VALUE

Russell Investments

Embrace the possible™

2020 Value of an Adviser Report

How can financial advisers amplify their value?

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This report quantifies the value an adviser provides throughout a client's investing journey.

The Value of an Adviser formula offers a memorable and repeatable framework for advisers to have a client conversation with confidence.

Executive summary

At Russell Investments, we recognise the difference a great adviser can make to their clients' lives and are committed to helping advisers reach their business goals.

This annual report looks holistically at the real value advisers deliver for their clients—from the knowledge and expertise required to help clients implement appropriate portfolios, to the support they provide when market conditions change. Advisers also offer a range of additional wealth management services such as tax and estate planning.

2020 has no doubt been a year of significant disruption and change.

The COVID-19 pandemic has triggered economic and social impacts and caused us to change the way we work, live and connect.

However, through the impacts and restrictions many people have also acknowledged the 'silver linings' such as deeper community connection, the benefits of a slower pace of life and resetting personal priorities.

In this 2020 report, we discuss how advisers have played an important role during this period and will continue to be essential in providing valued support, guidance, perspective and connection – far more than just investment advice. We acknowledge that the value of a quality advice relationship is about maintaining a long perspective.

Helping clients achieve their financial and personal goals is about making the right decisions in the short-term and providing a steady hand in times of panic and crisis.

It is vital that advisers are proactive in their response now and into the future and are equipped to manage client conversations with confidence, especially the difficult ones. In these times, advisers need to amplify their value and our goal is to help them do this.

In this 2020 report, we have examined the various components of an adviser's value proposition and estimated that advisers deliver value of at least 5.2% or more every year to their clients beyond investment-only advice.

By demonstrating to clients how this value exceeds the fee charged, advisers can improve client engagement and satisfaction in a time of extreme market uncertainty, continued focus on advisory fees and natural customer scepticism about delivered value.

For many advice businesses, clients are their most persuasive advocates, so articulating the tangible benefits of advice to clients is essential. By looking at the full value equation of an adviser's services—asset allocation, preventing behavioural mistakes, financial expertise, additional wealth management services and tax-effective investing—advisers can clearly demonstrate the value they deliver.

Introduction

Following several regulatory reviews, it's no surprise that fees and trust are top-of-mind for many investors. For advisers it can be difficult to explain what goes on behind the scenes to prepare, deliver and implement advice. This report is designed to make it easier for advisers to demonstrate this to their clients.

The ABCs of adviser value

The role of an adviser in coordinating a client's wealth management needs by assisting with the accumulation, distribution, and transfer of wealth can be complex.

We aim to quantify not just the technical capabilities an adviser provides, but also the emotional support and guidance they offer throughout a client's investment journey.

A Appropriate **Asset allocation**

\+

B **Behavioural** mistakes

\+

C **Cost** of cash

\+

E **Expertise** in additional wealth management services

\+

T Tax-effective **investing**

> is greater than

Your fee
the up front and ongoing advice fee you charge clients

A	B	C	E	T
0.90%				

A is for Appropriate Asset Allocation = (0.90 % p.a.)

It can be tempting for investors to build their own portfolios, but this comes with its own risks. Investors could be making a fatal flaw in their portfolio design when it comes to setting an appropriate asset allocation to meet their investment objectives. Investors may not set the right investment strategy for their needs and they may lack the skills and/or time to research the many investment options available. There is also the added temptation to chase performance and over-react to market events.

In our recent research[1], we surveyed over 3000 non-advised superannuation members. We found that 67% of these members didn't know how their funds were invested or they relied upon the default option – ultimately investing based on an asset allocation that has no reference to their personal circumstances.

Research from Deloitte[2] shows that even those investors that are more engaged often experience a disconnect between their risk profiles and their return expectations. The study looked at the attitudes and habits of ASX investors finding that younger investors were, surprisingly, more risk-averse than their older counterparts. 81% of investors under 35 said they were seeking guaranteed or stable returns, compared to 41% of those aged over 55. In addition, 21% of the most risk-averse investors expected returns over 10%.

The role of an adviser is to help their clients articulate life goals, translate this into investment objectives and design the best possible investment strategy and portfolio recommendations within a level of risk that is appropriate. Helping the client understand the level of risk required and the implications of this risk is a critical ingredient in an advice conversation. Not taking sufficient risk can impact whether a goal is potentially achievable or not.

For example, let's look at average returns of Australian equity and bond portfolios over a 20-year period. If an investor held 70% of their portfolio in growth assets and 30% in defensive, their average annual return would be 9.0% over the 20-year period. If, however, they held just 30% growth assets and 70% defensive, they would achieve annualised returns of 8.1%.

In this case, if a younger investor had invested conservatively instead of in the growth option, they would have missed out on an average of 0.9% return every year for 20 years. On $100,000 invested, that's a significant difference of over $85,000 to the final return.

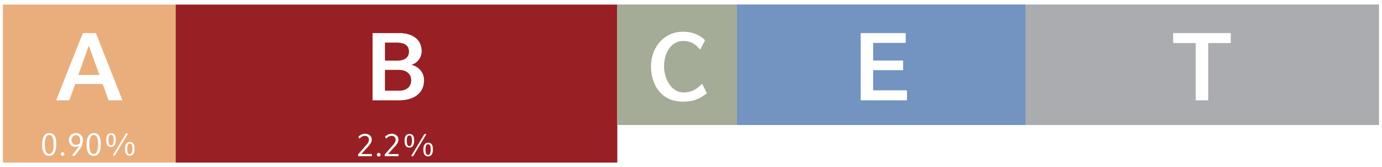
In addition to investment strategy, professional advisers bring the necessary skills to construct well-diversified portfolios, which is one of the most important contributors to long-term returns. Advisers provide important access to funds and strategies a client may not be aware of or able to access themselves. This includes the right active strategies to build growth, ensuring the total fees are appropriate and the portfolio is well diversified to manage risk.

