

A specialist investment service for DB Pension Schemes

A guide for pension trustees





Meeting your goals together

At Russell, we understand the pressures affecting trustees in meeting the objectives of your pension fund.

We know that many of you will be concerned about the efficiency of your investments and their ability to fund pension liabilities now and in the future.

Russell Investments has a wealth of experience in this sector and we can help you develop a cost efficient investment solution with the help of your adviser.

Our aim is to help you improve performance and reduce risk through a sophisticated mix of investments and to help you meet the retirement needs of your members.

Recognition of our expertise in multi manager investment solutions



Manager of Managers of the Year 2010

Global Pensions magazine has named Russell the 2010 Manager of Managers of the Year. This is the fourth time in five years that Russell has won the award.



Multi Manager of the Year 2010

Professional Pensions magazine named Russell the winner of the "Multi Manager of the Year" in their 2010 UK Pensions Awards.

Russell Investments the inside story...

Russell Investments is one of the world's foremost investment companies specialising in the provision of multi manager investment funds.

Our purpose is to improve the financial security of our clients by providing sophisticated investment products supported by our commitment to detailed research and analysis of investment markets. As at September 2010 we managed approximately £95bn of investments on behalf of clients worldwide.

Founded in 1936 in Washington State, USA, Russell now services clients in more than 37 countries and has offices in most of the major financial centres of the world. We work with individuals, companies, charities and government organisations to help them grow their wealth for the future.

In the UK, we work closely with the adviser community to help them provide suitable investment solutions for their Pension Scheme clients.

Some of the world's most well-known organisations depend on our expertise to help them build long-term financial security for their businesses and their employees.

Our London office was opened in 1979 and we are recognised as a leader in multi manager investment solutions for institutional clients – helping company pension schemes implement sophisticated investment solutions to meet the retirement needs of their members.

Today, Russell is able to use this expertise, developed through working with some of the most demanding and sophisticated institutional investors both in the UK and globally, to provide a bespoke service to pension scheme trustees and their advisers.



Round the world expertise

When you invest in Russell, you're in good company. We direct the investments of some of the world's largest investors.

Toyota	Bill & Melinda Gates Foundation	Caterpillar	Compass Group
NCR Pension Plan UK	Mitsui Chemical Co, Ltd	Alcoa	Toshiba
Mitsubishi Electric	Scottish Widows/Lloyds TSB	Fuji Electric	J Sainsbury
Tokyo Electric Power	Lombard International Insurance	AT&T, Inc.	Boeing
Civil Aviation Authority	Coca-Cola Bottling Co.	CHS Inc.	NEC
Federal Express Canada Limited	Barclays Bank (UK Retirement Fund)		

Representative client list as of 02/2010. Clients may use us for a variety of different services. The identification of these clients does not constitute an endorsement or recommendation of Russell's products or services. Performance-based data was not used in selecting listed clients.





A bespoke service for pension scheme trustees

For many years Russell Investments has provided a range of services to institutional pension schemes.

Today, we work with many large companies worldwide to help them achieve their funding objectives. The level of service we provide depends on the complexity of the scheme's liabilities and their funding levels in tandem with the overall size and scope of the scheme. We offer:

Investment Management – Providing a full investment management solution encompassing asset allocation strategies and money management services to meet liability driven solutions.

Our solutions offer well diversified portfolios that spread investment risk across multiple asset classes and aim to provide additional stability.

Implementation – Efficient implementation of investment strategies with the aim of reducing costs and aim to maximising returns.

Consultancy – For some of our larger institutional clients we provide dedicated advice regarding their investment strategy. For this service we will be working closely with your existing adviser.

We've combined the fundamentals of our knowledge and experience into a cost effective package that can still be tailored to meet the individual needs of different pension funds.

Working with you and your adviser, we can help you implement a pension solution that combines efficient, low cost administration with the latest industry knowledge and investment best practice.

We can take the recommendations from your actuarial report and create a sophisticated investment solution that aims to optimise portfolio construction taking into consideration your current and future liabilities. We'll present you and your adviser with a choice of portfolio recommendations that offer the potential for a reduction in investment risk or the potential for improved performance over the longer term compared to your current portfolio.

Your adviser will be able to talk you through the options and help you find the best solution for the needs of your pension scheme.

