35 banks, the most in the industry

Product placement strategy key to distribution strategy – must be on managed accounts platform not mutual funds platform (means sells portfolios not mutual funds)

All see RIG as strategic partner

Source: 5/16/11 Russell Investments Conversation (Winnick); 1/27/09 Russell Investments Email (Winnick); Tiburon Research & Analysis

# Russell Investments

## Investment Management & Research Business

### US Retail Business

### Institutional Clients

- American International Group
- American United Life Insurance Company
  - One America
- Cambridge Investment Research
- Commonwealth Financial Network
- Davidson Companies
  - DA Davidson
- Fidelity Investments
  - Fidelity Institutional Wealth Services
- Mass Mutual
  - National Financial Services
- National Financial Partners
- Northwestern Mutual
- Penn Mutual Life
  - Janney Montgomery Scott
- Principal Financial
- Raymond James Financial Services
- Regions Finance
  - Morgan Keegan
- Royal Bank of Canada
- RBC Wealth Management
- Stifel Nicolaus
- TD Bank Financial Group
  - TD Ameritrade
- The Bank of New York Mellon
  - Pershing
- The Charles Schwab Corporation
  - Schwab International
- Wells Fargo Corporation
  - Wells Fargo Advisors



Good Wells  
Fargo flows

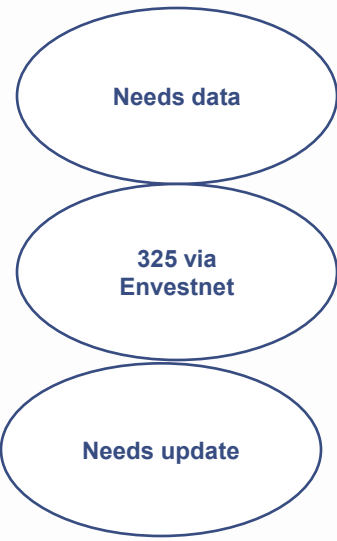
Only third-party mutual fund wrap program at Wells Fargo Advisors, NWM, Raymond James, AIG, RBC, DA Davidson, & Morgan Keegan; one of only a few at Cambridge Investment Research, Commonwealth, & NFP

Source: 5/18/11 One America Website; 5/16/11 Russell Investments Conversation (Winnick); 2/7/09 Russell Email (Winnick); 1/27/09 Russell Email (Winnick); 1/22/09 Advisor Software Email (Ringquist); 9/16/08 Investment News; 1/28/02 Russell Investments Conversation (Stark); 1/26/02 Russell Investments Email (Inveen); 10/30/01 Russell Investments Conversation (McKeegan); Tiburon Research & Analysis

# Russell Investments' Investment Management & Research Business' US Retail Business Serves Thousands of Financial Advisor Clients

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## Russell Investments Investment Management & Research Business US Retail Business Financial Advisor Clients



Source: 1/27/09 Russell Investments Email (Winnick); Tiburon Research & Analysis

## **Russell Investments Investment Management & Research Business US Retail Business Financial Advisor Clients**

The Savant Group reduced assets held with Russell from 100% to 30% sometime pre-2005

Continues to sell MFWA to FBFAs who utilize their on back offices or utilize Envestnet or Fund Quest

- **Anchor Capital Advisors (Bill Rice)**

- **Greene Wealth Management**

- **Maty Watkins**
- **The Savant Group**

One \$350 FBFA via Envestnet, 15 which have greater than \$25 million, 54 with \$5 - \$25 million, & another 255 financial advisors



Source: 1/27/09 Russell Investments Email (Winnick); 1/27/09 Envestnet Email (Hardwick); 8/05 Registered Rep; 7/11/05 American Banker; 6/05 Registered Rep; 3/7/05 Investment News; 5/12/04 Northwestern Mutual Website; 12/15/03 Russell Investments Presentation (Doe); 1/28/02 Russell Investments Conversation (Stark); 1/26/02 Russell Investments Email (Inveen); 11/30/01 Lockwood Conversation (Reinhart); Tiburon Research & Analysis

# **Russell Investments' Investment Management & Research Business' US Retail Business Serves Thousands of End Client Accounts**

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## **Russell Investments Investment Management & Research Business US Retail Business End Client Accounts (Thousands)**

Needs data

3,702 via  
Envestnet

Needs update



2024

2025

# ***Russell Investments' Investment Management & Research Business' US Retail Business Holds a Conference for its Focus Distribution Partners***

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## **Comments**


- --




## Russell Investments Investment Management & Research Business US Retail Business Distribution Partners Conference

Held every two years?

Content focused around vision of the future, view on the market, & product & service roadmap

2009	2010	2011	2012
<ul style="list-style-type: none"> <li>• Held February 11, 2009                             <ul style="list-style-type: none"> <li>– Held in Chicago, IL</li> </ul> </li> <li>• Guest Speaker: Chip Roame</li> <li>• 20 attendees</li> </ul>	<ul style="list-style-type: none"> <li>• --</li> </ul>	<ul style="list-style-type: none"> <li>• Held June 27-28, 2011                             <ul style="list-style-type: none"> <li>– Held in Seattle, WA (Four Seasons Hotel)</li> </ul> </li> <li>• Guest Speaker: Chip Roame</li> <li>• 22 attendees</li> </ul>	<ul style="list-style-type: none"> <li>• --</li> </ul> <div style="text-align: right; margin-top: 20px;">  </div>

**Russell Investments  
Investment Management & Research Business  
US Retail Business  
Distribution Partners Conference**

2013	2014	2015	--
<ul style="list-style-type: none"> <li>• Held November 11, 2013                             <ul style="list-style-type: none"> <li>– Held in Seattle, WA</li> </ul> </li> <li>• Guest Speaker: Chip Roame</li> </ul>	<ul style="list-style-type: none"> <li>• --</li> </ul>	<ul style="list-style-type: none"> <li>• --</li> </ul>	<ul style="list-style-type: none"> <li>• --</li> </ul> <div style="text-align: right; margin-top: 20px;">  </div>

Source: 6/27/11 Russell investments Conference Brochure; 5/16/11 Russell Investments Conversation (Winnick); Tiburon Research & Analysis

## Comments

• --



Many sessions are approved for CE credit

Using a lively mix of group activities, case studies, and expert instruction, seminars promote active participation and encourage practical application

Seminars are scheduled regionally and most are offered at no cost to participants

Employs segmented territory team structure

Russell Investments' investment management & research business' US retail business regional strategic selling events are popular

Russell Investments' investment management & research business' US retail business University directly trained 906 individuals in 53 seminars, sending 1,949 continuing education certificates to attendees of sponsored events

# **Russell Investments Investment Management & Research Business US Retail Business Value Added Services**

## **Capital Market Insights**

- --

## **Practice Management Assistance**

- --



# Russell Investments' Investment Management & Research Business' US Retail Business Delivers Value Added through Capital Market Insights

## Comments

- --

Helping advisors' third section deals with the current market

Capital markets insights and a market recovery dashboard

Helping advisors attempts to remain optimistic about the market, offering ten signs to watch for that indicate an improving economy, but offers nothing in terms of a potential worsening economy

Claims it will be able to demonstrate how close the market is to recovery

Business Cycle Index

Economic Indicators Dashboard



# **Russell Investments' Investment Management & Research Business' US Retail Business Also Delivers Value Added through Practice Management Assistance**

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## **Comments**

- --

Helping advisors maintains an optimistic only view on the economy with an announcement that an interactive market recovery dashboard will soon be available

Conducts financial professionals survey



Source: 6/16/11 Financial Planning; 6/15/11 Insurance Newscast; 2/7/09 Russell Email (Winnick); 2/5/09 Russell Website; 1/27/09 Russell Investments Email (Winnick); Tiburon Research & Analysis

# Russell Investments Launched its Advisor Health Index in 2011

## Comments

- --

Helps financial advisors judge the health of their business (scores 0-100)

Five business categories

534 participants



Source: 6/15/11 Wall Street Journal; Tiburon Research & Analysis

# Russell Investments Investment Management & Research Business US Retail Business Practice Management Assistance Topics

Helping advisors

Suggests that financial advisors plot out the next two years by quarter to ensure that clients are getting the guidance they need

Offers an article to help advisors assess the health of their businesses through three parts, including a hard look at the numbers, strategies to address revenue shortfall, & fundamental changes for the future; a hard look at the numbers (four steps: estimating recurring revenue; estimating expenses; estimate owner/advisor income & desired profits; estimate revenue shortfall or surplus); strategies to address a revenue shortfall (spending levers: discretionary versus nondiscretionary spending; staff: communication & talent review; adjustments to owner/advisor income & reducing profit targets; revenue levers: new client acquisition, additional revenues from your clients, & paid-in capital & short-term borrowing); fundamental changes for the future (offers five strategies)

## Commissions to Fees Transactions

- Promotes model strategies

Offers a portfolio analyzer tool which is really just an excel worksheet that calculates the clients' needed retirement funds against its projected actual value through financial advisor data inputs

## Investment Outsourcing

- Promotes

Offers its web capability helping advisors to aid financial advisors in re-profiling their clients in current troubling times, recording solutions for retirement planning given recent market impacts, & assisting financial advisors in reviewing their businesses given lower top line revenues

Financial professional Outlook survey (quality)

Diagnostic tools to help financial advisors assess whether clients are under funded for retirement

Tools to evaluate & bridge financial advisor client lists to prioritize meetings & organize content

# ***Russell Investments' Investment Management & Research Business' US Retail Business Has a Dedicated Financial Advisor Website***

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## **Comments**

- --



# ***Russell Investments' Investment Management & Research Business can Also be Organized by Products***

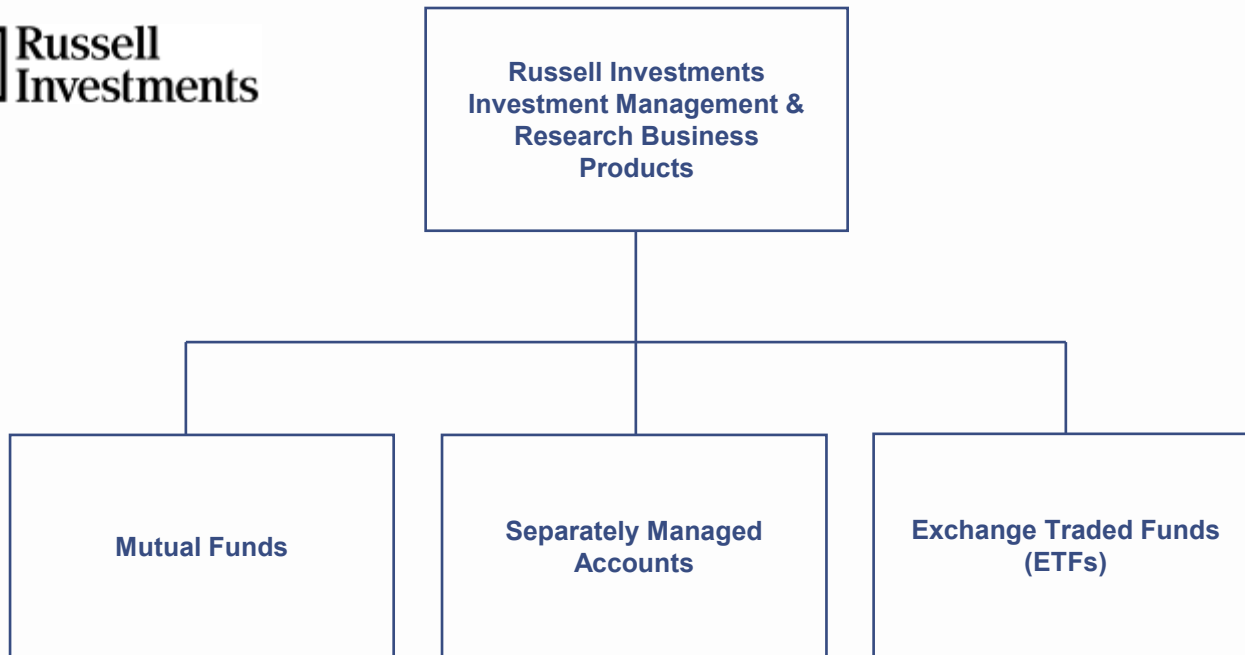
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## **Comments**

- --



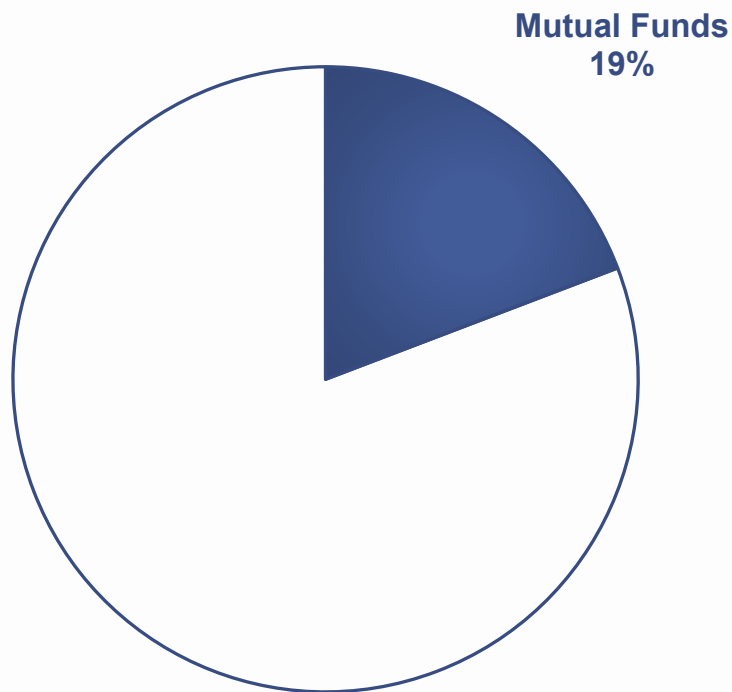
## **Russell Investments Investment Management & Research Business Products**



## **Russell Investments Investment Management & Research Business Assets Under Management By Investment Product**



**Separately  
Managed  
Accounts &  
Exchange Traded  
Funds  
81%**



Must be incorrect unless comingled trust funds or something else; both separately managed accounts and exchange traded funds are small

Includes hedge funds, private equity, & real estate from alternative investments business?

Where do annuity sub-accounts fit (e.g., Jefferson National)?