> *What is clear from our analysis is that financial advisers have the potential to add significant additional value to an investor's portfolio over the long term by helping clients to work through their values, preferences and motivations from the outset. For investors who elect to proceed without advice, there can be a big price to pay for selecting the wrong asset allocation.*

	AVERAGE 10 YEARS OF ROLLING 20 YEAR RETURN (MAY 2011-MAY2020)	RETURN ON $100,000 INVESTED OVER 20 YRS
Australian Equities	9.7%	
Australian Bonds	7.4%	
30/70 Portfolio	8.1%	$472,689.62
70/30 Portfolio	9.0%	$558,500.10
Difference	0.9%	$85,810.48

Source: Russell Investments, , Australian equities: S&P/ASX 300 TR Index AUD, Australian Bond: Bloomberg AusBond Composite 0 Year Index AUD

[1] Russell Investments – Member research 2020
[2] Deloitte, Access Economics ASX Investor Study 2017



B is for Behavioural mistakes = 2.2%

Behaviour coaching is one of the most vital services an adviser provides. While there is strong evidence that portfolio value increases over time, investors can still feel compelled to react to short-term market volatility, which can undermine their long-term objectives.

The study of investor behaviour shows that many investors buy high and sell low. A trusted adviser, however, can guide investors to avoid these behavioural mistakes.

Investor behaviour during COVID-19

Financial markets reacted swiftly and significantly to a raft of health and economic policy measures globally and in Australia. During this period, we observed two types of investor behaviour:

The loss averse investor	When investors are so fearful of loss that they will focus on trying to avoid a loss rather than focusing on making gains
The overconfident investor	When investors have high conviction in their decisions despite taking into account the actual risk, return or impact

Both of these investor types largely represent individuals with no adviser relationship.

Investor behaviour 1 – the loss averse investor

Many super funds reported significant member activity with members de-risking or switching their investment option from portfolios with higher allocations to growth assets to options with predominantly defensive assets. There were also a large number of members switching entirely to cash. This activity didn't occur around 24 February when the market sell-off commenced with the ASX losing 2.5% and closed at 6,978 points. Many superannuation members were switching to cash or de-risking portfolios in mid-March when the ASX 200 was around 5530 points, just prior to its low on 17 March. This saw members sell and lock in some significant losses as a result. Those who held these positions, did not participate in the periods of swift market recovery. A short-term emotional decision based on the fear of loss, that could have a long-lasting impact on an investor's retirement savings.

To put this into perspective – imagine two members with a $250,000 superannuation balance that held a 70/30 portfolio such as the Russell Investments Balanced Fund on February 21 Feb.

Member A	sold to cash on 16th March
Member B	stayed invested throughout this period of volatility

Member A would have locked in losses of over $50,000 compared to Member B who benefited from the early market rebounds, recovering almost $20,000 already by only the end of May.

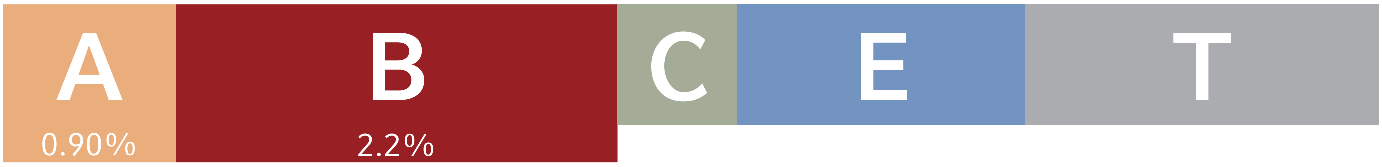
Investor behaviour 2 – the overconfident investor

During the peak of the COVID-19 crisis we saw increased activity from retail investors who actively sought out risk and engaged with the market, with little to no previous experience. This has been referred to as the rise of 'Robinhood' investors across various developed markets with retail share traders using commission discount or free broking platforms and apps, such as the investing and trading app Robinhood.

ASIC undertook research[3] regarding Australian retail investors trading during COVID-19 volatility and compared it to trading activity of a similar group six months prior to the pandemic. It found that there was a significant increase in the number of new retail investors in to the market and 140,000 new accounts – up by a factor of 3.4 times. These new retail investors were identified as being brand new accounts, set up during this period of volatility. This was in addition to the 142,000 dormant retail broking accounts that did not trade in the previous six months, but recommenced trading during the volatility.

ASIC found that trading frequency for account holders increased from an average of 4.5 days between trades, to one day between trades.

[3] ASIC Retail investor trading during COVID-19 volatility May 2020



How did the 280,000 new or reactivated accounts perform?