The service promoted within this brochure presents investment solutions based only on the IM Russell ICVC Fund range. More information about these funds can be found in the Principal Prospectus and Simplified Prospectus which are available from Russell Investments.



Russell's analytical approach to investment

At Russell we use our primary research skills to scour the global market with the aim of finding some of the very best investment opportunities for our clients.

We use the findings from this research to help us develop sophisticated investment products that combine the skills of several investment managers – all of them amongst what we believe are the very best in their field – in a range of multi manager investment funds.

For defined benefit pension schemes, we aim to provide a range of investment strategies with the potential to improve performance and reduce risk over the longer term - typically 10 years or more – based on our own analysis of global capital markets.

Of course, the IM Russell ICVC funds are still influenced by global events and financial trends both

positively and negatively. But, by blending different assets and different management styles that perform independently to each other, we are able to create portfolios that have the potential to reduce volatility and provide more predictable returns.

We believe that for pension scheme trustees, this approach to investment management is one of the most important factors to consider when attempting to manage future and current liabilities.

Working with your adviser, you remain in control of the decisions regarding your overall investment strategy and can tap into Russell's global expertise to suit your investment objectives.

The benefits to you:

Tailored investment solutions that consider the funding requirements of your scheme based on current and future liabilities.

Portfolio recommendations which aim to reduce risk and improve performance.

A truly independent investment process backed up by Russell's in depth research and analysis.

Access to what we believe are some of the best investment managers in the world as rated by Russell analysts – not just those available through mainstream investment funds.

The potential for a fully diversified portfolio – across different assets, regions and investment managers.

Continued support and maintenance of your investment portfolio – we constantly look at the performance of the fund managers we use in our funds and change them if we feel there is a better option.

Why multi manager?

Russell Investments is recognised as a specialist in sophisticated multi manager investing and we feel strongly that this strategy is suitable to meet the needs of a wide range of clients.

We apply a disciplined, research driven approach which, we believe, allows our clients to benefit from more consistent, long-term performance with lower levels of risk than a single manager alternative.

We can help explain the benefits of a multi manager approach to investment by comparing the difference in performance between the decathlon champion and the individual champions in each event.

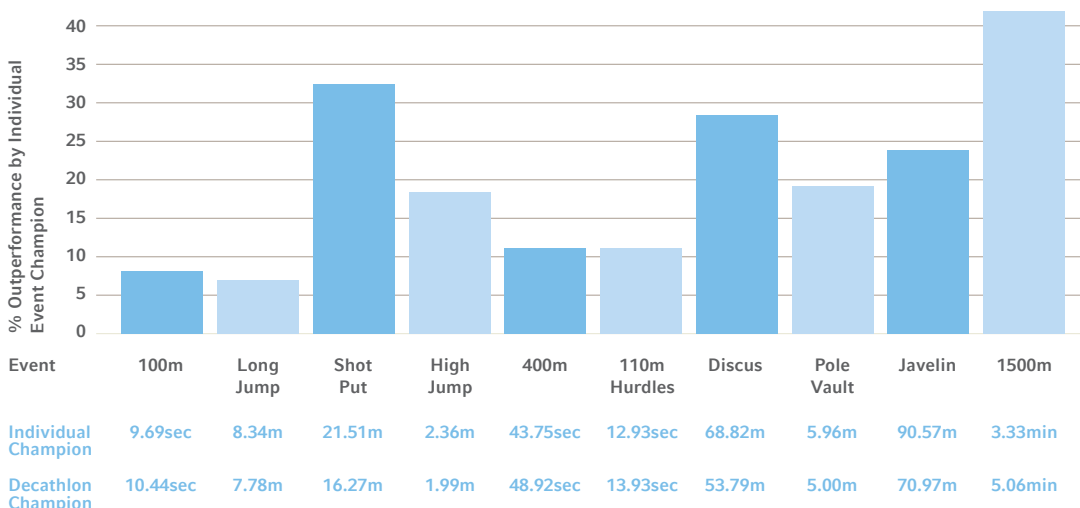
Whilst the decathlon champion is obviously an all round athlete performing at an extremely high standard across ten different disciplines, they are frequently beaten by specialists in each of the individual events. The table below compares the performance of Bryan Clay, Decathlon Gold Medallist at the 2008 Beijing Olympics against the individual gold medallists in each of the ten disciplines.

We think this sporting analogy helps explain Russell's aim to identify the best investment managers from around the world.

