

We look deeper, we go further

A guide to our research based
investment process for UK retail investors



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.

Many of the world's most successful 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, for the benefit of individuals and their families.

Recognition of our expertise in multi manager investment solutions



Manager of Managers of the Year 2011

Global Pensions magazine has named Russell the 2011 Manager of Managers of the Year. This is the fifth time in six 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.

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 – many responsible for billion-dollar portfolios.

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.



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 multi manager investment products that combine the skills of several investment managers – all of them amongst the very best in their field.

For retail investors in the UK, we provide a range of highly diversified model portfolios that spread investment risk across multiple assets, multiple geographic regions and multiple investment manager styles. More information about these products is available from your financial adviser.

The model portfolios are designed to meet the needs of a wide range of clients and cater for different attitudes to risk. Due to their construction, they aim to deliver more consistent performance over time with lower risk when compared with less diversified solutions.

Working with your financial 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:

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

Access to some of the best investment managers in the world – 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 review the performance of the investment managers we use 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.

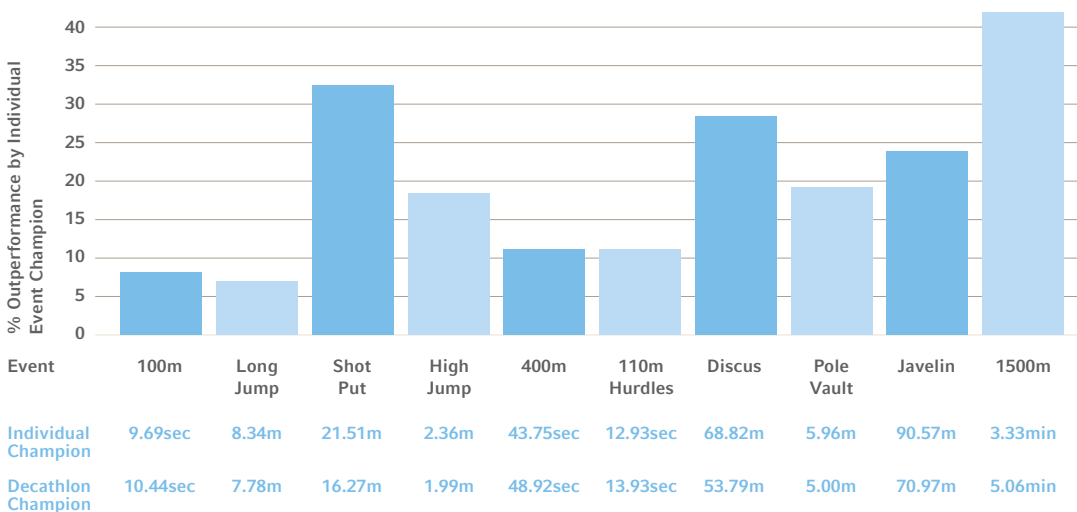
Whilst the decathlon champion is obviously an all round athlete performing at an extremely high standard across ten different disciplines, they are frequently beaten by specialists in each of the individual events. The table below compares the performance of Bryan Clay, Decathlon Gold Medallist at the 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 2009 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.

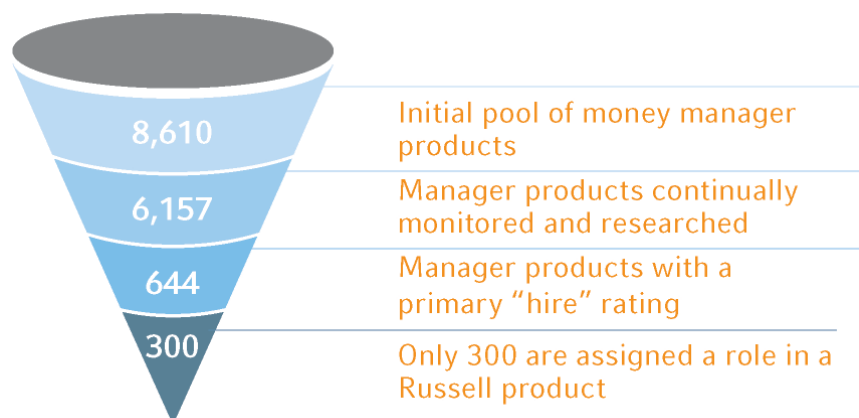
Our global team of economists monitor investment markets around the world. They focus on macro-research, looking at economies, markets and industries and selecting those where we see the greatest opportunities for repeatable growth.

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.

The Russell research funnel

The Russell process uses both qualitative and quantitative methods to pick some of the world’s best investment managers. From a global pool of 8,610 investment manager products that we researched, only 300 were selected for specific assignments (during September 2009 to September 2010).



For illustrative purpose only as at 31 December 2010. These figures may vary from year to year.

Investing with Russell starts here

We appreciate the value of professional financial advice to individuals.

The global investment market can be difficult to understand even at the best of times. The choice of different products and services that are available can be overwhelming and your adviser is the best person to help you find the most suitable solution to meet your particular needs.

Only by undertaking a full and thorough review of your financial affairs, assessing your objectives and understanding your attitude to risk can your adviser make a meaningful assessment of your needs and requirements.

We can help by providing a robust and tested investment solution that aims to find some of the best opportunities in the world.

For this reason, Russell only distributes its products through financial advisers. So if you would like to find out more about the specialist investment products available from Russell Investments, please contact your financial adviser.



INVESTED FOR

75
YEARS



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

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