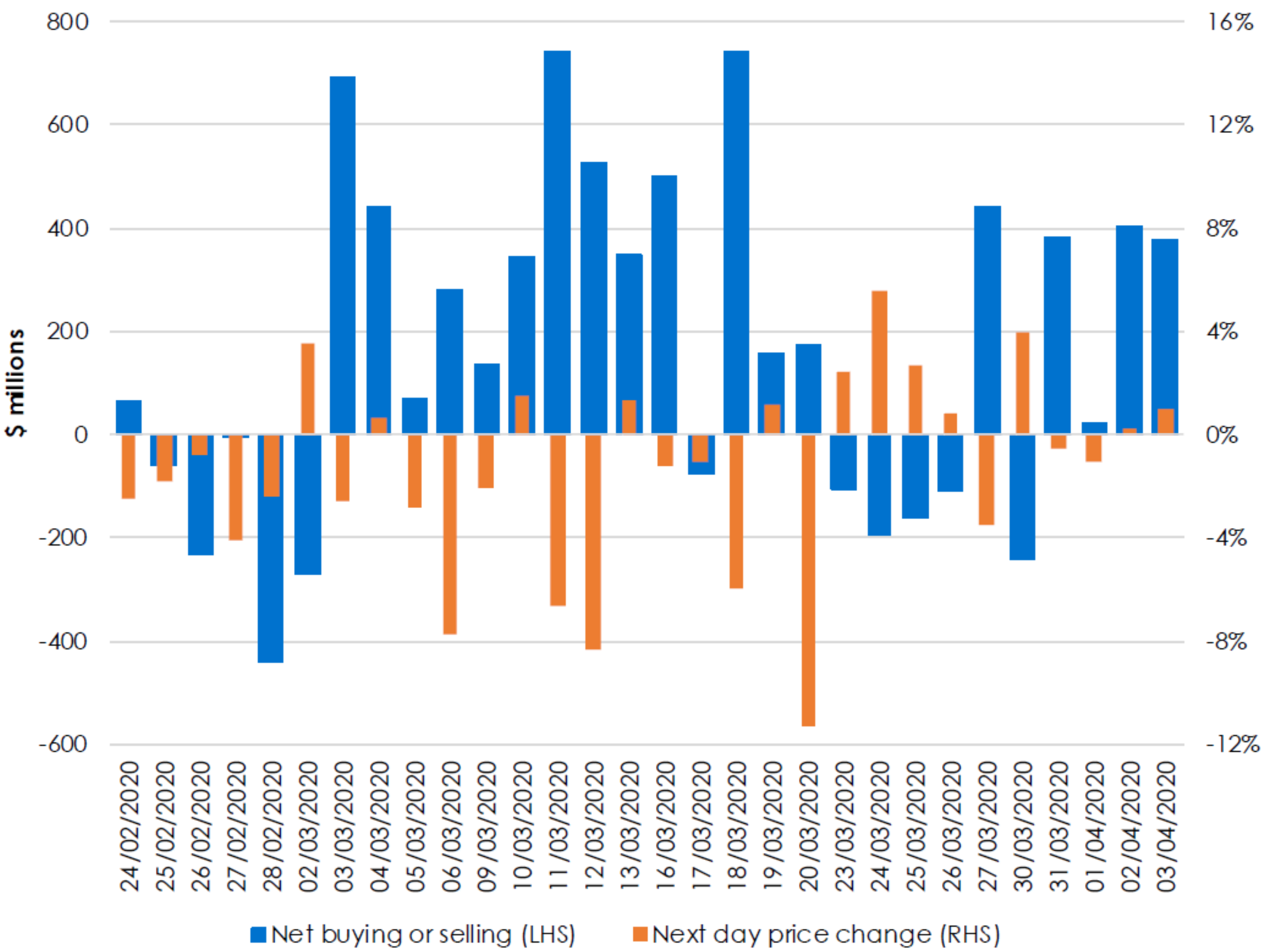
- For more than two thirds of the days on which investors were net buyers, their share prices declined the next day.
- For more than half of the days on which retail investors were net sellers, their share price increased over the next day.

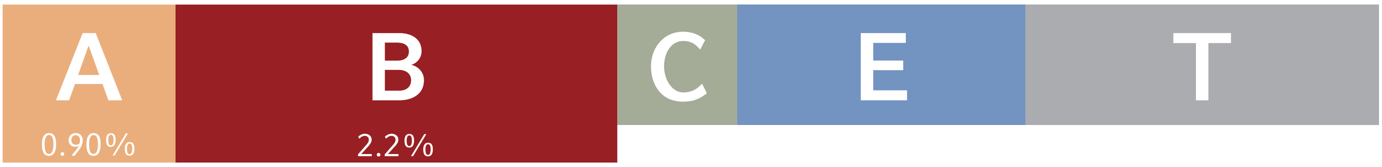
If all retail investors held their positions for only one day, total losses would have amounted to over $230 million.

The below chart highlights these findings – the net buying (or selling) by retail investors compared to the price drop (or increase) the following day was consistent and generally significant.

This overconfident investor behaviour of rapid buying and selling in times of volatility and in more complex and sophisticated vehicles, could have significant long-term impacts on an individuals' investment goals. Seeking professional financial advice can take the emotion out of making inexperienced investment decisions.

Figure 5: Net buying and selling activity and next day percentage price change—Focus period (24 February to 3 April 2020)