# Russell Investments' Investment Management & Research's First Product is Mutual Funds



## Comments

- **340 mutual funds**
- **\$29 billion assets under management**
- **(\$2.1) billion net flows**

Mutual funds are core US retirement offering

Mutual Fund Wrap Account Program RAMP was one of the leading independent sub-advised mutual fund wrap account programs

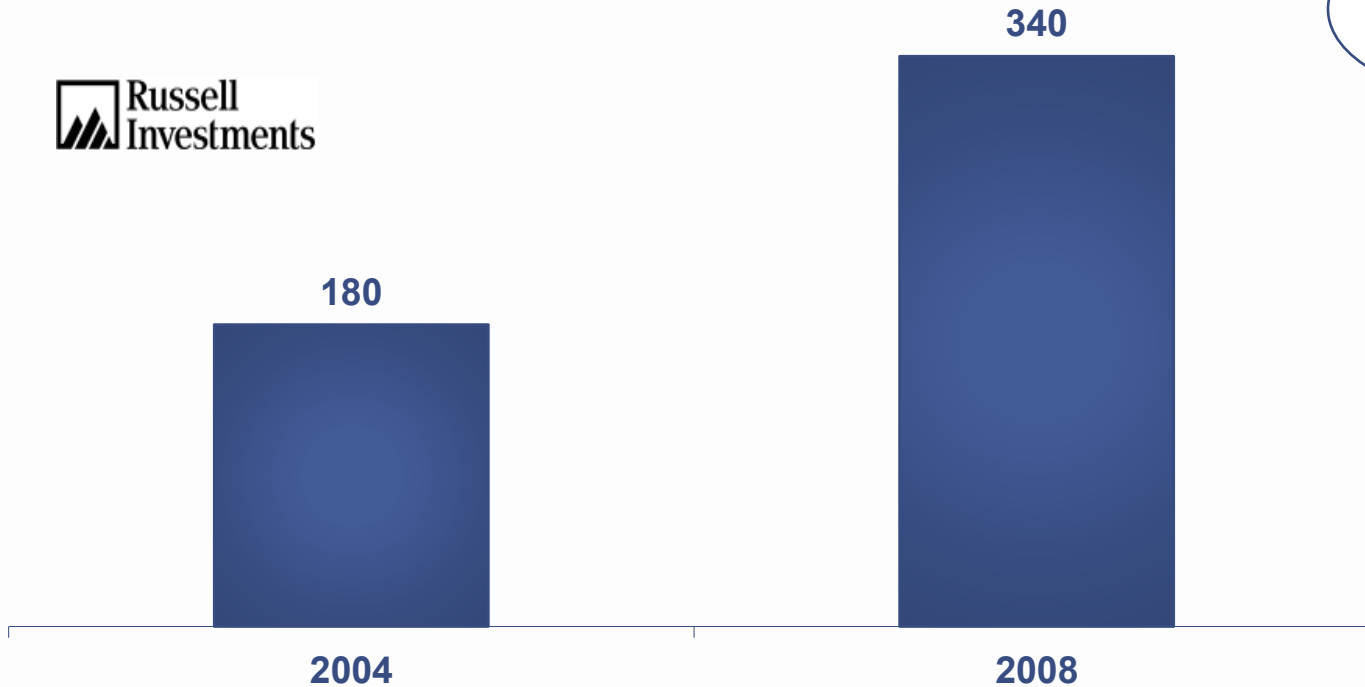
Traditional sub-advised mutual fund wrap account program; utilizes mutual funds advised by Russell Investments and sub-advised by third-parties; introduced in 2001

Targeted at \$100,000 - \$1 million client accounts

Source: 5/16/11 Russell Investments Conversation (Winnick); 2/7/09 Russell Email (Winnick); 1/27/09 Envestnet Email (Hardwick); 10/10/05 Investment News; 12/04 Russell Asset Management Brochure; 3/7/05 Investment News; Tiburon Research & Analysis

# Russell Investments' Investment Management & Research Business Offers 340 Mutual Funds, Up Nearly 90% Since 2004

## Russell Investments Investment Management & Research Business Mutual Funds



Needs update

Seems excessive

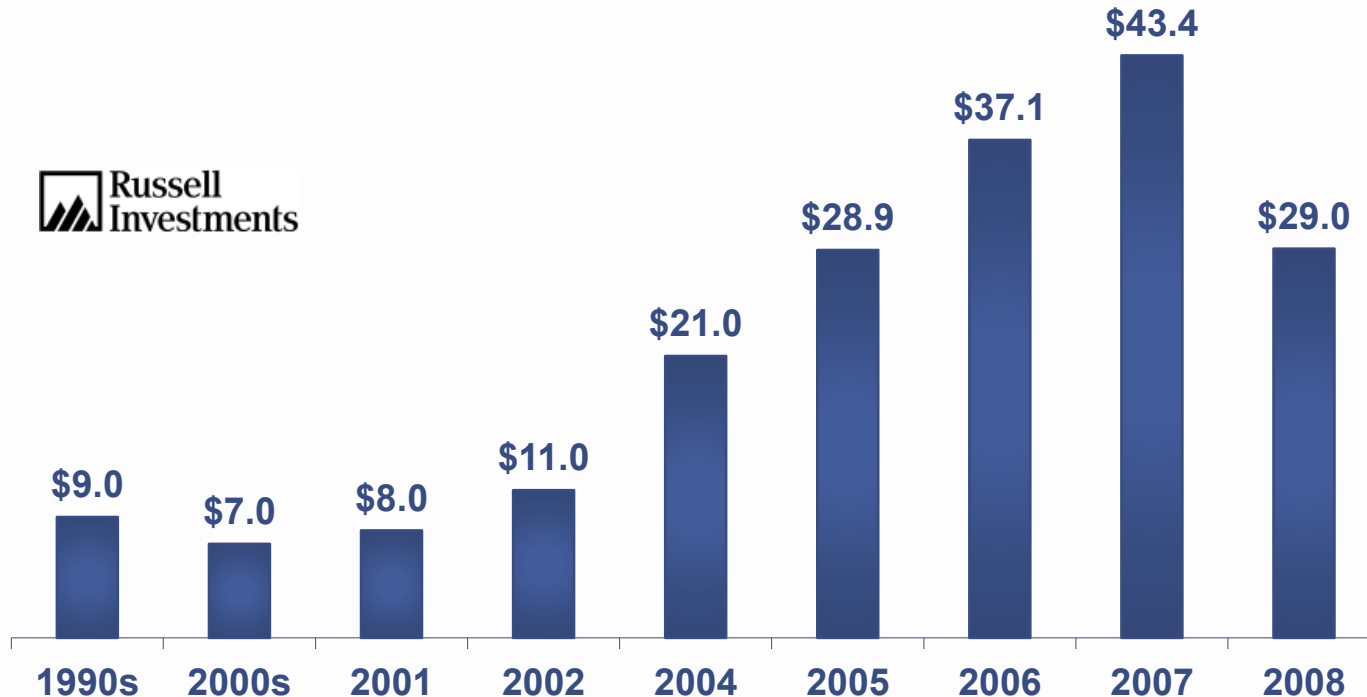
29 mutual funds?

# Russell Investments Has Gathered \$29.0 Billion Mutual Fund Assets, Up Over 300% Since 2001 But Down 33% Since 2007

## Russell Investments Investment Management & Research Business Mutual Funds Assets Under Management (\$ Billions)

Needs update

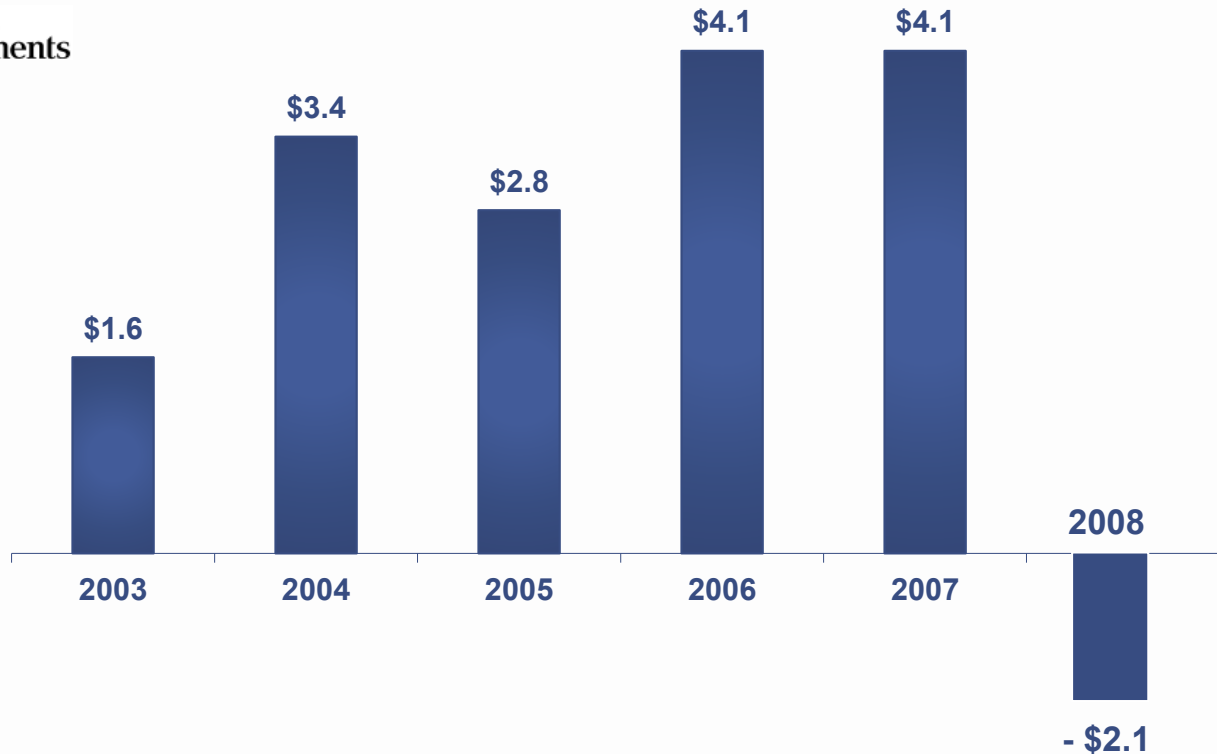
Possibly \$4.0  
billion AUM =  
US retirement?



Source: 5/16/11 Russell Investments Conversation (Winnick); 2/7/09 Russell Email (Winnick); 1/21/09 Envestnet Email (Hardwick); 10/10/05 Investment News; 6/8/05 Capital Markets Consultants Conversation (Mendelson); 3/7/05 Investment News; 11/30/01 Lockwood Conversation (Reinhart); 9/3/01 Investment News; 4/01 Institutional Investor; Tiburon Research & Analysis

# Russell Investments' Mutual Funds Have Net Outflows of \$2.1 Billion, Down from Net Inflows of \$4.1 Billion in 2007

## Russell Investments Investment Management & Research Business Mutual Funds Net Flows (\$ Billions)



Needs update

\$153 million via  
Investnet in  
2008

Another source  
said that net  
outflows of  
\$823 million in  
2008

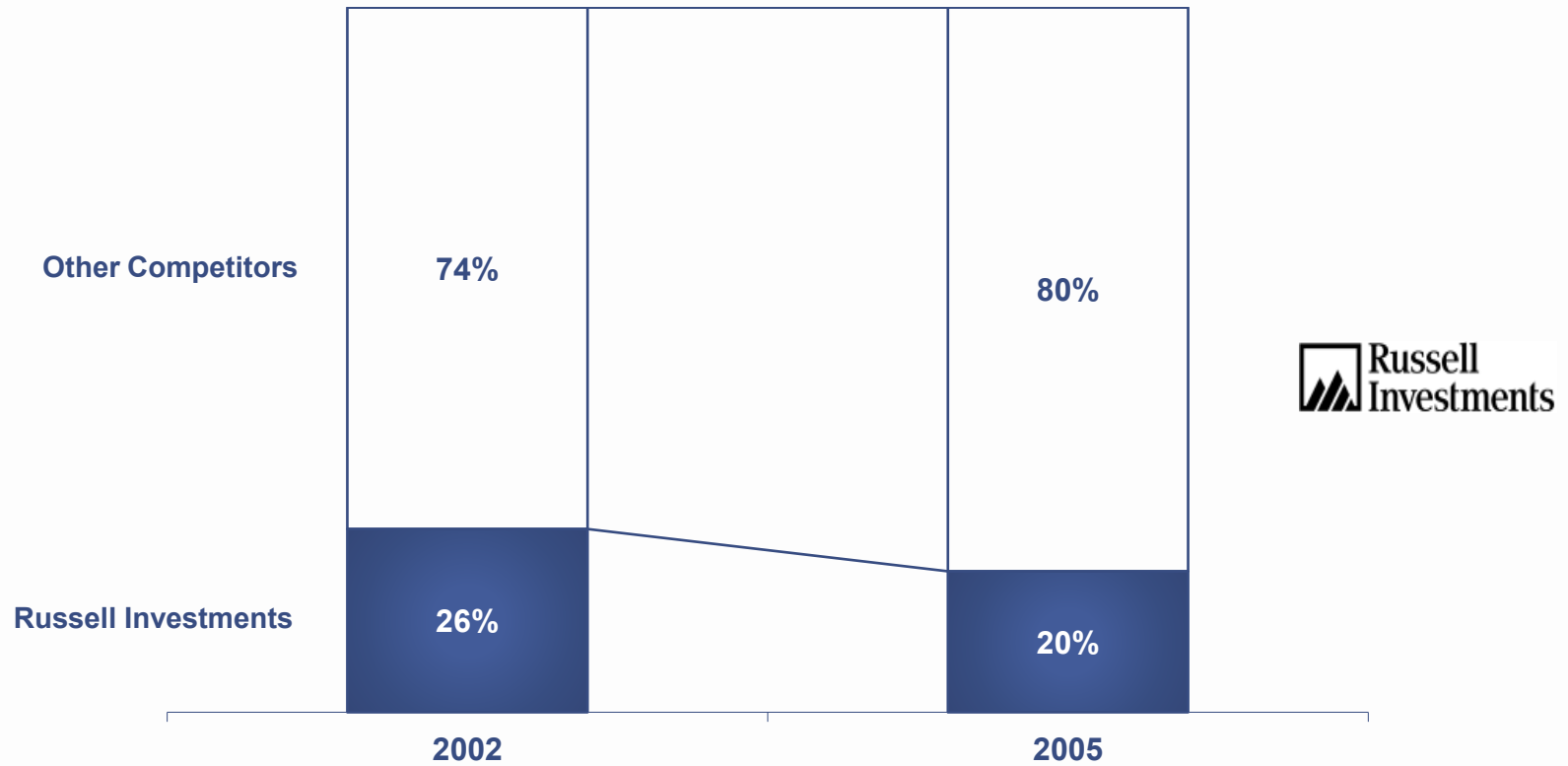
Source: 2/12/09 Russell Presentation (Stark); 2/7/09 Russell Email (Winnick); 1/27/09 Investnet Email (Hardwick); 10/10/05 Investment News; 3/7/05 Investment News; Tiburon Research & Analysis

# Russell Investments Has a 20% Share of the Manager-of-Managers Market, Down from 26% in 2002

## Russell Investments Investment Management & Research Business Manager-of-Managers Market Business By Competitor

Needs Update

Not profile page



Source: 10/4/05 The News Tribune; 2/23/04 Business Wire (Cerulli); 10/02 Ticker; Tiburon Research & Analysis

## **Russell Investments Investment Management & Research Business Money Management Strategies**

Does not  
manage money  
internally

Competency =  
manager  
research

### **Multi Asset Classes**

- Allocation across stocks, bonds, etc



### **Multi Style**

- Allocation across growth, value, small cap, large cap, etc

### **Multi Manager**

- Constantly monitors managers to use a handful of the top consistently

# Russell Investments

## Investment Management & Research Business

### Mutual Funds

### By Category

Delete?

