

News Release

Link Group and Russell Investments announce 'best of breed' super alliance

New joint administration and investment offering established to service the growing needs of Australian superannuation funds as Stronger Super takes hold.

SYDNEY, February 11, 2013 – Leading superannuation administrator Link Group and global asset manager Russell Investments today announced a new alliance aimed at giving Australian superannuation funds greater scale and innovation across both the investment and administration spectrum.

Under the new arrangement Link Group will integrate Russell's Australian superannuation administration business, with the view to the two firms offering existing clients and the broader market a joint 'best of breed' administration/investment service.

Russell's 130+ strong administration team will join forces with Link's administration team – creating an administration powerhouse overseeing \$100 billion in assets and further cementing Link's position in the increasingly competitive super environment. The alliance is designed to have Link take on all administration duties for Russell's stand alone administration super clients together with the employer clients in the \$5.3 billion Russell SuperSolution MasterTrust.

Link Group Managing Director John McMurtrie said he was excited to welcome Russell staff and clients to the 1,800 strong Link Group, which currently provides administration services to more than four million Australians. Current Link clients include REST, TWUSUPER, Tasplan and CareSuper.

"Our objective is to continue to deepen our scale and member footprint in the highly competitive superannuation member administration industry in Australia. Having completed our almost \$200 million investment program over two years ago we are in a strong position to support all of our clients through an uncertain regulatory environment."

Stronger Super takes hold

The move comes as super funds face a challenging year ahead with an increased focus on individualised member engagement as well as new transparency measures, reporting requirements and regulatory compliance under the raft of Stronger Super reforms.

Russell Chief Executive Asia Pacific, Alan Schoenheimer, said this created a highly complementary alliance which would allow super funds to access the scale and technology of one of Australia's leading administration platforms – together with the global scale of Australia's leading multi-asset investment firm.

“Link Group is an excellent fit for Russell given its demonstrated investment in systems to deal with the rapid changes to Australia’s superannuation environment,” Mr Schoenheimer said.

According to Mr Schoenheimer, long-term success in the Australian superannuation sector not only requires strong investment capabilities but also strong administration expertise. This might, for example, include increasingly sophisticated big data capabilities allowing funds to better leverage large volumes of investment and member data to achieve more tailored member engagement.

“In this competitive environment, firms in the super industry will need to focus on their specialty. We believe there will be a trend towards super funds decoupling their administration and investment arrangements in order to access best of breed providers in the industry to ensure both the investment element and administration element remain highly competitive – all the while controlling costs.

“Given Russell’s core global focus on providing multi-asset investment solutions, this alliance ensures our clients will continue to have the best combination of investment and administration services available in this market. We believe the alliance will be a particularly attractive proposition for mid-size super funds and self administered funds,” Mr Schoenheimer said.

Since acquiring Australian Administration Services (AAS) in 2006, Link has invested significant capital to expand its superannuation operations and fulfil its vision of being an innovator in super administration and a superior provider of member services. Recent innovations have included new contact centre technology to allow more interaction with members, and a new web interface for employers encompassing a clearing house and superannuation member analytics capabilities via Link subsidiary Empirics - a leading provider of end-to-end customer management solutions.

The new alliance will see Link absorb all of Russell’s existing administration systems and technologies. All of the permanent employees in Russell’s administration business and contact centre migrating across to Link will be offered a role on comparable terms, including recognition of existing tenure, and with the opportunity to access wider career choices. Link will now be the pre-eminent defined benefit administration services provider in the Australian market.

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About Link Group: Link Group is active in Share Registry, Superannuation Administration and Shareholder and Member Analytics. In Share Registry, Link Group is active in Australia, New Zealand, India and South Africa with a sister company operating in the United States and Canada. In Superannuation Administration Link Group looks after 4.5 million member accounts in Australia. Link Group also offers value added products and services through Money Solution (Financial Planning), Orient Capital (Investor Relations), Company Matters (Company Secretarial) and Empirics.

Over the past five years Link has successfully completed an investment program of almost \$200 million in People, Premises and Technology in superannuation administration and has created Link's proprietary, industry leading platform, 'aaspire.' This 'tried and tested' solution currently provides essential applications and infrastructure for the ongoing provision of a superior service to members.

Link is committed to continuous re-investment to ensure its product, infrastructure and service delivery remain market leading.

About Russell Investments: Russell Investments (Russell) is a global asset manager and one of only a few firms that offers actively managed multi-asset portfolios and services that include advice, investments and implementation. Working with institutional investors, financial advisors and individuals, Russell's core capabilities extend across capital market insights, manager research, portfolio construction, portfolio implementation and indexes.

Russell has more than \$162 billion in assets under management (as of 31/12/2012) and works with 2,400 institutional clients and more than 580 independent distribution partners globally. As a consultant to some of the largest pools of capital in the world, Russell has \$2.4 trillion in assets under advisement (as of 31/12/2012). It has four decades of experience researching and selecting investment managers and meets annually with more than 2,200 managers around the world. Russell traded more than \$1.5 trillion in 2011 through its implementation services business. Russell also calculates approximately 700,000 benchmarks daily covering 98% of the investable market globally, which includes more than 80 countries and more than 10,000 securities. Approximately \$3.9 trillion in assets are benchmarked to the Russell Indexes.

Russell is headquartered in Seattle, Washington, USA, and has offices around the world including Amsterdam, Auckland, Beijing, Chicago, Frankfurt, London, Melbourne, Milan, New York, Paris, Seoul, Singapore, Sydney, Tokyo and Toronto. For more information about how Russell helps to improve financial security for people, visit www.russell.com.au or follow @RussellInvestAU.

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