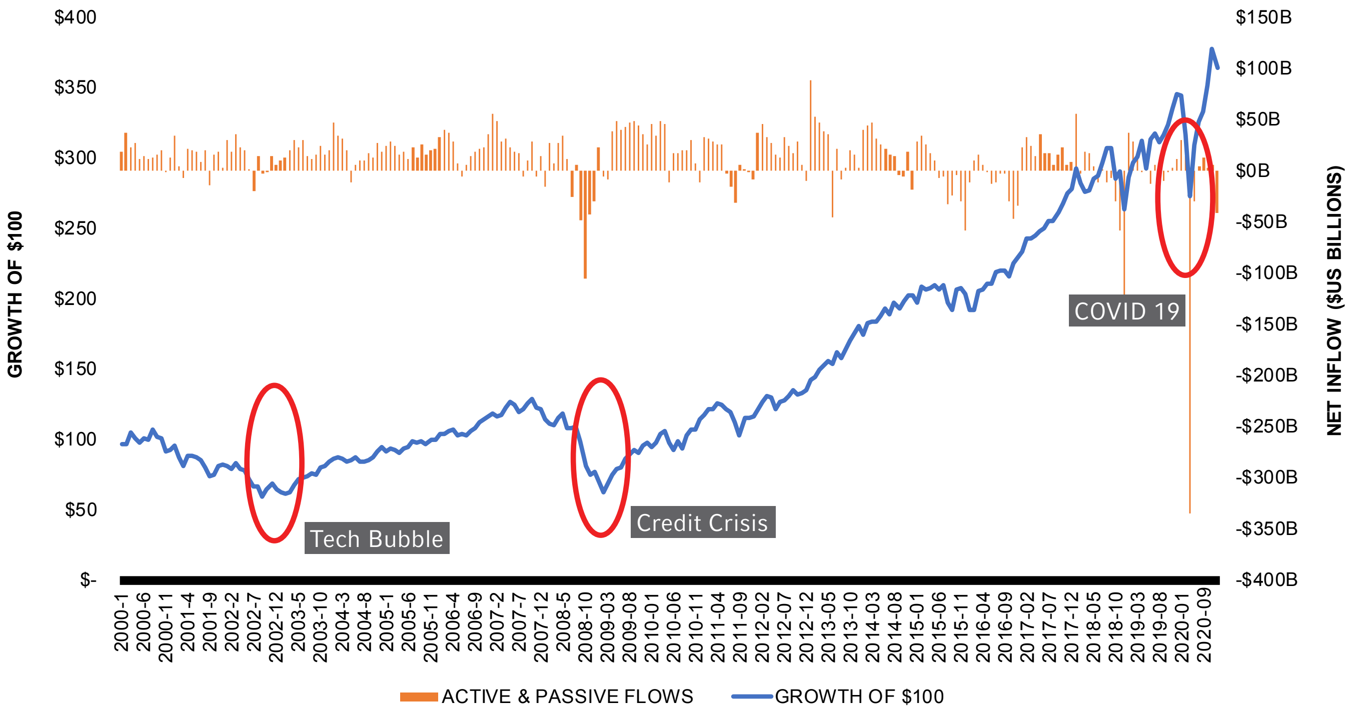
Investor behaviour over the longer term

This retail investor behaviour during COVID-19 volatility is not only seen for this specific window of time but also over the longer term.

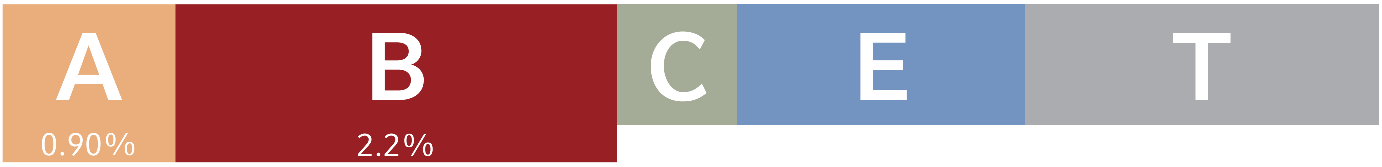
Based on our own US study analysis, the average equity investors inclination to chase past performance would have underperformed the Russell 3000 Index.

Recent proof of a "Buy High And Sell Low" Mentality

U. S. open ended mutual fund and passive ETF flows vs market flows



Data shown is historical and not an indicator of future results.
Sources: Monthly mutual fund, passive ETF flows and Russell 3000® Index, Morningstar, Direct
Data as of September 2020. Index performance is not indicative of the performance of any specific investment. Indexes are not managed and may not be invested in directly.



Statistically, the average stock-fund investor's inclination to chase past performance cost them 2.2% annually in the 34-year period from 1984–2020.

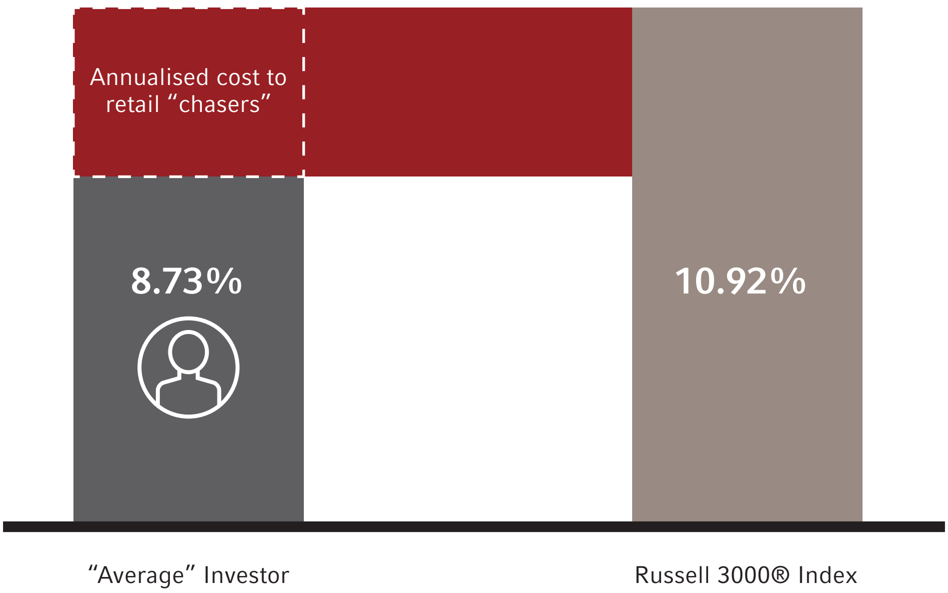
By working with an adviser, investors can become significantly greater than average. We believe an adviser's ability to help clients stick to their long-term financial plan and skirt irrational and emotional decisions adds this value.

What drives investors to select one response over another?

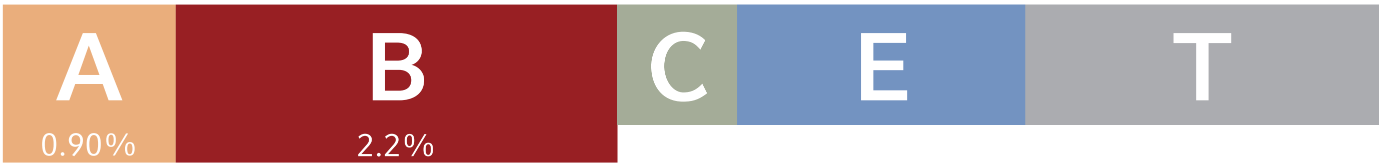
Whether an investor is more inclined to hold their nerve or panic sell in times of market volatility depends on a number of factors. These include their investment objectives, risk tolerance and return target, as well as their beliefs about where they are in the market cycle and what markets will do next.

These factors (which are all invisible to the market) can sometimes lead them to come to contrasting conclusions, resulting in different investor behaviour and sometimes opposing investment strategies (the only things visible to the market).