Sells mutual fund model strategies, life point funds, & individual mutual funds

US Equity Funds	International & Global Equity Funds	Tax-Managed Equity Funds	Fixed Income Funds
<ul style="list-style-type: none"> <li>• Russell US Core Equity</li> <li>• Russell US Defense Equity (formerly Russell US Quantitative Equity)</li> <li>• Russell US Dynamic Equity (formerly US Growth)</li> <li>• Russell US Small Cap Equity Fund</li> <li>• Russell US Mid-Cap Equity Fund</li> <li>• Russell US Large Cap Equity Fund</li> <li>• Russell US strategic Equity Fund</li> <li>• Russell US Value (still exist?)</li> <li>• Russell US Small &amp; Mid Cap (still exist?)</li> </ul>	<ul style="list-style-type: none"> <li>• Russell International Developed Markets</li> <li>• Russell Global Equity</li> <li>• Russell Emerging Markets</li> </ul>	<ul style="list-style-type: none"> <li>• Russell Tax- Managed US Large-Cap</li> <li>• Russell Tax-Managed US Mid-and-Small-Cap</li> <li>• Tax-Managed Global Equity Fund (still exist?)</li> </ul>	<ul style="list-style-type: none"> <li>• Russell Global Opportunistic Credit</li> <li>• Russell Strategic Bond</li> <li>• Russell Investment Grade Bond</li> <li>• Russell Short Duration Bond</li> <li>• Russell Tax Exempt Bond</li> </ul>

Russell global infrastructure fund; Russell commodity strategies fund; Russell Global opportunistic

Target Risk Mutual Fund Strategies (RAMP)




Source: 7/26/13 Russell Investment Website; 5/2/11 Russell Investments Presentation (Winnick); 1/27/09 Russell Website; 6/15/05 Russell Asset Management Brochure; 5/05 Journal of Financial Planning; 12/04 5/12/04 Russell Asset Management Brochure; Northwestern Mutual Website; 12/17/01 Russell Investments Brochure; 10/30/01 Russell Investments Conversation (McKeegan); Tiburon Research & Analysis

# Russell Investments Investment Management & Research Business Mutual Funds by Category (Page 2)

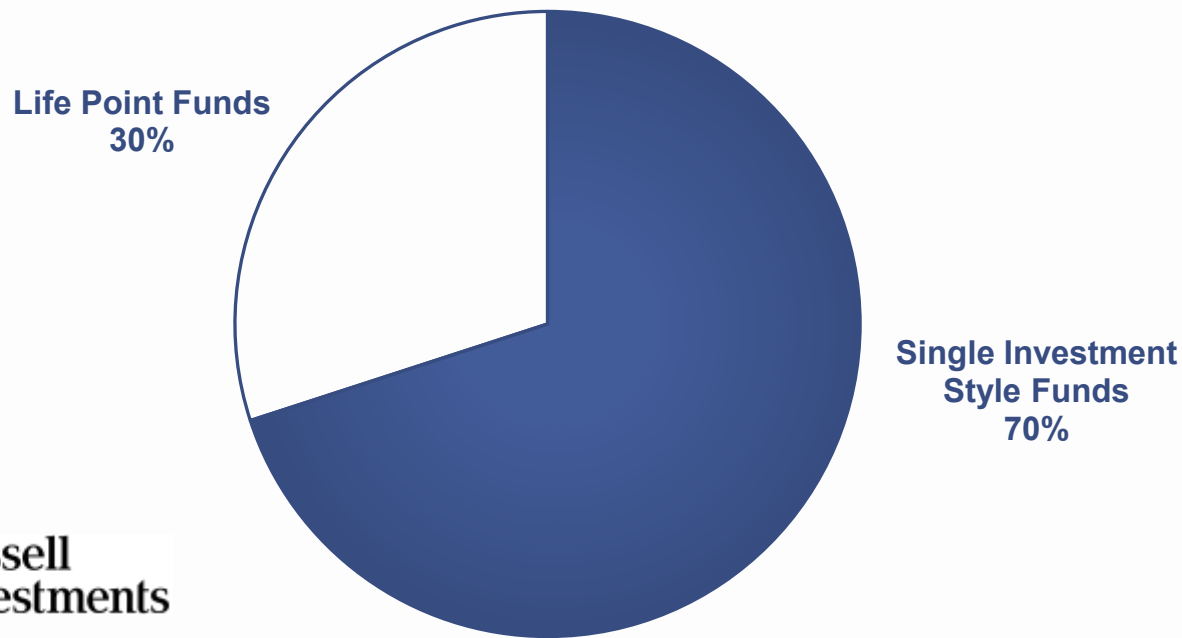
## Russell Investments Investment Management & Research Business Mutual Funds By Category



Alternative Funds	Life Points Funds (Funds-of-Funds)	Money Market Funds	--
<ul style="list-style-type: none"> <li>• Russell Commodity Strategies</li> <li>• Russell Global Real Estate Securities</li> <li>• Russell Global Infrastructure</li> <li>• Russell Multi-Strategy Alternative Fund</li> <li>• Russell Strategic Call Overwriting Fund</li> </ul>	<p><b>Target Portfolio Series</b></p> <ul style="list-style-type: none"> <li>• Conservative Strategy</li> <li>• Moderate Strategy</li> <li>• Balanced Strategy</li> <li>• Growth Strategy</li> <li>• Equity Growth Strategy</li> </ul> <p><b>Target Date Series</b></p> <ul style="list-style-type: none"> <li>• 2010 Strategy</li> <li>• 2015 Strategy</li> <li>• 2020 Strategy</li> <li>• 2025 Strategy</li> <li>• 2030 Strategy</li> <li>• 2035 Strategy</li> <li>• 2040 Strategy</li> <li>• 2045 Strategy</li> <li>• 2050 Strategy</li> <li>• In Retirement</li> </ul> <p><b>Target Distribution Series</b></p> <ul style="list-style-type: none"> <li>• 2017 Retirement Distribution – A Shares</li> <li>• 2017 Retirement Distribution – S Shares</li> <li>• 2017 Accelerated Distribution – A Shares</li> <li>• 2017 Accelerated Distribution – S Shares</li> <li>• 2027 Extended Distribution – A Shares</li> <li>• 2027 Extended Distribution – S Shares</li> </ul>	<ul style="list-style-type: none"> <li>• Russell Money Market</li> </ul>	<p>• --</p> 

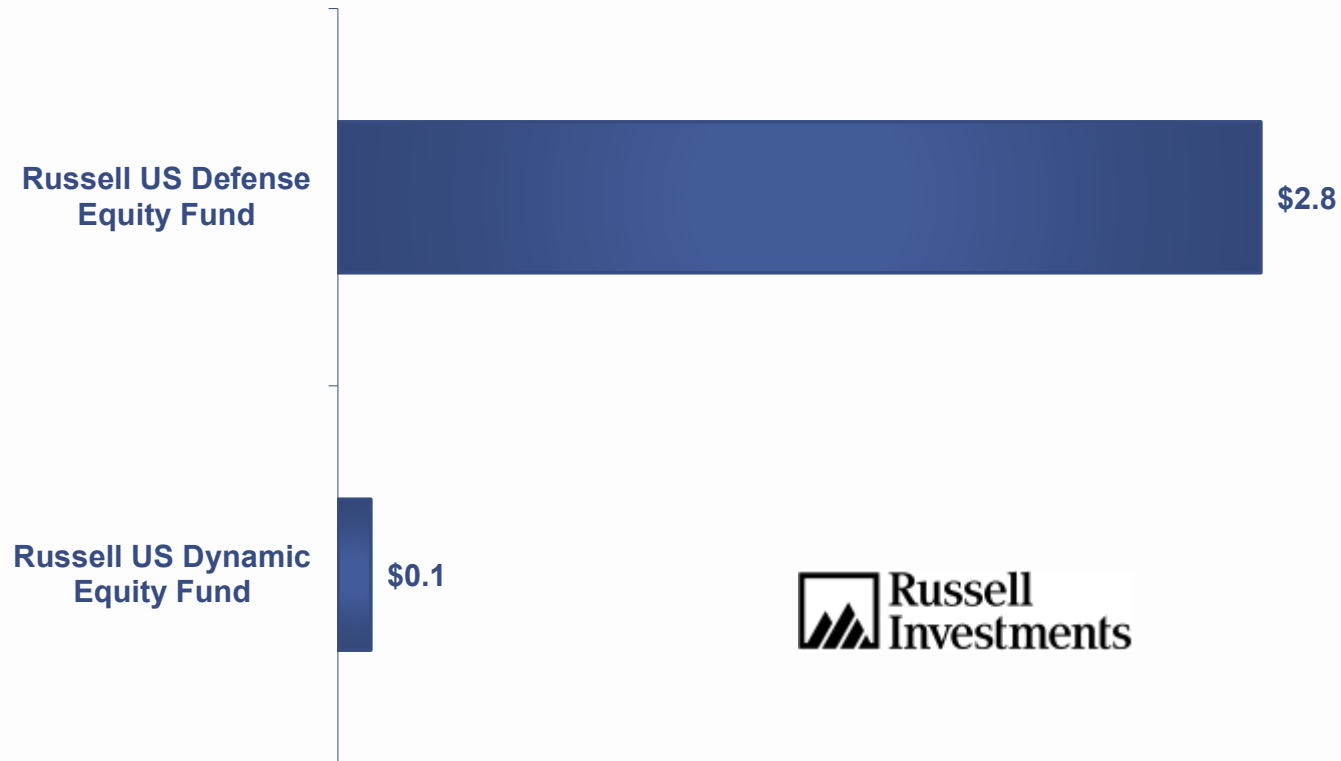
Source: 7/26/13 Russell Investment Website; 5/2/11 Russell Investments Presentation (Winnick); 5/16/11 Russell Investments Conversation (Winnick); 1/27/09 Russell Website; 6/15/05 Russell Asset Management Brochure; 5/05 Journal of Financial Planning; 12/04 5/12/04 Russell Asset Management Brochure; Northwestern Mutual Website; 12/17/01 Russell Investments Brochure; Tiburon Research & Analysis

## **Russell Investments Investment Management & Research Business Mutual Fund Assets Under Management**



# Russell Investments' Mutual Funds Include its Russell US Defense Equity Fund & Russell US Dynamic Equity Fund

## Russell Investments Mutual Funds (\$ Billions)



Source: 8/15/12 Barron's Focus on Funds Website; Tiburon Research & Analysis

# ***Russell Investments' Broker/Dealer is Called Russell Financial Services***

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Distributor of mutual funds

## **Comments**

- --



# **Russell Investments' Investment Management & Research Business Offers its Life Point Mutual Funds which are Targeted at Client Accounts Less than \$100,000**

## **Comments**

- **21 mutual funds**
- **\$12.0 billion assets under management**

Key offering is possibly an overstatement? (key offering of DC business)

Positioned for lo end of books

Five points on the efficient frontier

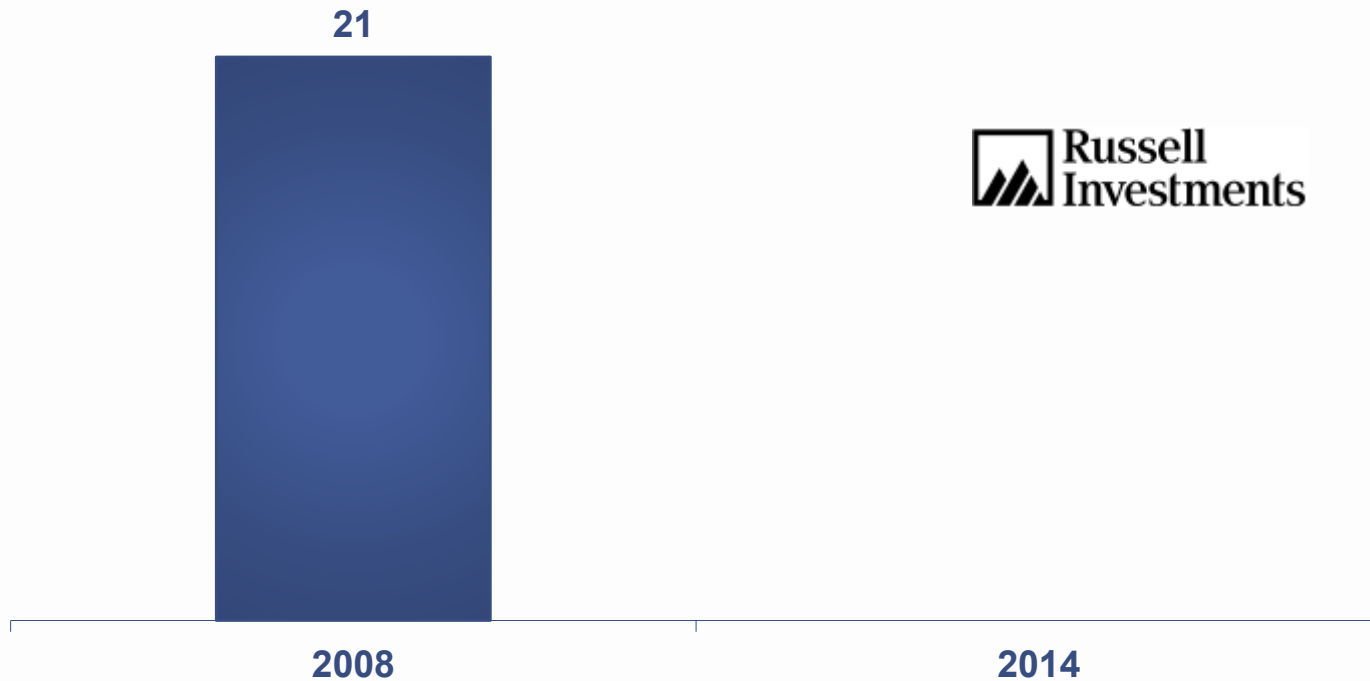
Russell Investments has been criticized for its Life Point Funds' high fees