While investing with a generalist investment manager who can provide exposure to different markets may give you a good return, finding the best individual performer in each of those markets may provide a much better return with lower risk.

And, just like the world of athletics, those individual champions can easily change from year to year. Russell attempts to find the next champions through carefully monitoring a large number of investment managers from around the world.

Specialists outperform generalists



The more you know, the better your investment process

At Russell, we like to think that we look further and deeper than most other investment companies in order to help us make wise investment decisions. In fact, according to a 2010 FundFire survey, Russell has the most thorough due diligence process in the investment consulting industry.

There are two separate elements to our research:

Capital Markets Research – this is our term for looking at what’s going on generally around the world to help us discover more favourable investment opportunities.

Our global team of economists monitor investment markets around the world. They focus on macro-research, looking at economies, markets and industries and selecting those where we see the greatest opportunities for repeatable growth.

Manager Research – looking at the performance, process and techniques used by different investment managers to help us discover some of the very best investment potential from around the world.

We employ more than 200 investment analysts dedicated to finding, assessing and monitoring investment management teams globally. Our analysts aim to select those with an exceptional ability, strong track record, robust processes and complementary skills.

This double layer research provides us with invaluable insights and analysis which helps us build efficient portfolios based on a robust investment process.

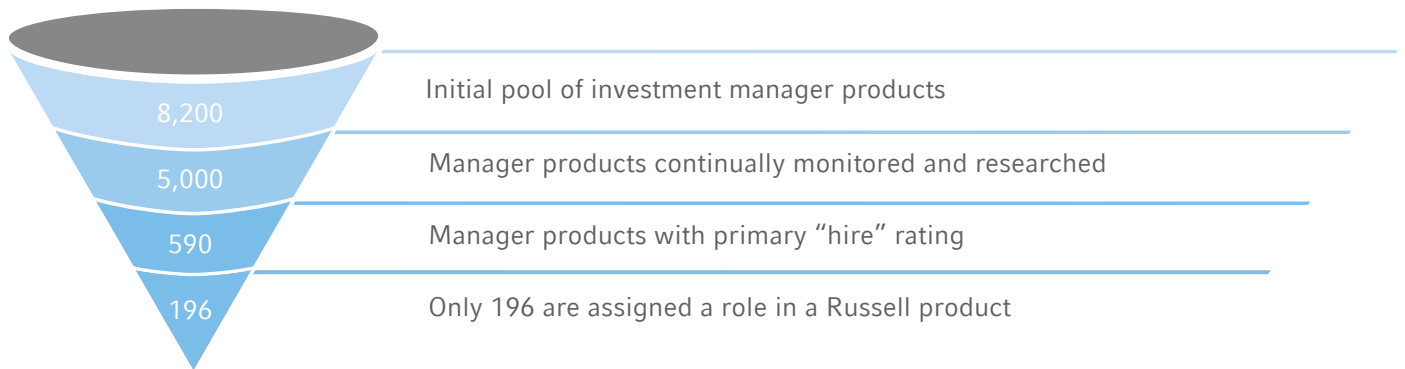




Access over 40 years of manager research

The Russell process uses both qualitative and quantitative methods to help us identify what we believe are some of the world's best investment managers. From a global pool of 8,200 investment manager products that we researched, only 196 were selected for specific assignments (during September 2008 to September 2009).

The Russell research funnel



For illustrative purpose only. These figures may vary from year to year.





Helping you create the perfect partnership

We appreciate the relationship you have with your adviser.

They understand your needs and requirements and they are in the best position to provide you with ongoing advice about your investment solution.

Your adviser will be able to talk to you about any changes in legislation and policy, update you about market developments and help you monitor the performance of your investment portfolio.

We'll work closely with your adviser to make sure we understand your requirements and to help us implement the most appropriate investment solution for your pension scheme.

Using the scheme's actuarial report, we'll develop an investment proposal based on the unique circumstances of the scheme with a range of suggested investment solutions.

We'll aim to implement a strategy that meets your funding requirements whilst optimising for both risk and return. Based on the recommendations from your adviser we can implement the chosen strategy on your behalf.

We'll manage the portfolio to keep it on track and report to you annually on performance.

If you would like to find out more and arrange for a review of your investment needs, please speak with your adviser.





For more information about Russell Investments' approach to multi manager investing, please contact your financial adviser.

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