The high cost of investor behaviour
1984 - 2020



Source: "Average" Investor – Russell Investment Group, Thomson Reuters DataStream. Return was calculated by deriving the internal rate of return (IRR) based on ICI monthly fund flow data which was compared to the rate of return if invested in the Russell 3000® Index and held without alteration from January 1, 1984 to July 2020. This seeks to illustrate how regularly increasing or decreasing equity exposure based on the current market trends can sacrifice even market-like returns. Indexes and/or benchmarks are unmanaged and cannot be invested in directly. Returns represent past performance, are not a guarantee of future performance, and are not indicative of any specific investment.



Manage the conversation

Using behavioural finance to help investors manage their human biases.

Loss aversion	Overconfidence	Herding	Familiarity	Mental accounting
Humans tend to prefer avoiding losses than acquiring equivalent gains.	Humans tend to over-estimate or exaggerate our ability to successfully perform tasks.	Humans tend to mimic the actions of the larger group.	Humans tend to prefer what is familiar or well-known.	Humans tend to attach different values to money based on its source or location.
can lead to...				
Sell winners too early, hold onto losers too long	Trade too often	Buy high, sell low	Overweight home country	Naïve diversification
can be managed...				
Illustrate the connection between their investments and long-term goals	Listen and provide perspective	Focus on long-term goals and emphasise a disciplined process	Diversify and cast a wider net	Money is fungible. Focus on total wealth allocation

During both COVID-19 and over the longer term we have seen behaviours that, without professional advice, have led investors to fall prey to their own behavioural biases and have led to losses in their portfolios that could impact their financial security.

> *We believe advisers can play a critical role in helping investors avoid common behavioural tendencies and may potentially help their clients achieve better portfolio returns than those investors making decisions without professional guidance.*

A	B	C	E	T
0.90%	2.2%	0.60%		

C is for the Cost of Cash = (0.60% p.a.)

For many, cash can provide a sense of security and familiarity. It largely behaves as we expect it to – it doesn't surprise investors on the upside, but more importantly it doesn't surprise investors on the downside.

Cash provides a level of certainty for planning purposes for individuals. For example, investors who require cashflow in retirement can develop strategies to allocate and maintain levels of cash to meet expected spending. A popular strategy is to calculate expected spend over a number of years and keep that in cash. An additional benefit of holding cash is the ability to access it on demand.

We see this bias towards cash investments by retail investors in the Australian market. The Australian Tax Office (ATO) provides statistical information regarding Self-Managed Super Funds[4] (SMSFs), showing that cash and term deposits often make up a significant component of their investments. Those with a balance between $200k and $500k, hold an average of 30% in cash and term deposits.

However, there can be a cost to holding too much cash – known by portfolio managers as cash drag. Portfolio managers are very careful with the amount of cash they hold in a portfolio. While it can cushion potential portfolio losses, it can limit overall performance and investors could miss out on potential portfolio growth. Sacrificing that growth today could mean less assets in the future and therefore less spending power over the longer term, particularly in retirement. Advisers can assist clients in investing in a well diversified portfolio that seeks to balance liquidity and growth needs, within the risk levels appropriate to the client.

To bring this to life, let's look at two hypothetical investor scenarios that both have a desired portfolio of 30% in defensive assets and 70% in growth assets, a common balanced investor. How those defensive assets are invested can have an impact on their overall portfolio return.

Scenario 1 SMSF investor holds all the defensive allocation (30%) of their portfolio in cash.

Scenario 2 SMSF investor invests their defensive allocation in a Diversified Fixed Income Portfolio comprised of an equal weighting of 10% to Cash, 10% to Australian Bonds and 10% to International Bonds (total 30%).

Now, let's compare these two scenarios to the index returns over the last 10 years.

FOR PERIODS ENDING 31 MAY 2020 PRODUCT NAME	1 YEAR	3 YEARS	5 YEARS	7 YEARS	10 YEARS
RBA Term Deposit Average Rate	1.1	1.7	1.9	2.2	2.8
Diversified Fixed Income Portfolio	4	3.8	3.6	4	4.9
Total Portfolio Allocation	30%				
Scenario 1 – Return of 30% allocation in Cash	0.3	0.5	0.6	0.7	0.8
Scenario 2 – Return of 30% allocation in Diversified Fixed Income Portfolio	1.2	1.1	1.1	1.2	1.5
Return enhancement to overall portfolio	0.9	0.6	0.5	0.6	0.6

Source: Russell Investments, Lonsec irate, Diversified fixed income portfolio, Cash: RBA Term Deposit Average Rate, Australian Bond: Bloomberg AusBond Composite 0 Year Index AUD, International Bond: Bloomberg Barclays Global Aggregate TR Index (AUD Hedged)

The overall performance over a 10-year period would have produced 0.60% return enhancement.

> *More than just return seeking, advisers are experienced at working with a client to closely identify their needs, with the ability to manage planned, unplanned or unforeseen expenditures. Advisers can help keep the portfolio invested where appropriate to grow assets for future spending needs and finding the best source and process for accessing capital on behalf of their clients when required.*

[4] Australian Taxation Office – SMSF population analysis 30 June 2019

A	B	C	E	T
0.90%	2.2%	0.60%	PRICELESS	

E is for Expertise = priceless

A common misconception is that financial advisers are purely investment managers, whose only job is to select investments and achieve a certain level of return. Good financial advice goes way beyond this.

The quantification of the value of financial planning expertise is variable depending on the adviser's practice and services offered, and an individual's personal circumstances.