# Russell Investments Has 21 Life Point Mutual Funds

Needs update

## Russell Investments Investment Management & Research Business Life Point Mutual Funds

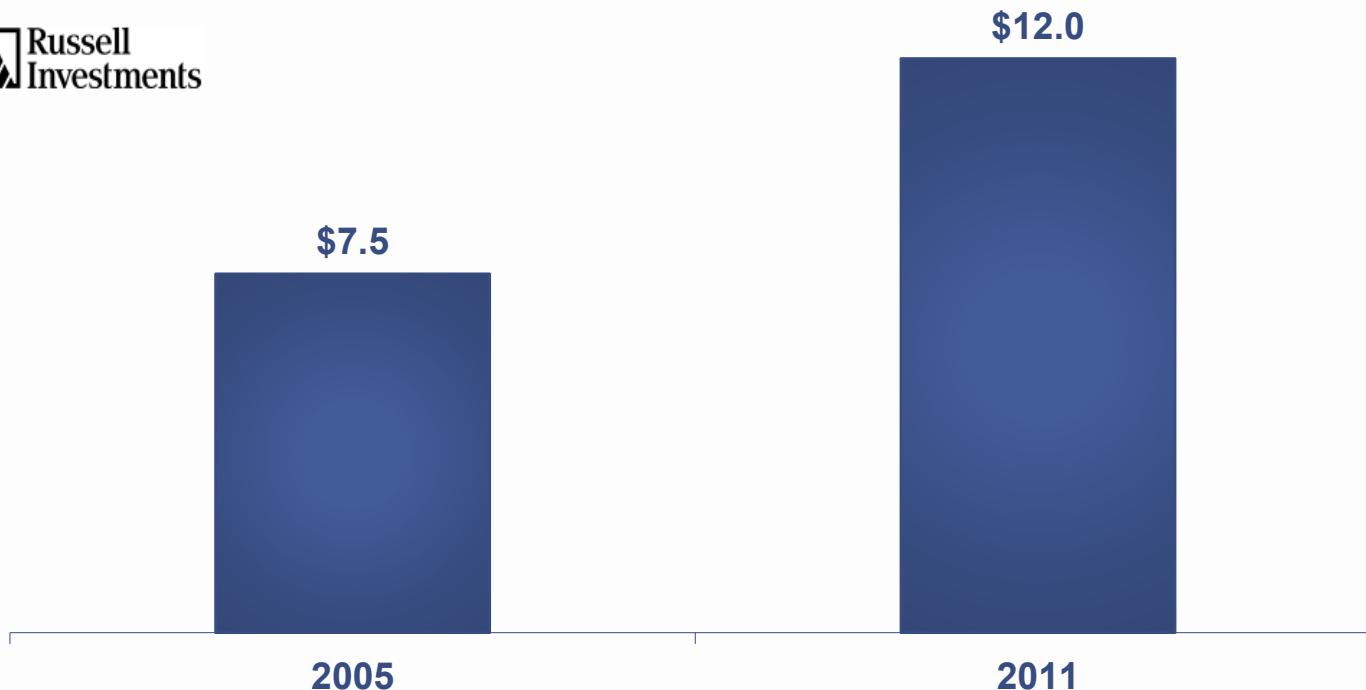


Source: 5/16/11 Russell Investments Conversation (Winnick); 1/27/09 Russell Investments Email (Winnick); Tiburon Research & Analysis

# ***Russell Investments' Life Point Funds Have \$12.0 Billion in Assets Under Management, Up 50% Since 2005***

## **Russell Investments Investment Management & Research Business Life Point Funds Assets Under Management (\$ Billions)**

Needs update



Source: 7/11/05 American Banker; Tiburon Research & Analysis

Delete?


## Russell Investments Investment Management & Research Business Life Point Funds

Target Risk	Target Date	Target Distribution
<ul style="list-style-type: none"><li>• <b>Balanced Strategy</b></li><li>• <b>Conservative Strategy</b></li><li>• <b>Equity Growth Strategy</b></li><li>• <b>Growth Strategy</b></li><li>• <b>Moderate Strategy</b></li></ul> 	<ul style="list-style-type: none"><li>• <b>2010 Strategy</b></li><li>• <b>2015 Strategy</b></li><li>• <b>2020 Strategy</b></li><li>• <b>2025 Strategy</b></li><li>• <b>2030 Strategy</b></li><li>• <b>2035 Strategy</b></li><li>• <b>2040 Strategy</b></li><li>• <b>2045 Strategy</b></li><li>• <b>2050 Strategy</b></li><li>• <b>In Retirement</b></li></ul>	<ul style="list-style-type: none"><li>• <b>2017 Retirement Distribution – A Shares</b></li><li>• <b>2017 Retirement Distribution – S Shares</b></li><li>• <b>2017 Accelerated Distribution – A Shares</b></li><li>• <b>2017 Accelerated Distribution – S Shares</b></li><li>• <b>2027 Extended Distribution – A Shares</b></li><li>• <b>2027 Extended Distribution – S Shares</b></li></ul>

# Russell Investments' Investment Management & Research Business Offers its Mutual Funds in Classes A, C, & I

## Russell Investments Investment Management & Research Business Mutual Fund Classes

I changed to S?

Class A	Class C	Class I
<ul style="list-style-type: none"><li>• --</li></ul>	<ul style="list-style-type: none"><li>• --</li></ul>	<ul style="list-style-type: none"><li>• \$100,000 minimum</li></ul> 

Source: 5/2/11 Russell Investments Presentation (Winnick); 1/27/09 Russell Website; 6/15/05 Russell Asset Management Brochure; 5/05 Journal of Financial Planning; 12/04 5/12/04 Russell Asset Management Brochure; Northwestern Mutual Website; 12/17/01 Russell Investments Brochure; 10/30/01 Russell Investments Conversation (McKeegan); Tiburon Research & Analysis

Delete?

## Comments

- --



# Russell Investments' Investment Management & Research's Second Product is Separately Managed Accounts

## Comments

- --

Very little  
assets under  
management

Only as used in  
UMA



# ***Russell Investments' Investment Management & Research Business Previously Offered a Unified Managed Account Program Called RMP***



## **Comments**

- **Traditional unified managed accounts program**
  - Included separate accounts twelve multi-manager portfolio mixes, & Russell mutual funds
  - \$300,000 minimum
  - Bundled program provides financial advisors with investment strategy, profiling & asset allocation, due diligence processes, and web-enabled performance reporting and client management
  - Focus on customization, loss harvesting, & tax management
- **Introduced in 2001**
- **Fidelity Investments needed something to compete with similar offerings from The Charles Schwab Corporation and Callan Associates**
- **Provided access to 1,000 fee-based financial advisors custodying at Fidelity Investments**

Merge to prior?


Targeted at \$1 million+ clients

# ***Russell Investments' Investment Management & Research Business Charges 70 to 130 Basis Points on its RMP Program Based on Account Size and Brokerage Model***

## **Russell Investments Investment Management & Research Business Russell Managed Portfolios Pricing Schedule (Basis Points)**

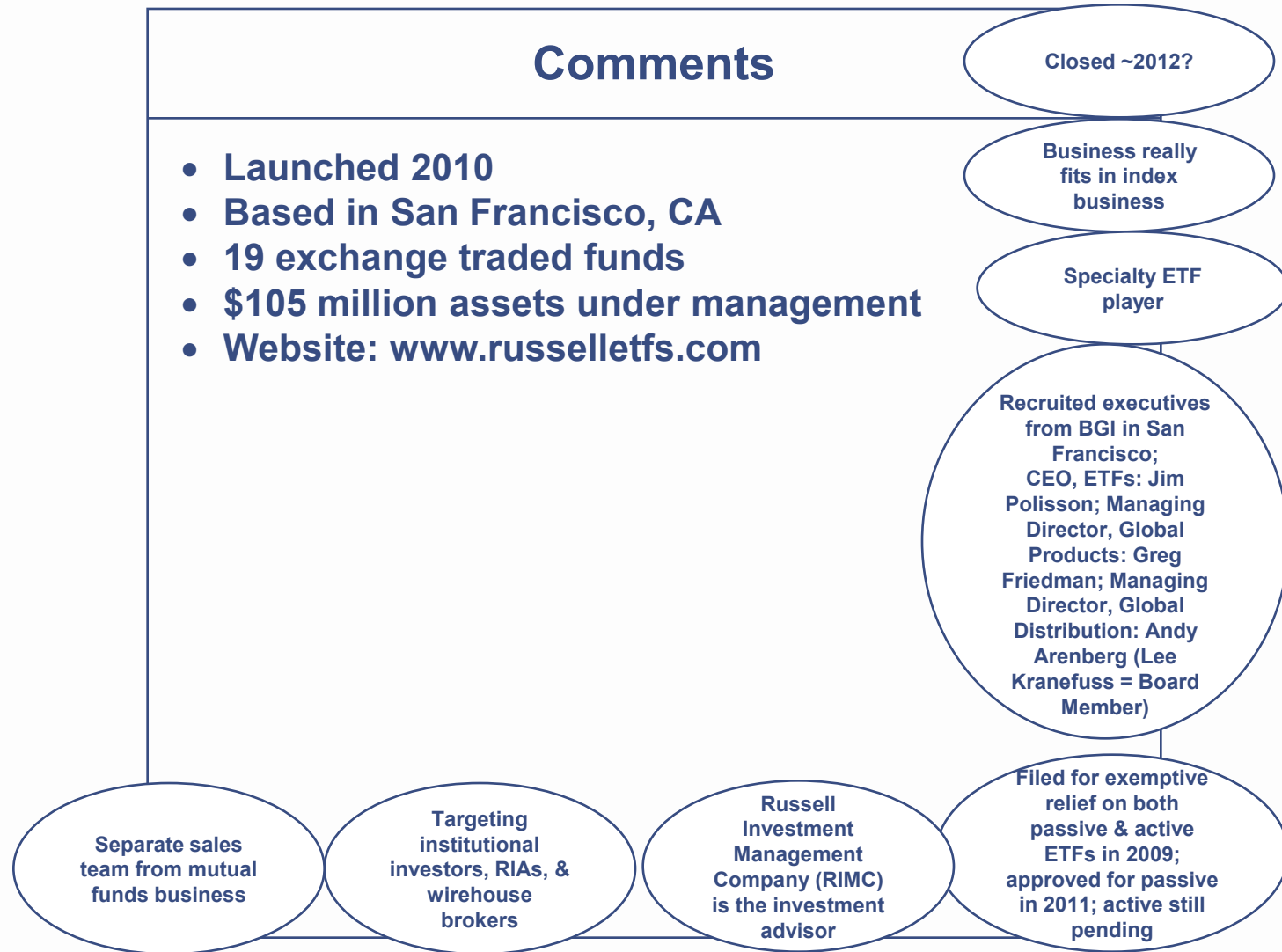
Keep or delete?

Another source said that pricing schedule assumes execution and custody through Fidelity Investment

 Russell Investments	Transaction Brokerage	Wrap Brokerage
First \$500,000	90-100	105-130
Next \$500,000	80-95	90-115
Next \$1 Million	75-90	85-105
Next \$3 Million	70-80	80-100
Over \$5 Million	70-80	80-100

Source: 1/28/02 Russell Investments Conversation (Stark); 12/17/01 Russell Investments Brochure; Tiburon Research & Analysis

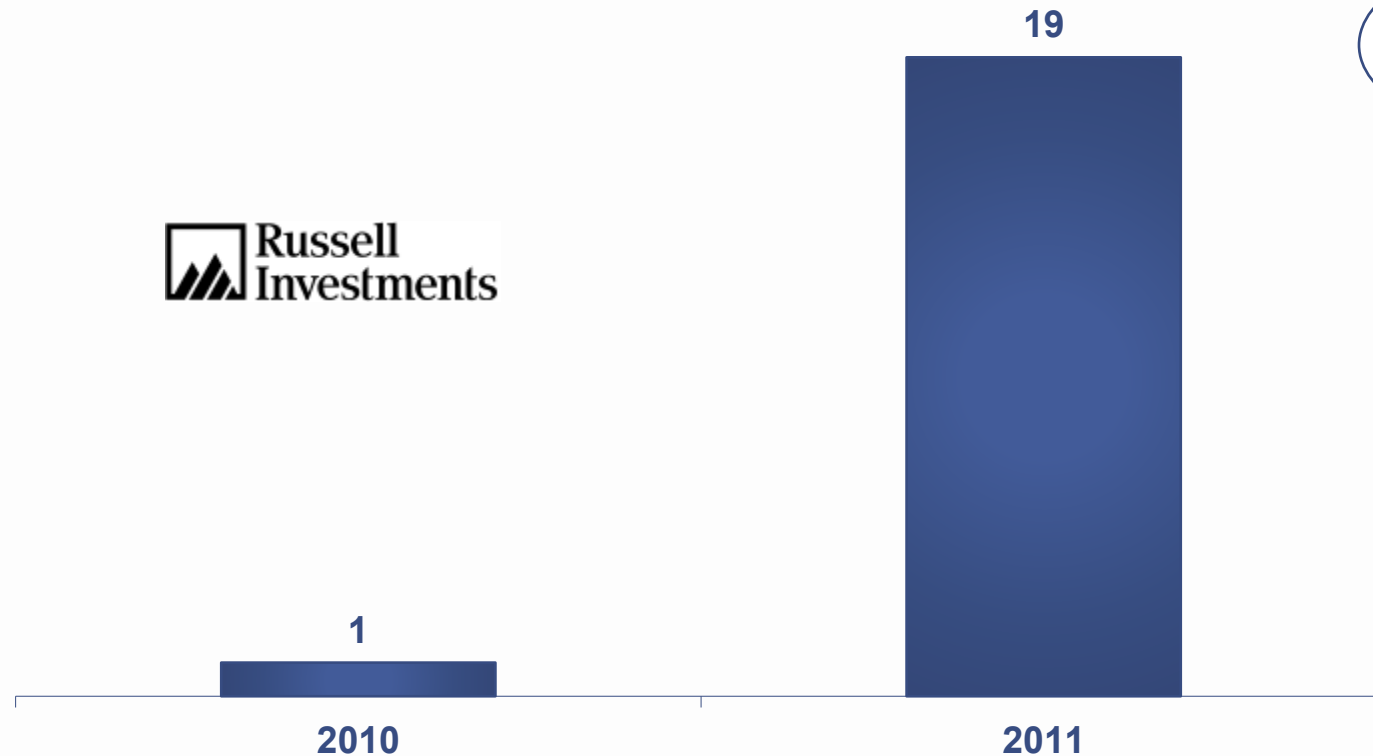
# Russell Investments' Investment Management & Research's Third Product is Exchange Traded Funds (ETFs)



Source: 6/25/11 ETF Trends; 6/9/11 Russell Investments Email (Arenberg); 6/7/11 Wall Street Journal; 6/4/11 Google News Alerts; 6/2/11 Russell Meeting (Arenberg); 5/19/11 The Street.Com Website; 5/25/11 ETF Trends; 5/20/11 Money Management Executive; 5/20/11 Investment News; 5/16/11 Russell Investments Conversation (Winnick); Tiburon Research & Analysis

# Russell Investments' Investment Management & Research Business Has Nineteen Exchange Traded Funds (ETFs), Up from One in 2010

