CR Program Responsibilities

There are 4 key players involved in a commission recapture (CR) program and each player has different responsibilities.

Client Responsibilities

- Work with Russell to establish appropriate participation targets for each of your managers; prepare and send CR instruction letters to each of your managers annually; monitor manager participation vs. targets.
- Notify Russell of changes to your plan(s) (i.e., manager hires/terminations, custodian and plan name changes).
- Ensure that managers are clear that their participation in CR is important to you.
- Review CR statements provided by Russell.

Russell Responsibilities

- Work with client to establish appropriate participation targets for each of your managers; prepare and send CR instruction letters to each of your managers; monitor manager participation vs. targets for exclusive clients.
- Notify clients and investment managers of program changes (i.e., broker network additions/removals).
- Send client CR statements and payments or pay bona fide fund expenses with commissions generated.
- Reconcile incoming trade detail activity reported by brokers and managers.
- Send monthly statements to brokers and managers; facilitate resolution of discrepancies.

Manager Responsibilities

- Clearly communicate to brokers that CR is part of the service mix that you wish to purchase on your client's behalf.
- Establish CR accounts with participating brokers.
- Route the requested percentage (i.e. 25%) of the equity commission as instructed by your client through Russell's Network of Brokers. Designate which trades are to "Credit Russell" at the point of allocation.
- Send monthly CR trade detail file in Excel to Russell and the executing brokers used.
- Review monthly statement provided by Russell. Work with Russell and broker(s) to resolve discrepancies.

Broker Responsibilities

- Send a daily and/or monthly trade file with corresponding payment to Russell.
- Review monthly CR trade detail file provided by the manager; research and resolve discrepancies.
- Research and resolve missing trades and cancel misdirected trades upon receipt of the monthly statement provided by Russell.

For more information contact Russell's commission management team at (800) 426-8118 or CR@russell.com.

Disclosures

Russell Investment Group is a Washington, USA corporation, which operates through subsidiaries worldwide, including Russell Investments, and is a subsidiary of The Northwestern Mutual Life Insurance Company.

This material is a product of Russell Implementation Services Inc., a registered investment advisor and broker-dealer, member FINRA, SIPC.

Commission Recapture services are provided by Russell Implementation Services Inc.

First used: January, 2010.

RIS RC - 0665