Engagement and education

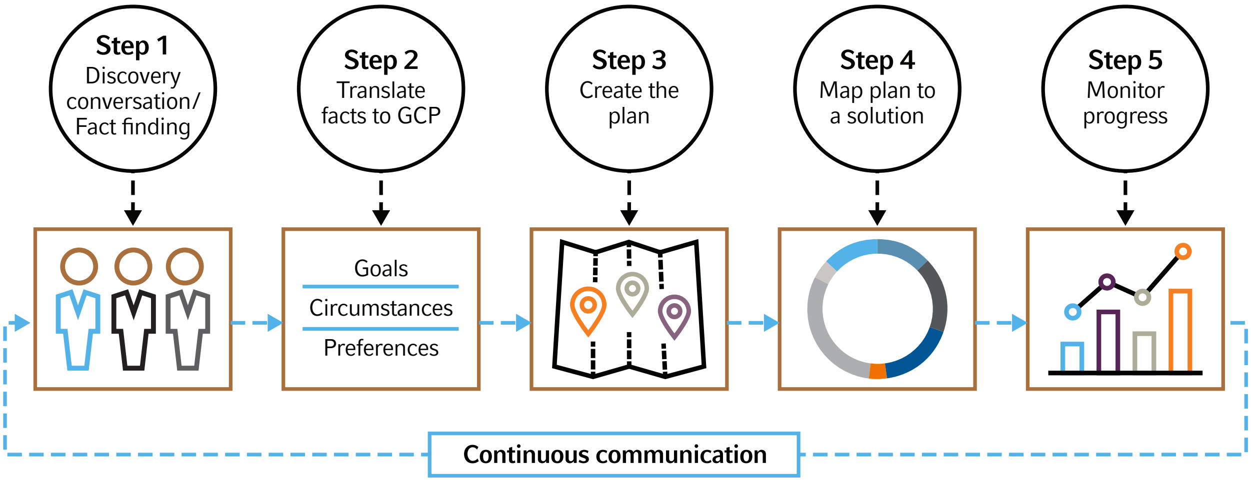
Delivering true wealth management begins with a deep discovery conversation. It is then followed by translating what is heard into goals, circumstances, and preferences. The framework is wrapped in a cycle of continuous communication, assisting clients to maintain their course, how they are tracking to their goals, or identify when adjustments are required.

Some key benefits of this engagement model include

- **Disciplined decision-making framework**. This can assist with managing many of the investor behavioural biases we mentioned earlier. Having this ongoing engagement can help overconfident investors from trying to time the market, or loss averse investors from wanting to de-risk their portfolios at the wrong time.
- **Increased confidence** as a result of ongoing education and information sharing. Many clients value their adviser's ability to de-mystify the investing landscape and help them feel empowered in their decision making. Ongoing engagement enables closer tracking of goals and their progress enabling course corrections if required.
- **Providing perspective**. Advisers share the important information that impacts a client's personal portfolios and help clients to cut through the noise of the 24-hour news cycle. They also help clients to ride the wave of market cycles and investor emotions, accepting that markets will go up and down, and focusing on the long-term. In fact, many experienced advisers found no material spike in client enquiries through the significant market volatility this year. This is a testament to the hard work advisers put into educating clients about the ups and downs of investing, helping their clients to remain confident in their investment strategy and avoid panic trading.

To help demonstrate this engagement and the ongoing services delivered, a Client Engagement Roadmap, can help position the adviser as the coordinator of their client's multi-faceted financial affairs. It provides an opportunity to help the client articulate and document their goals and objectives. The Client Engagement Roadmap then becomes the adviser's client communication plan. It can help position materials and information, provide a consistent value-add experience, and highlight the benefits of additional services.

Elevate your value: Delivering true wealth management is incredibly valuable
Don't give it away.



Here we provide an example of what it could look like:

Quarterly Roadmap

For

Example Client

January – March, 2020
Scheduled activities

- Discovery meeting
- Data collection and analysis
- Modelling and Recommendations
- Statement of Advice
- Authority to proceed

April – June, 2020
Scheduled activities

- Funded portfolio report
- Market update webinar
- Newsletter
- Lifestyle event
- Education – Diversification
- Wills and Trust Planning

July – September, 2020
Scheduled activities

- Check-in report
- Market update webinar
- Newsletter
- Investment update event
- Education – Portfolios
- Social Event

October – December, 2020
Scheduled activities

- Personalised Portfolio review and report
- Social Event
- Aged care plan
- Newsletter
- Education – shares

January – March, 2021
Scheduled activities

- Annual Review meeting
- Modeling and Recommendations
- Aged care plan
- Statement of Advice
- Authority to proceed

April – June, 2021
Scheduled activities

- Funded portfolio report
- Market update webinar
- Newsletter
- Lifestyle Event
- Education – Bonds

July – September, 2021
Scheduled activities

- Check-in report
- Investment update event
- Newsletter
- Market update webinar
- Education – investment tax

October – December, 2021
Scheduled activities

- Personalised Portfolio review and report
- Market update webinar
- Newsletter
- Social Event

Efficiency

For many clients the value of an adviser relationship is having someone that has the expertise to do something more effectively and efficiently than they can themselves. Many people are time poor and are happy to pay for the efficiency of outsourcing to an expert.

Working with a financial adviser is just one way that time poor people are partnering with professionals to gain efficiencies in their personal life. Allowing clients to regain valuable time, create efficiency and benefit from adviser expertise such as:

- Hours required to administer personal financial matters
- Hours spent evaluating the best strategy
- Hours spent researching various platforms, investment solutions and insurance providers