## Russell Investments Investment Management & Research Business Exchange Traded Funds (ETFs)



Needs update

Seventeen in the US & two in Australia

Expect 30-50 by 12/12

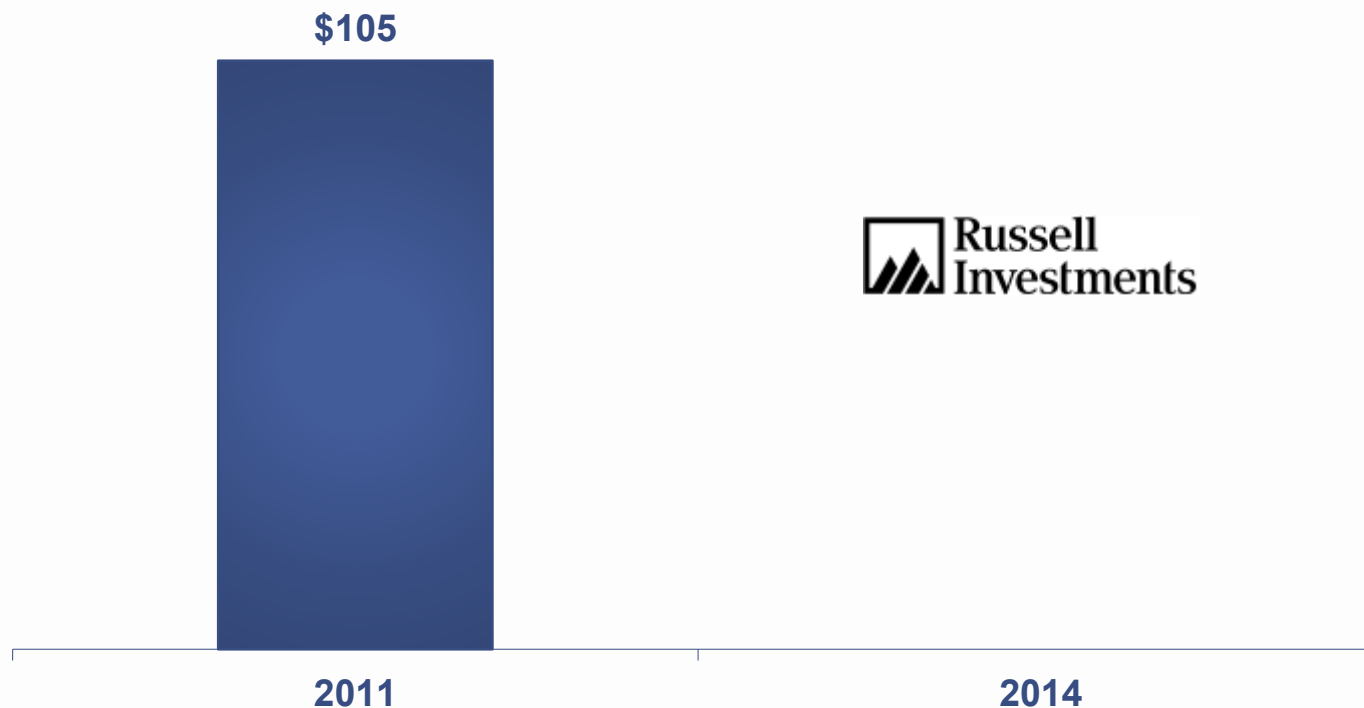
Source: 6/9/11 Russell Investments Email (Arenberg); 6/2/11 Russell Meeting (Arenberg); 5/25/11 ETF Trends; 5/20/11 Money Management Executive; 5/20/11 Investment News; 5/16/11 Russell Investments Conversation (Winnick); Tiburon Research & Analysis

# Russell Investments' Investment Management & Research Business' Exchange Traded Funds (ETFs) Have \$105 Million Assets Under Management

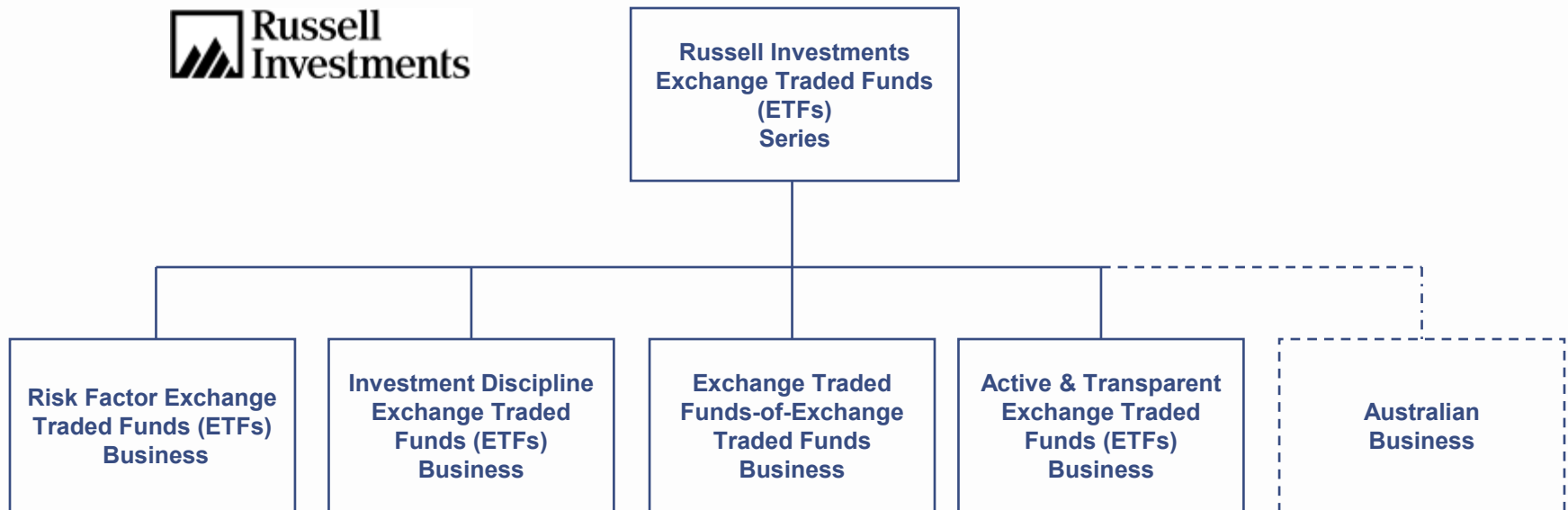
## Russell Investments Investment Management & Research Business Exchange Traded Funds (ETFs) Assets Under Management (\$ Millions)

Needs update

Goal is \$10  
billion by 2014-  
2015



# Russell Investments Investment Management & Research Business Exchange Traded Funds (ETFs) Series



Source: 6/9/11 Russell Investments Email (Arenberg); 6/9/11 Russell Investments Website; 6/2/11 Russell Meeting (Arenberg); 5/25/11 ETF Trends; Tiburon Research & Analysis

# Russell Investments' Investment Management & Research Business' Exchange Traded Funds (ETFs) Business' First Series is its Risk Factor Exchange Traded Funds (ETFs)

## Comments

- Ten exchange traded funds

Ten factor products (risk-flavored) (partnered with Axioma); US large-cap high beta index, US large-cap low beta index, US large-cap high volatility index, US large-cap low volatility index, & US large-cap high momentum index; five risk factors for small-cap -> US small-cap high beta index, US small-cap low beta index, US small-cap high volatility index, US small-cap low volatility index, & US small-cap high momentum index

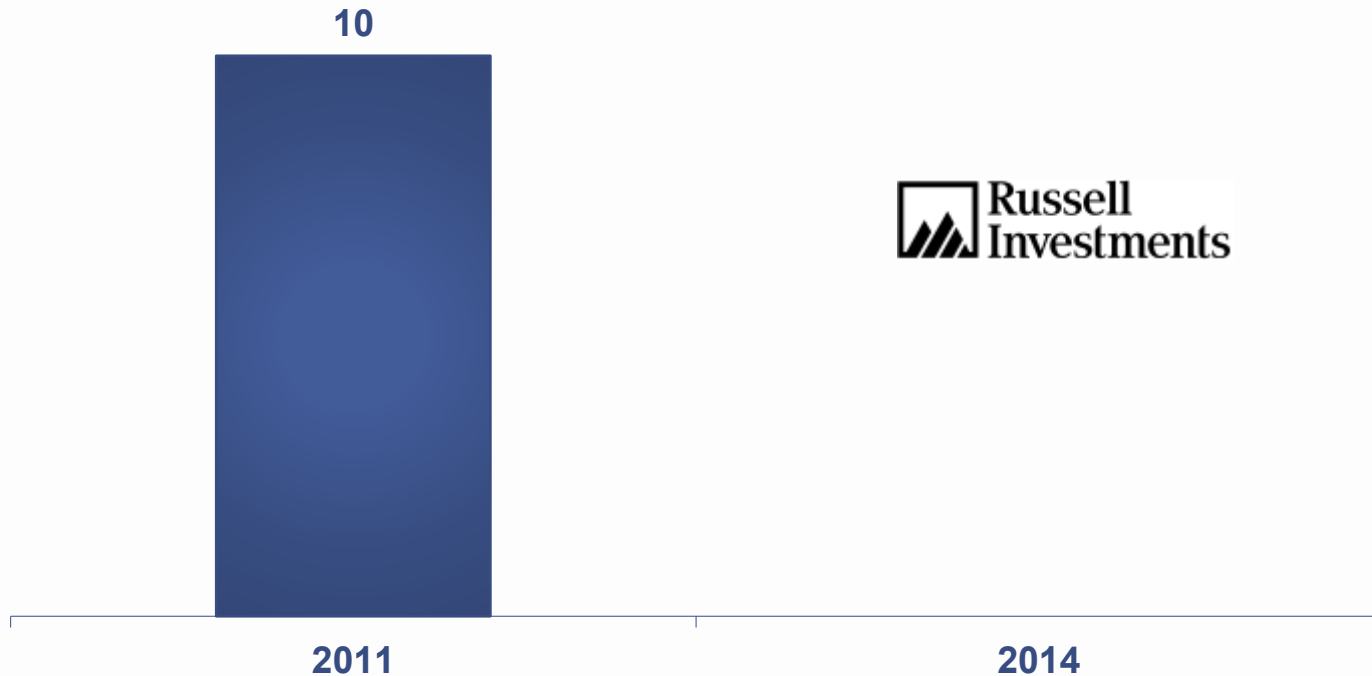
Targeted at institutional investors (using beta, volatility, & momentum)



Source: 6/6/11 Advisor One; 6/7/11 Wall Street Journal; 6/2/11 Russell Meeting (Arenberg); 5/31/11 Advisor Biz; 5/19/11 Money Management Executive; 5/19/11 The Street.Com Website; 5/19/11 Insurance Newscast; Tiburon Research & Analysis

**Russell Investments  
Investment Management & Research  
Exchange Traded Funds (ETFs)  
Risk Factor Exchange Traded Funds (ETFs) Series  
Exchange Traded Funds (ETFs)**

Needs update



Source: 6/6/11 Advisor One; 6/7/11 Wall Street Journal; 6/2/11 Russell Meeting (Arenberg); 5/31/11 Advisor Biz; 5/19/11 Money Management Executive; 5/19/11 The Street.Com Website; 5/19/11 Insurance Newscast; Tiburon Research & Analysis

# Russell Investments' Investment Management & Research Business' Exchange Traded Funds (ETFs) Business' Second Series is Investment Discipline Products

## Comments

- **Six exchange traded funds**

**Russell Investment Discipline ETFs: six ETFs based on Russell large-cap 1,000 using investment disciplines (e.g., aggressive growth, consistent growth, & growth at a reasonable price, equity, income, low P/E, & contrarian) (not market cap weighted) (listed on NYSE Arca) (all cost 37 bps each)**

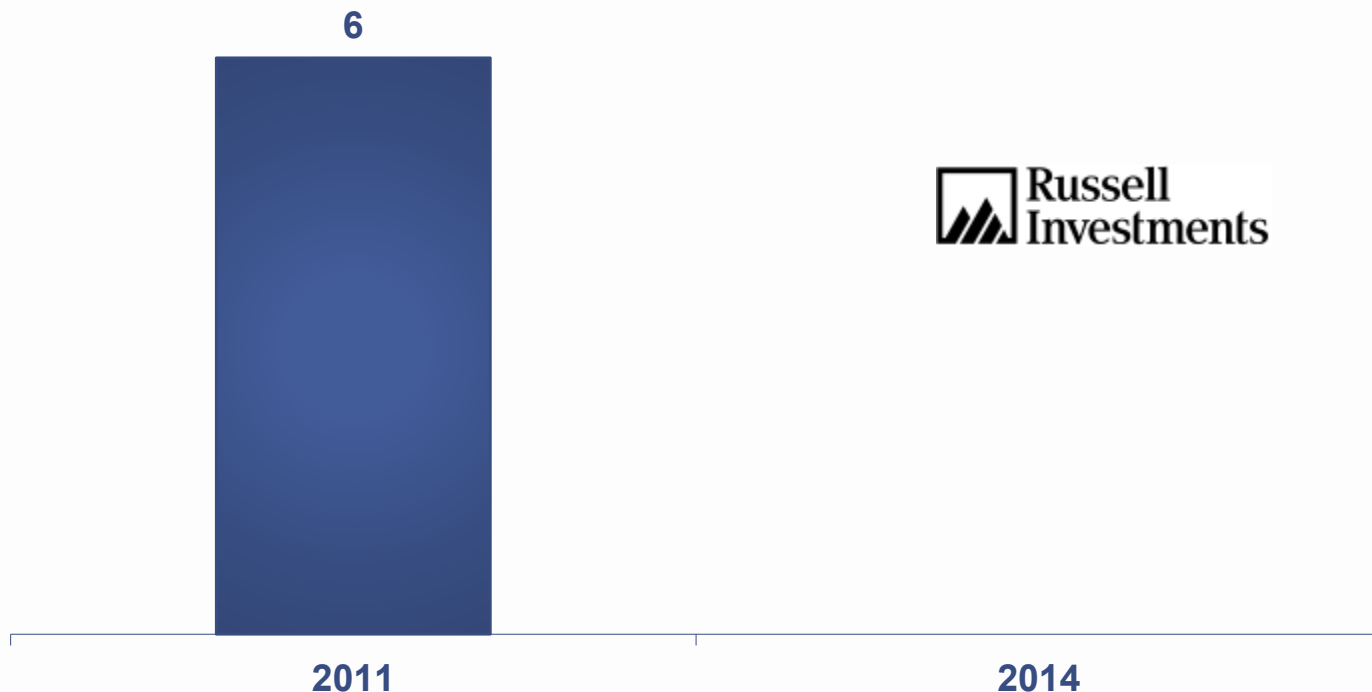
**Targeted at institutional investors (using beta, volatility, & momentum)**



