

## MEDIA RELEASE

# Russell Investments launches ‘next generation’ managed accounts, offering dynamic management at cost-effective price

***New report highlights the value an investor gains each year through an advice partnership.***

**Wednesday, 17 July 2019:** Global asset manager Russell Investments has today launched a ‘next generation’ suite of multi-asset, managed accounts. This offering is a direct response to growing adviser and investor preference for more transparent, personalised investment solutions. The solution answers the demand for more ‘active’ managed accounts at a cost-effective price point.

According to Industry estimates, the Australian managed account marketplace now has close to \$65 billion in funds under management, with further growth expected over the next three years. This surge in interest is being driven by a range of benefits including transparency, direct ownership of the shares portfolio and the ability to manage investors’ specific tax circumstances.

Commenting on the launch of the new managed account offering, Managing Director of Russell Investments, Australia, Jodie Hampshire said:

*“Our research shows Australian advisers continue to be faced with a limited choice between two key structures; a highly active managed account at a premium price point or a passive managed account at a low price point. This next-generation multi-asset, managed account fills a key gap for Australian advisers providing a dynamic core at a cost-effective price.”*

Comprised of three major components – **direct Australian shares, unconstrained multi-asset strategies and ETFs** -- the Russell Investments Managed Portfolios suite combine dynamic asset allocation and active management, complemented by passive management and factor investing for diversification and to provide a competitive price point.

*“Dynamism is important in today’s investment environment. However, it isn’t about tactically adjusting on a regular basis but instead it’s about having a rigorous process in place to identify risks and opportunities, coupled with the capabilities to respond rapidly to new information and act on it in a timely fashion,”* said Hampshire.

Furthermore, Hampshire said Russell Investments have constructed its Managed Portfolios suite to align with four traditional risk profiling frameworks advisers typically use with clients – at a compelling price – the investment fee from as little as 0.65% per annum.

*“While our Managed Portfolios solutions are designed around specific investment outcomes, the real value of an adviser lies in helping investors achieve their financial goals – not tracking or beating a benchmark,”* said Hampshire.

### **The value of advisers in the current landscape**

Demonstrating its support for the adviser community, Russell Investments recently released its second annual **Value of an Adviser Report**. The report looks holistically at the real value advisers deliver for their clients—from the knowledge and expertise required to help clients build personalised

portfolios, to the support they provide when market conditions change. The report also provides insights on a range of additional wealth management services such as tax and estate planning.

According to the report, quality financial advice in 2019 contributes, at a minimum, 4.4% per annum of value to clients' portfolios.

In the report, Russell Investments outlined five key elements that make up the value of advice including **annual rebalancing, preventing behavioural mistakes, planning and additional wealth management services**, and **tax-smart investing**.

According to Hampshire, the report considers the full equation of an adviser's services, overriding the common misconception that advisers are simply investment managers selecting investments for clients with the aim of achieving a certain level of return.

*"Over the past 20 years, we've worked with top advisers around the world including the US, Canada, UK and Australia. This report reinforces the value of advisers, which goes beyond investment-only advice and is derived from both the technical and emotional guidance they provide. For this reason, we believe advisers have never been more valuable in Australia,"* said Hampshire.

Of the elements quantified by Russell Investments, an adviser's ability to help investors avoid behavioural mistakes such as chasing past performance or reacting to short-term market volatility was the largest contributor, adding at least 1.9% per annum of additional value for their clients' portfolios.

Hampshire said the report comes at a critical juncture in today's environment where articulation of an adviser's value is critical.

*"The overwhelming majority of clients in Australia do benefit from quality advice. Our report offers a memorable and repeatable framework to assist advisers in clearly and confidently demonstrating the value they deliver to clients,"* said Hampshire.

More information on Russell Investments Managed Portfolios can be accessed [here](#). A PDF version of the **Value of an Adviser Report** can be accessed [here](#).

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### **About Russell Investments**

With more than 80 years of experience, Russell Investments is a global investment solutions provider, dedicated to helping investors reach their long-term goals. Russell Investments offers investment solutions in 32 countries, manages over \$400 billion in assets (as of 31 December 2018) and provides consulting services on over \$3.3 trillion in assets (as of March 31, 2019). Russell Investments specializes in multi-asset solutions and investment and implementation services with a goal of delivering the best investment strategies, managers and asset classes to its clients around the world. Headquartered in Seattle, Washington, Russell Investments operates globally with 22 offices, providing investment services in the world's major financial centers such as New York, London, Tokyo and Shanghai.

### **About the Value of Advice Report**

In Australia, this is the second edition of our annual Value of an Adviser Report. Russell Investments has been producing the Value of an Adviser Report in the US since 2013. Over the past 20 years,

Russell Investments has worked with top advisers around the world including the US, Canada, UK and Australia. The study is based on our 20 years of experience coaching advisers to make their practices more sustainable and to help build deeper relationships with their clients.

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