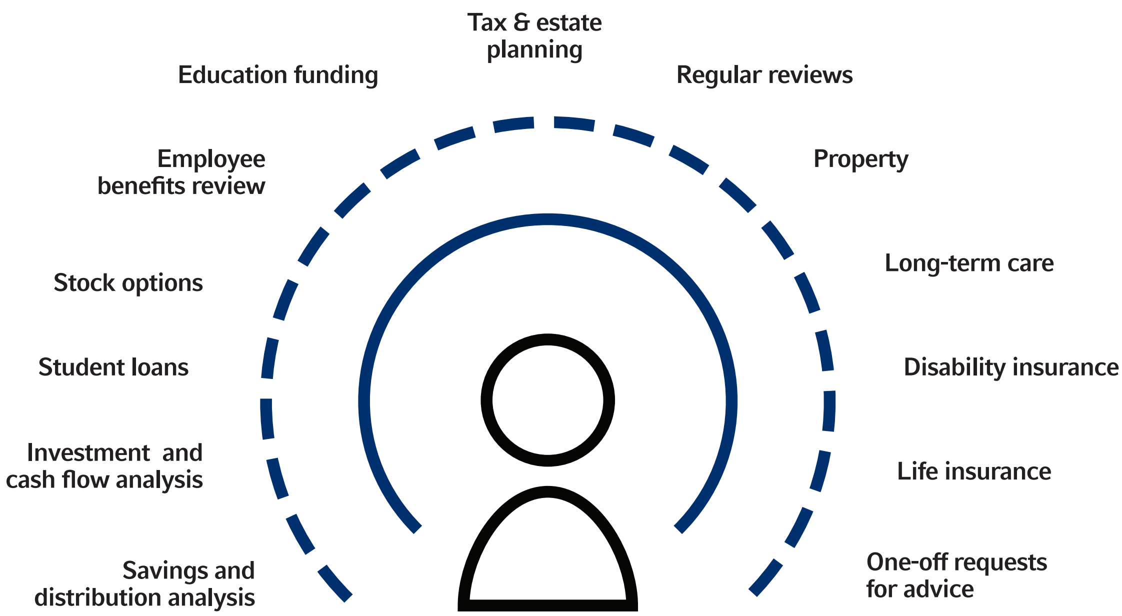
Expert knowledge and experience

Advisers build and regularly update custom financial plans. They conduct regular portfolio reviews and offer wealth management services such as tax and estate planning, investment and cashflow analysis, retirement income planning, assistance with annual tax return preparation and one-off custom requests from clients. This requires deep knowledge across superannuation, taxation, investment markets, legislation and regulation.

> *Expert knowledge is invaluable through periods of change. Whether personal circumstances change, as a result of redundancy, personal trauma, inheritance or business transactions, advisers will work with clients to identify the best path forward. If there are external changes, like legislative changes, tax treatment of super or other assets, an adviser will be able to assess the details of the change and evaluate the impacts to the client's individual circumstances.*

Let's take a closer look at the value of the wealth management services an adviser and their staff offer. Advice businesses often underestimate the value of these services—insurance needs, custom requests and questions—which can quickly consume 20, 50 or 100 hours each year.

Planning is complex and varied



A	B	C	E	T
0.90%	2.2%	0.60%	PRICELESS	1.5%

T is for Tax-effective investing = 1.5 %

Tax is often considered the realm of the accounting profession.

However, an adviser can also provide expertise on managing and optimising investment tax for their clients. The concept of investment tax isn't just limited to what goes into your tax return. Investment tax can have an impact on the asset value or portfolio return, even though it may not always be seen. As a result, it can be difficult for investors to know how to be tax effective in their portfolios.

By lowering the tax on a clients' investments, an adviser may help their clients to reach their financial goals sooner.

Advisers play an important role in this tax journey for their clients', helping them to navigate key components when it comes to tax-efficient strategies.

Clients' may not understand the range of investment vehicles available to them including Exchange Traded Funds, specific After-Tax funds, specific tax-effective funds and managed portfolios and the benefits these solutions could add to their investment portfolios.

Advisers can assist in the management and optimisation of investment tax in a number of ways, including structural tax strategies, managing client driven trading, and making portfolio recommendations that are tax efficient for clients.

Taking into account these approaches, we estimate the tax-effective investing benefit that advisers can provide is around 1.5%p.a.

Structural tax strategies

Advisers can add significant value in managing a clients' investment tax through structural tax strategies. These not only require a close understanding of a clients' needs, but technical expertise and up to date legal and regulatory knowledge to do this successfully. Such strategies can include:

- salary sacrifice pre- and post- superannuation contributions for accumulators
- transition to retirement strategies and reinvesting tax savings; and
- optimising tax for non-superannuation assets and managing 'tax surprises' as regulatory changes occur

Tax effective Portfolio Strategies

In terms of portfolio advice, advisers are increasingly recommending managed account portfolios that provide opportunities to better manage client's investment tax implications. Managed portfolios that sit on investment platforms and are professionally managed by an investment Manager, allows investors to hold the portfolio components directly, providing more transparency and control when optimising tax for individual clients. Other ways that advisers use managed portfolios to assist in proactively managing a client's investment tax position include:

Platform level trading

This refers to tax implications of trading that occurs within the client account at the platform level, whether it be client driven transactions (e.g. contributions or redemptions) or portfolio driven trading (e.g. rebalancing or buying and selling underling portfolio components). Advisers can assist by:

- helping clients evaluate the likely benefit of the transaction outweighing the likely transactions costs and tax implications for the client.
- using contemporary platform capabilities to proactively manage tax parcels sold to help minimise the tax impact.
- using managed portfolios that seek to minimise platform level trading where possible.