Source: 6/13/11 Barrons; 6/13/11 Investment News; 6/6/11 Advisor One; 6/7/11 Wall Street Journal; 6/2/11 Russell Meeting (Arenberg); 5/31/11 Advisor Biz; 5/19/11 Money Management Executive; 5/19/11 The Street.Com Website; 5/19/11 Insurance Newscast; Tiburon Research & Analysis

**Russell Investments  
Investment Management & Research  
Exchange Traded Funds (ETFs)  
Investment Discipline Exchange Traded Funds (ETFs) Series  
Exchange Traded Funds (ETFs)**

Needs update





## Comments

- **One exchange traded fund**

US One acquisition

One Fund renamed Russell Equity ETF

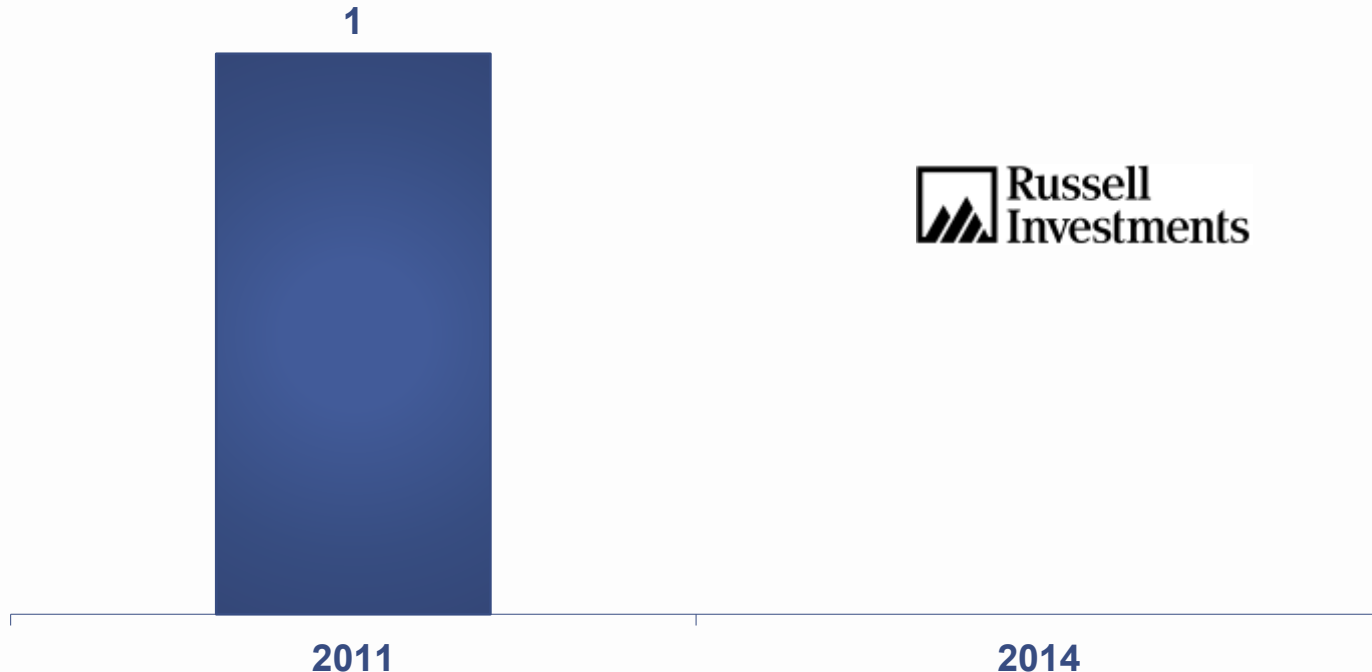
Three more products registered

Utilize Black Rock & Vanguard underlying ETFs

Targeted at retail investors

Needs update

**Russell Investments  
Investment Management & Research  
Exchange Traded Funds (ETFs)  
Exchange Traded Funds-of-Exchange Traded Funds Series  
Exchange Traded Funds (ETFs)**



Source: 6/2/11 Russell Meeting (Arenberg); 5/19/11 The Street.Com Website; Tiburon Research & Analysis

## Comments

- --



# ***Russell Investments' Investment Management & Research Business' Exchange Traded Funds (ETFs) are Distributed by Alps Distributors***

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## **Comments**

- --



# ***Russell Investments' Investment Management & Research Business' Exchange Traded Funds (ETFs) Business Also Has its Australia Business***

## **Comments**

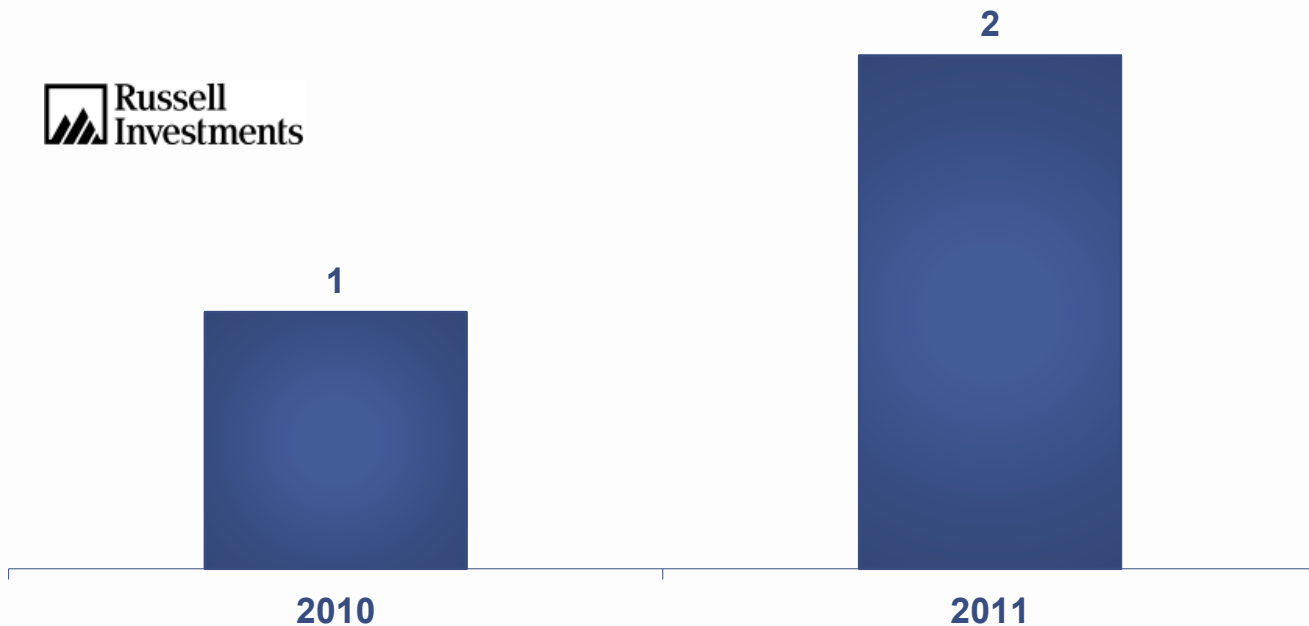
- **Two exchange traded funds**

Also has Australian ETF business launched in 2010 with two products & \$150 million assets under management; Australian value ETF & Russell High Dividend Australian shares ETF; expect good results after commissions abolished in 2012



Needs update

# Russell Investments Investment Management & Research Exchange Traded Funds (ETFs) Australia Business Exchange Traded Funds (ETFs)



Source: 6/9/11 Russell Investments Email (Arenberg); Tiburon Research & Analysis

# Russell Investments' Fourth Business is Alternative Investments

## Comments

- --

Roll into investment management & research business?

Assets under management fell from \$6 to \$2 billion

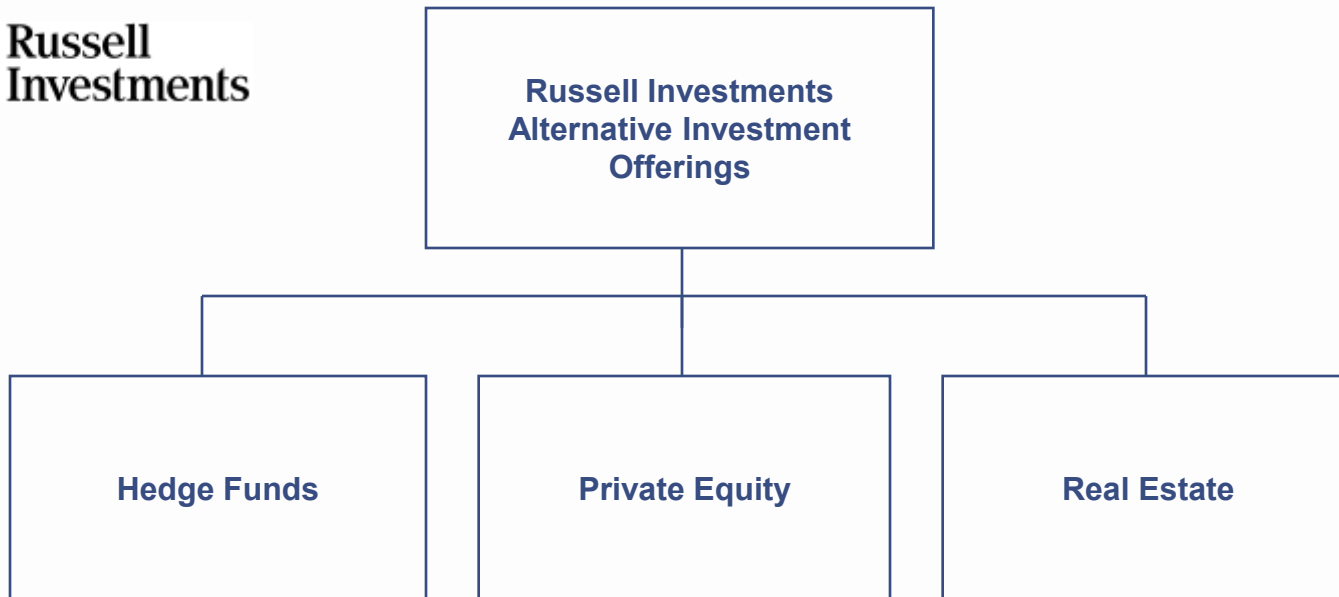


Source: 1/16/09 Russell Website; Tiburon Research & Analysis

# Russell Investments' Alternative Investments Business Includes Hedge Funds, Private Equity, & Real Estate Offerings

Delete hedge funds & move pages up to history?

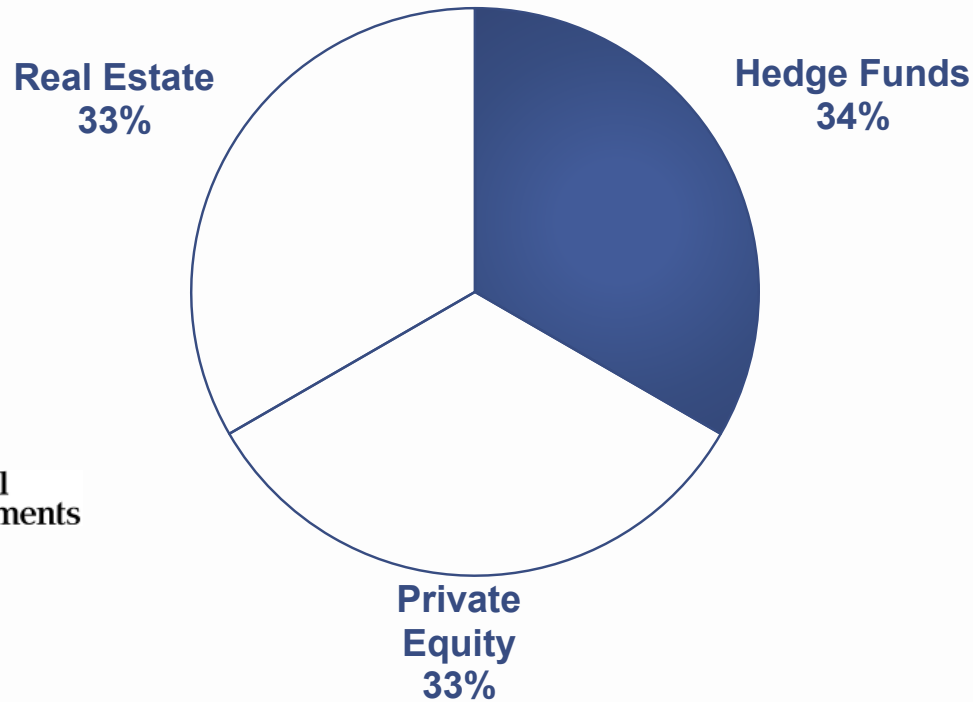
## Russell Investments Alternative Investment Offerings



# ***Russell Investments' Alternative Investments Business Has Assets Under Management***

Needs data

## **Russell Investments Alternative Investments Business Assets Under Management By Type**



# Russell Investments' First Alternative Investment Business is Hedge Funds

Delete hedge funds business?