Underlying portfolio trading

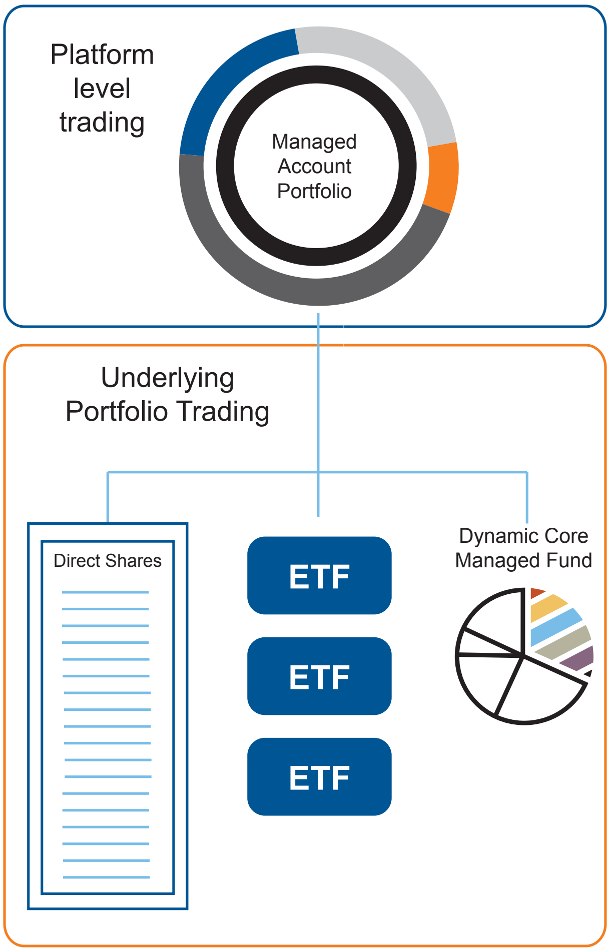
This refers to trading that occurs within the underlying portfolio components and the tax implications that this may have for clients. Advisers may consider a managed portfolio that may hold:

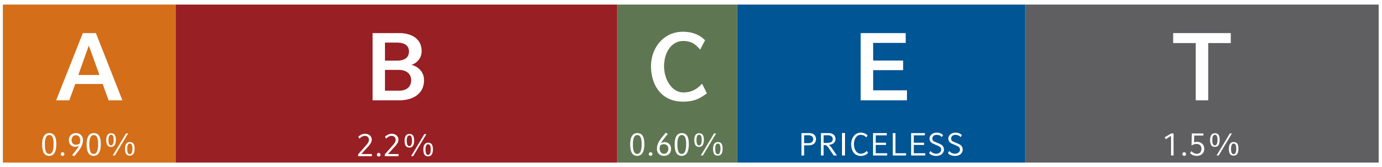
- **Direct shares**: Where a client can gain the full benefit of franking credits and create their own personal tax experience.
- **Exchange Traded Funds (ETFs)**: ETFs that replicate market indexes are generally low turnover in nature and reduce possible realised capital gains making them more tax effective. Trading in and out of ETFs by investors doesn't create portfolio turnover, which also adds to the tax effective nature of ETFs.
- **Managed funds**: Accessing strategies not available to investors or that provide a dynamic portfolio management that allows the managed portfolio to dynamically respond to market events, while reducing the need for platform level trading. Managed funds that execute their strategies in tax efficient ways, including using overlays instead of buying and selling physical assets or strategies such as Efficient Portfolio Implementation to reduce portfolio duplication and tax inefficiencies.

In addition to specific strategies, it's important for advisers to take the time to stay up to date on relevant tax changes that may impact financial circumstances. It's this 'behind the scenes' expertise that advisers deliver to their clients. You never know you need this support until you do.

> *Many advisers work in close partnership with accountants and solicitors, to help clients with more specific and complex needs. Good financial advisers not only have the technical expertise to help clients make the most of their tax circumstances but can help clients to avoid any unexpected surprises at tax time.*

Managed Accounts





The bottom line

The value of an adviser is meant to quantify the contribution that the technical and emotional guidance a trusted human adviser, delivering services and value above and beyond investment-only advice, can potentially offer.

5.2% or more

This value is a meaningful differentiator in a time of regulatory scrutiny and the challenging market environment.

Client relationships are your most valuable assets. Clients can be an adviser's most persuasive advocate, so helping them to understand the value you deliver is key. This formula offers a memorable and repeatable framework for advisers to have that conversation with confidence:

A	Appropriate **Asset Allocation**	**0.9%**
+		+
B	**Behavioural** mistakes	**2.2%**
+		+
C	**Cost** of cash	**0.6%**
+		+
E	**Expertise** in additional wealth management services	**Priceless**
+		+
T	**Tax-effective** investing	**1.5%**

= **5.2%**

total 2020
value of an adviser

Adviser value is real. Amplify it.

At Russell Investments, we believe in the importance of advisers. We see the advantages advisers create for their clients. We know the commitment they bring to their relationships. This annual report quantifies that dedication and the resulting benefit. It is one small part of our work in powering adviser success. Together let's demonstrate the value of your advice.

Request access to our Amplify your value toolkit

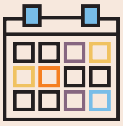
This toolkit provides resources and tools to help in your client conversations

Client Discovery Tool

Connect more deeply with existing clients and with prospects by getting to the heart of what is important to them. Ultimately, this interactive approach to client discovery has the potential to position you to be the client's primary trusted adviser.

Our online tool is designed to help you in your client conversation and discover the goals and priorities of your clients.

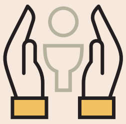
Client Engagement Roadmap



Effective implementation of the Client Engagement Road Map will provide your clients with:

- A visible illustration of the value you provide
- A structure for ongoing communication
- A thorough examination of their total financial picture over a longer horizon
- The opportunity for ongoing discussions about financial goals and help set expectations on your future interactions
- Pinpointing planning areas that may require additional resources such as estate and tax planning.

Time capacity Analyser



The TCAT helps advisers understand the service capacity of their team and how this relates to the service model allocations within and across their service packages.

With some simple pre-work inputs from you, we can calculate your capacity, the current commitments of your overall service model and within different client tiers. This analysis provides insightful data to help make decisions on how to best refine your service model to ensure it is delivering value to your clients as well as being scalable an

Client Conversation Centre

Turning challenging conversations into business growth opportunities d consistent for you and your team.

Our client conversation centre offers sample scenarios, scripts and resources to turn those challenging client conversations into business-building opportunities for you, and confidence-inspiring experiences for your clients.

Investment Solutions

Globally, we work to source the best investment ideas to help deliver real value, manage risk and gain new sources of return.

Explore our Investment solutions that help advisers and their clients' seek real value, manage risk and gain new sources of return—the best ideas from around the globe.

Our toolkit also provides a copy of our **Value of an Adviser - Investor Report** for you to use with your clients.