## Comments

- **\$0 billion assets under management**

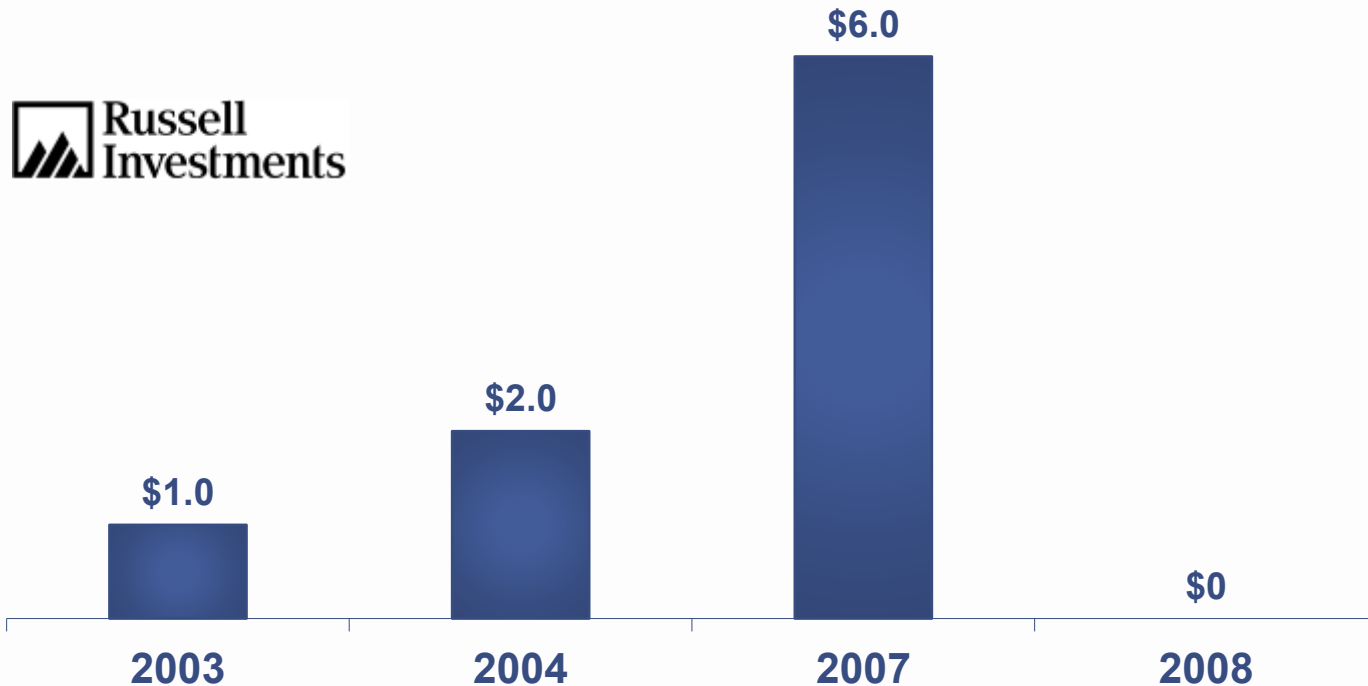


Source: 1/27/09 Tacoma News Tribune; 10/27/08 Pension & Investments; 10/15/08 Wall Street Journal; 3/5/04 Russell Press Release; Tiburon Research & Analysis

# Russell Investments Had \$6.0 Billion Assets Under Management in its Hedge Fund Program Until it was Forced to Liquidate in 2008

Needs update

## Russell Investments Hedge Fund Assets Under Management (\$ Billions)



Source: 1/27/09 Tacoma News Tribune; 10/27/08 Pension & Investments; 10/15/08 Wall Street Journal; 3/5/04 Russell Press Release; Tiburon Research & Analysis

# ***Russell Investments Offers Real Estate Investments***

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## **Comments**

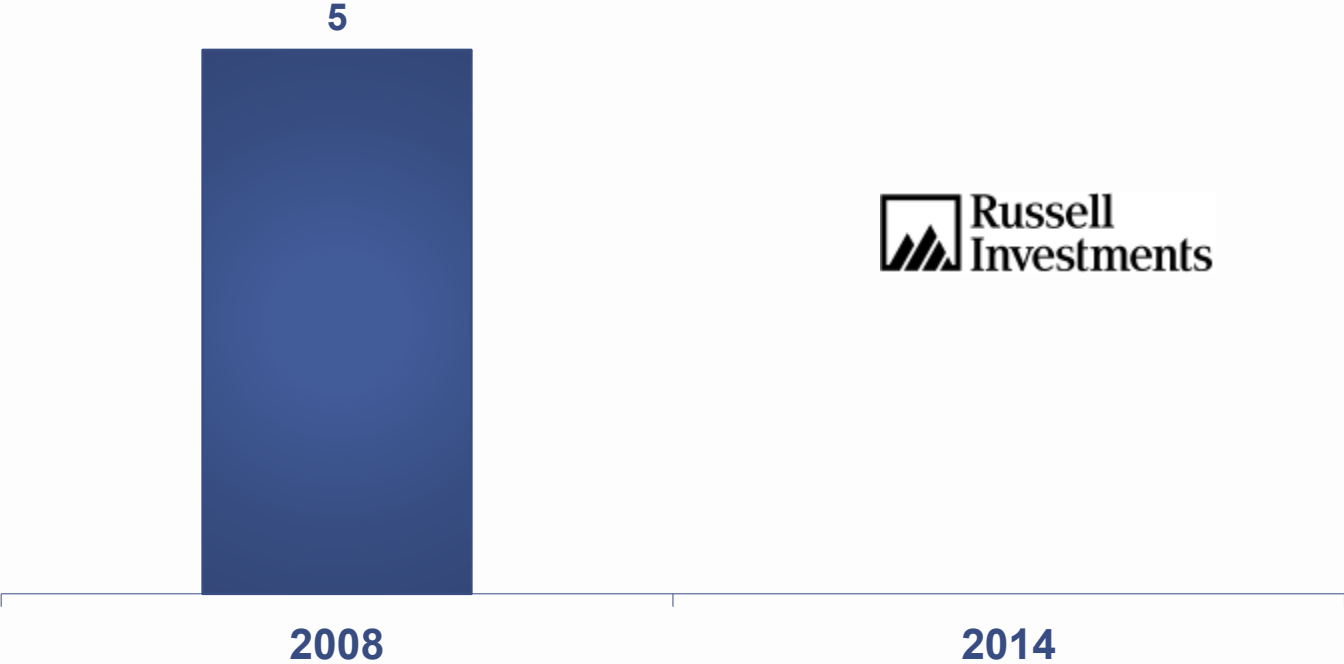
- **5 offices**
- **\$8.0 billion assets under management**



# Russell Investments' Real Estate Team Operates from Five Offices

Needs update

## Russell Investments Real Estate Team Offices

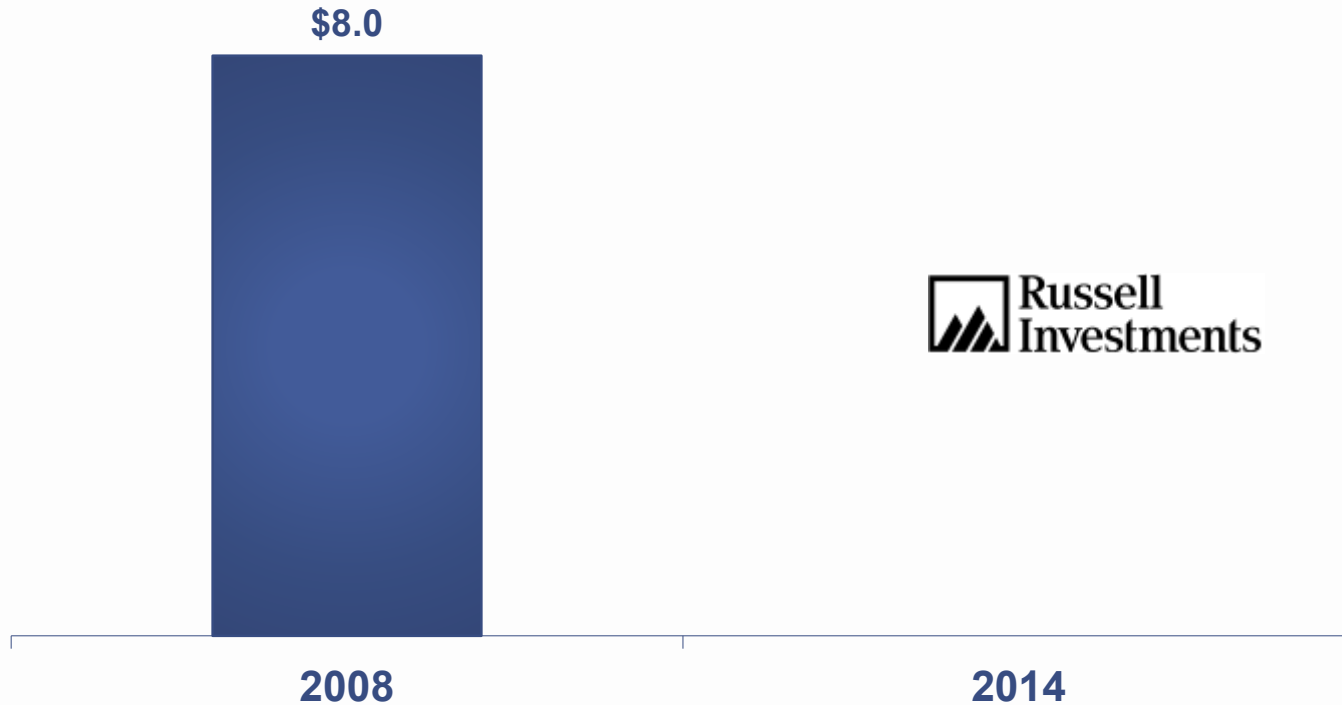


Source: 1/28/09 Russell Website; Tiburon Research & Analysis

# Russell Investments Has \$8.0 Billion Assets Under Management in Real Estate Strategies

Needs update

## Russell Investments Real Estate Assets Under Management (\$ Billions)



# Russell Investments Offers Multi-Manager Real Estate Funds

Began offering  
in 1988

## Comments

- --



Source: 1/28/09 Russell Website; Tiburon Research & Analysis

# Russell Investments' Fifth Business is Investment Services

## Comments

- --

Implementation services

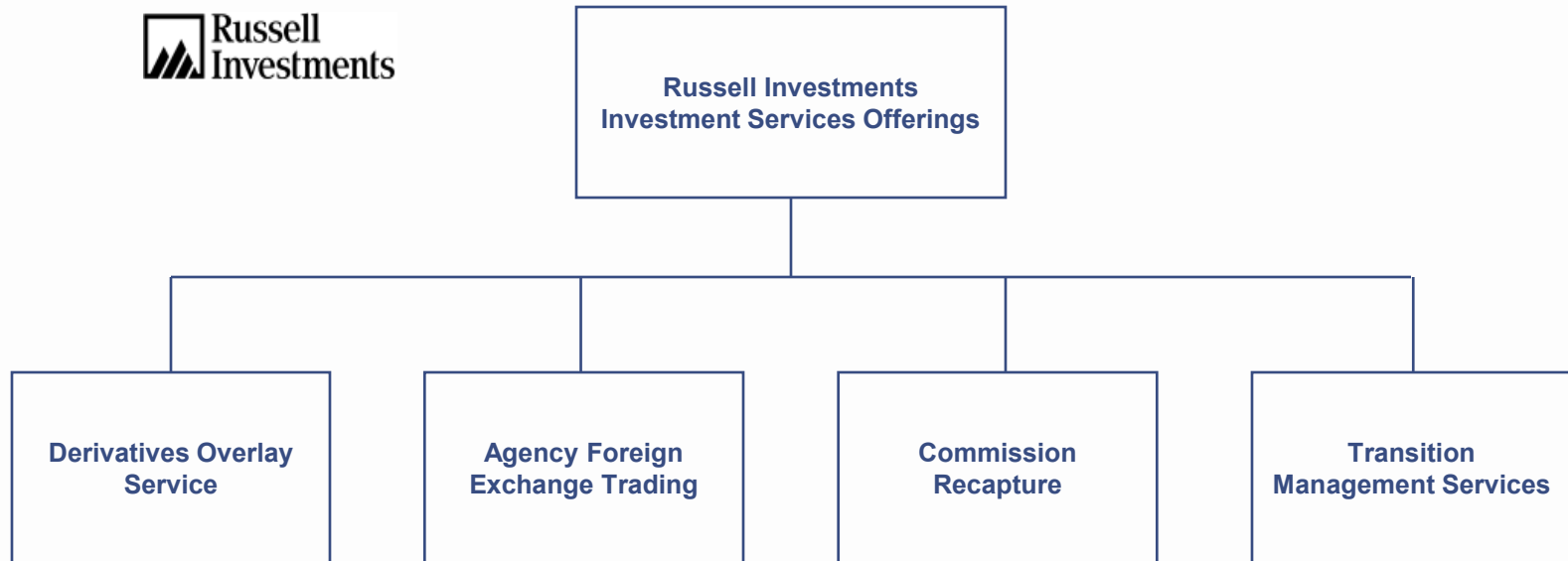
Short-term asset management

Traded \$1.4 trillion in 2010 through implementation services business



Transaction management; derivatives overlay; & foreign exchange

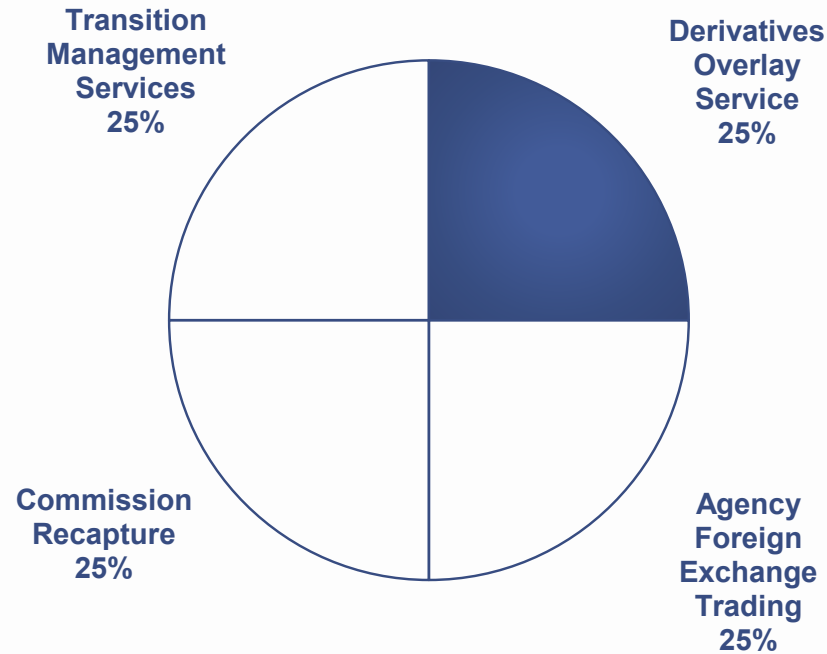
## Russell Investments Investment Services Offerings



# Russell Investments' Investment Services Offering Generates Revenues

Needs data

## Russell Investments Investment Services Offering Businesses Revenue By Business



# **Russell Investments' Investment Services' First Service is its Derivatives Overlay Service**

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## **Comments**

- --



# Russell Investments' Investment Services Uses its Derivatives Overlay Platform to Find Instances of Slippage within Portfolios



Comments
<ul style="list-style-type: none"><li data-bbox="664 391 741 414">• --</li></ul>

# Russell Investments' Investment Services Uses Derivatives to Manage Beta Exposures Associated with Portable Alpha Strategies

Helps determine best instruments to use for strategies; usually futures, swaps, or a combination

## Comments

- --



# Russell Investments' Investment Services' Derivatives Overlay Allows Investors to Offset Interest Rate Risks Synthetically

## Comments

- --



# Russell Investments' Investment Services' Second Service is Agency Foreign Exchange Trading

## Comments

- --



# ***Russell Investments' Investment Services' Third Service is Commission Recapture***

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## **Comments**

- --



# ***Russell Investments' Investment Services' Commission Recapture Does Not Have an Internal Trading Desk for Fear of Conflicts of Interest***

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## **Comments**

- --



***Russell Investments' Investment Services' Commission Recapture Provides Customizable Monthly Performance Reporting through Client Link***

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**Comments**

- --



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Source: 1/28/09 Russell Website; Tiburon Research & Analysis

# ***Russell Investments' Investment Services Has Saved its Clients \$1.0 Billion Since 1969 through Commission Recapture***

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## **Comments**

- --



# Russell Investments' Investment Services' Fourth Service is its Transition Management Service

## Comments

- --



# ***Russell Investments' Investment Services' Transition Management Service Utilizes the T Standard for Performance Measurement***

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## **Comments**

- --



# Russell Investments' Sixth Business is Russell Retirement Services

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## Comments

Recently hired 12 wholesalers national to increase distribution through banks

Much of this is in turmoil?


- --



# ***Russell Investments' Russell Retirement Services Offers Defined Benefit and Defined Contribution Plans***

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## **Russell Retirement Services Offerings**

<b>Defined Benefit</b>
<ul style="list-style-type: none"><li>• --</li></ul> 

<b>Defined Contribution</b>
<ul style="list-style-type: none"><li>• --</li></ul>

# Russell Investments' Russell Retirement Services' First Offering is Defined Benefit Plans

How relate investment consulting business?

## Comments

Core part of IM&R business assets under management

- --



## **Russell Retirement Services Defined Benefit Tools**

Add history  
point?

### **Asset & Liability Studies**

- --

### **Russell Pension Navigator**

- **Web-based tool for managers to better grasp assets & liabilities**
- **Accessed through Client Link portal**
- **Updated version release in 2006**
  - **Allowed managers to run hypothetical scenarios & forecast impact on corporate policy and the balance sheet**

### **Russell Road Map**

- --



Isn't Union Pacific an investment consulting client?

## **Russell Retirement Services Russell Pension Navigator Clients**

• --

• --

• **Union Pacific Corporation**



# Russell Investments' Russell Retirement Services' Second Offering is Defined Contribution Plans


Functions as record keeper & investment manager

## Comments

- --



## **Russell Retirement Services Defined Contribution Plan Options**

<b>Multi-Manager Funds</b>	<b>Balanced Funds</b>	<b>Target Date Funds</b>	<b>Customized Solution</b>
• --	• --	• --	• -- 

## Comments

- --



# Russell Investments' Russell Retirement Services Believes that 401k Plans are Undergoing a Fundamental Change from a Wealth Management Vehicle to One of Income Replacement



## Comments

- --

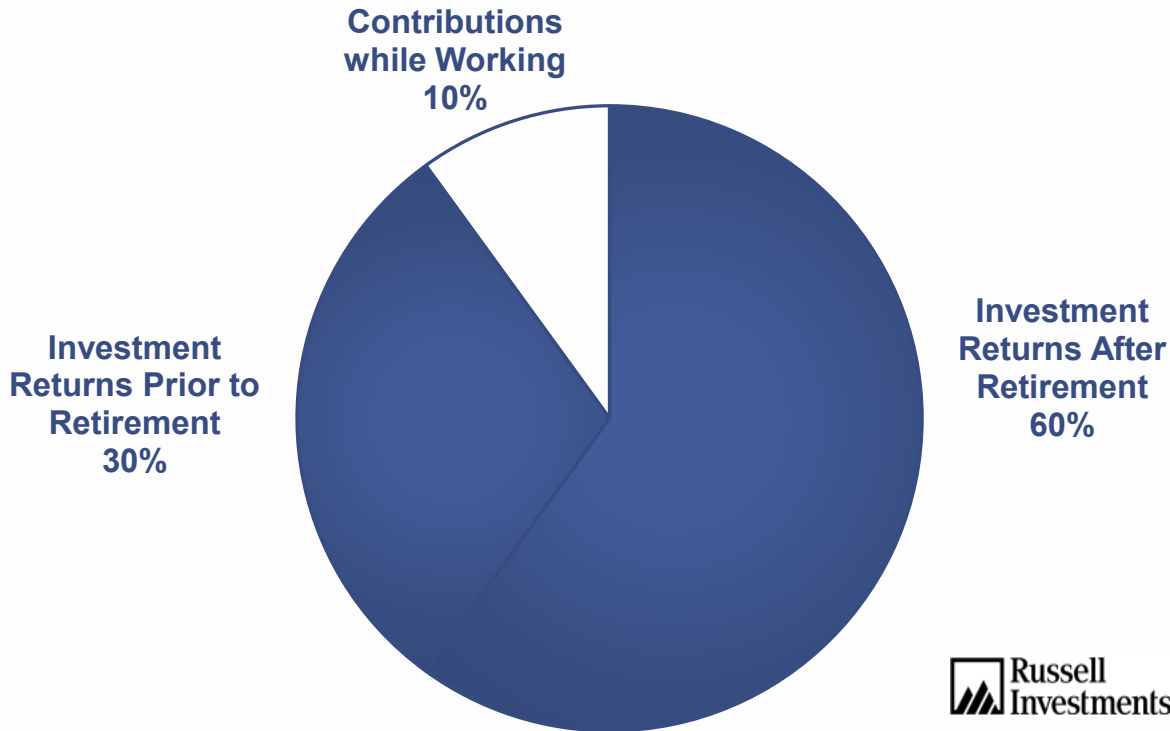
Institutional markets history Point?

Released a study stating that 90% of retirement income is from investment returns while two-thirds of investment returns are earned during, not prior to, retirement

Challenges conventional belief that retirement income is derived predominantly from savings and returns accumulated during working years

Not profile page

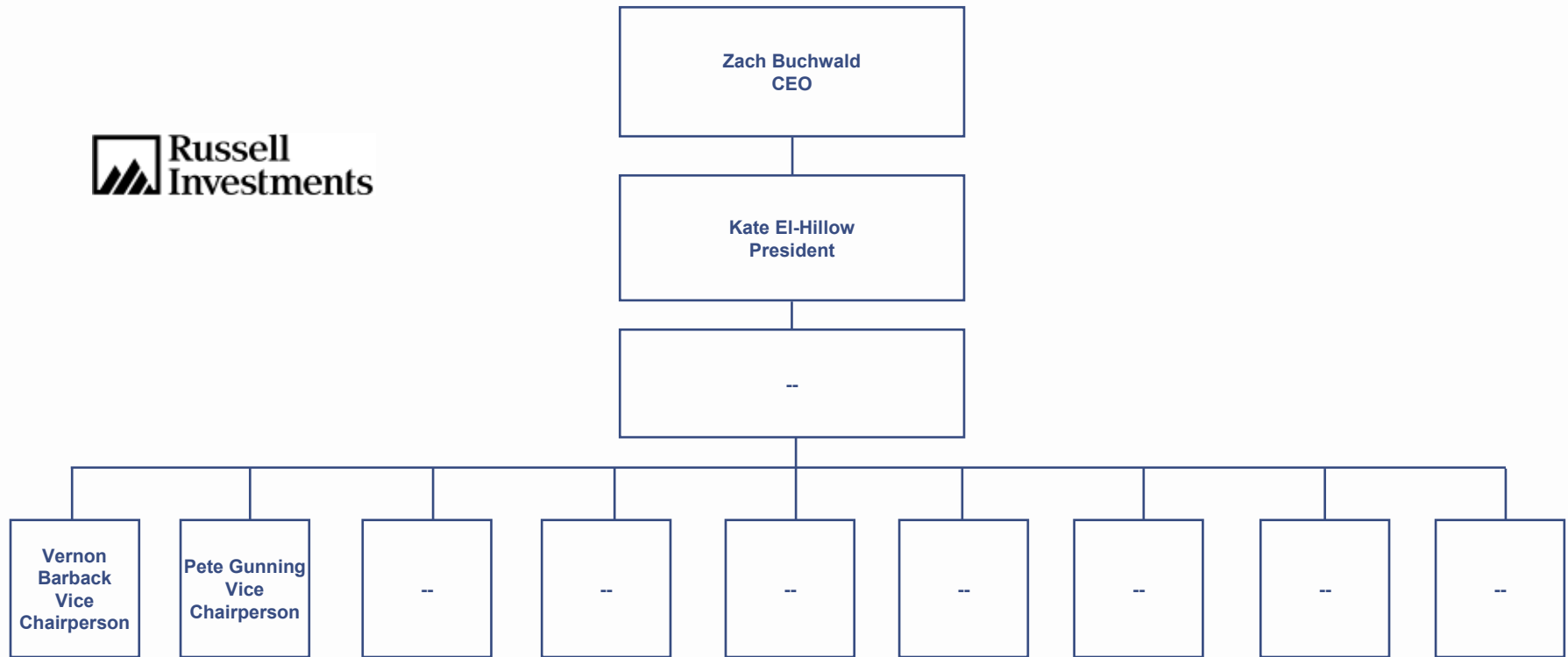
## Russell Retirement Services Retirement Income Study Retirement Income By Source



# ***Russell Investments is Led by its CEO Zach Buchwald and President Kate El-Hillow***

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## **Russell Investments Organizational Chart**




*Note: Zach Buchwald joined the firm in 2023; he was formerly at Blackrock & Morgan Stanley; Kate El-Hillow joined the firm in 2021; she was formerly at Goldman Sachs Group & JP Morgan Chase & Company; Vernon Barback joined the firm in 2016; he was previously at Alt& Partners, GlobeOp Financial Services, Citigroup Asset Management*

*Source: Tiburon Research & Analysis*

# Russell Investments' Board of Directors is Led by its Chairman Zach Buchwald

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## Russell Investments Board of Directors

<p><b>Zach Buchwald (Chairman)</b></p>	<p>--</p>	<p>--</p>	<p>--</p>	<p>--</p>
<ul style="list-style-type: none"> <li>• CEO, Russell Investments</li> <li>• Joined Board in 2023</li> </ul>	<ul style="list-style-type: none"> <li>• --</li> </ul>	<ul style="list-style-type: none"> <li>• --</li> </ul>	<ul style="list-style-type: none"> <li>• --</li> </ul>	<ul style="list-style-type: none"> <li>• --</li> </ul> 

Source: Tiburon Research & Analysis

# Russell Investments is Privately Owned

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Comments
<ul style="list-style-type: none"><li data-bbox="666 406 743 428">• --</li></ul>

# Russell Investments Has Assets

Needs data

## Russell Investments Assets (\$ Millions)



2024 2025

Source: Tiburon Research & Analysis

# Russell Investments Has Liabilities

Needs data

## Russell Investments Liabilities (\$ Millions)



2024 2025

Source: Tiburon Research & Analysis

# Russell Investments Has Shareholders' Equity

Needs data

## Russell Investments Shareholders Equity (\$ Millions)



2024 2025

Source: Tiburon Research & Analysis

# Russell Investments Earns ... Per Share

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Needs data

## Russell Investments Earnings Per Share



2024 2025

Source: Tiburon Research & Analysis

# Russell Investments Declares ... Dividends Per Share

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Needs data

## Russell Investments Dividends Per Share



2024 2025

Source: Tiburon Research & Analysis

# Russell Investments Has a ... Dividend Yield

Needs data

## Russell Investments Dividend Yield



2024 2025

Source: Tiburon Research & Analysis

# Russell Investment's Stock Price is ...

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Needs data

## Russell Investments Stock Price



2024 2025

Source: Tiburon Research & Analysis

# Russell Investments has Shares Outstanding

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Needs data

## Russell Investments Shares Outstanding



2024 2025

Source: Tiburon Research & Analysis

# Russell Investments Market Capitalization is ...

Needs data

## Russell Investments Market Capitalization (\$ Millions)

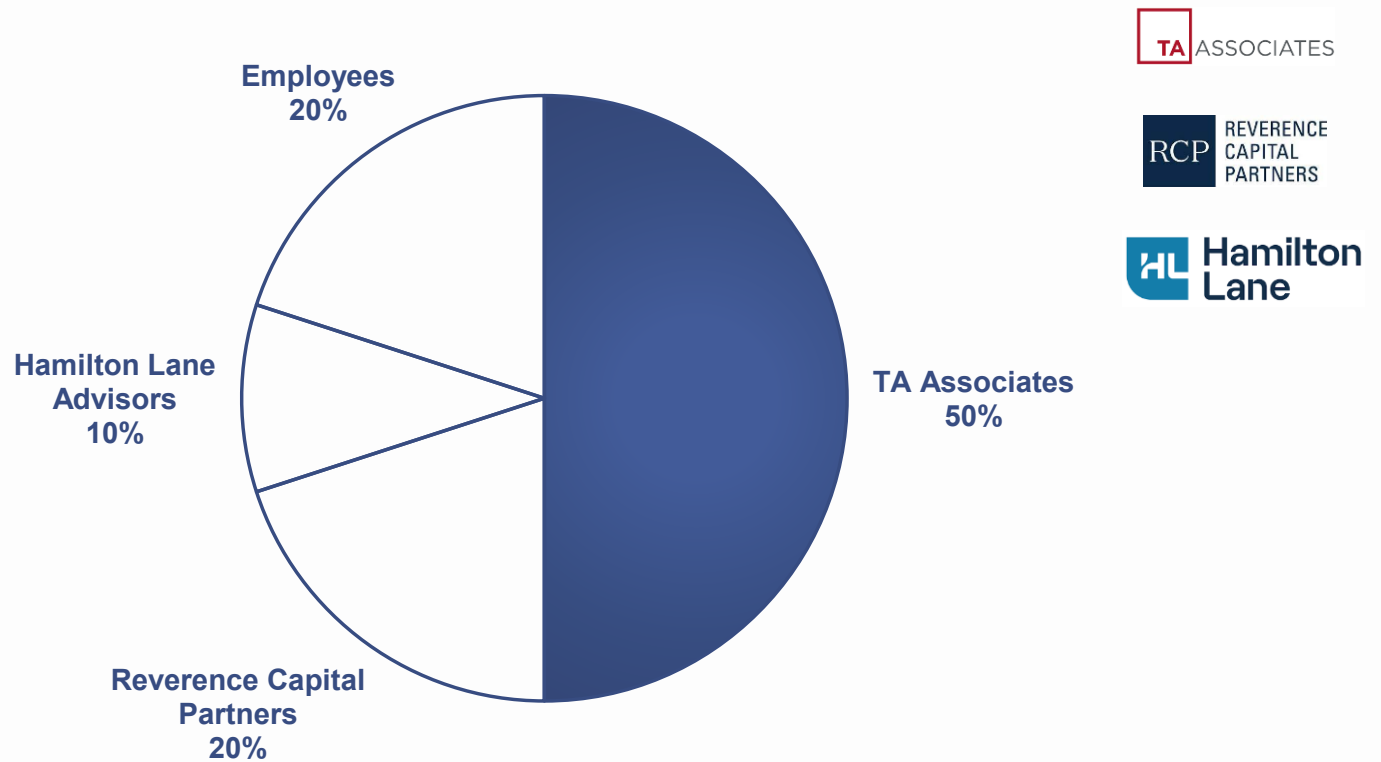


2024 2025

Source: Tiburon Research & Analysis

# Allspring Group Holdings is Owned by TA Associates, Reverence Capital Partners, Hamilton Lane Advisors, and Employees

## Russell Investments Ownership By Owner



Source: Tiburon Research & Analysis

# Russell Investment's Stock Volume is....

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Needs data

## Russell Investments Stock Volume



2024 2025

Source: Tiburon Research & Analysis



**TIBURON STRATEGIC ADVISORS**

Industry Leading Think Tank, Advisor, and Investor in  
Wealth & Investment Management (& WealthTech) Firms