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Sent: Friday, July 24, 2015 4:58 PM
To: EBSA, E-ORI - EBSA
Subject: RIN 1210-AB32 and RIN 1210-ZA25

09 July 2015

To: Mr. Fred Wong
Office of Regulations and Interpretations
Employee Benefits Security Administration
From: Russell Investments
Re: RIN 1210-AB32 and RIN 1210-ZA25

Dear Mr. Wong,

In the interest of our clients and all Americans who need a financial, economic, and regulatory environment that increases their likelihood of achieving sustained financial security, Russell Investments would appreciate the opportunity to present our views at the *Hearing on Definition of the Term "Fiduciary"; Conflict of Interest Rule-Retirement Investment Advice and Related Proposed Prohibited Transaction Exemptions*.

By way of background, Russell Investments is a global financial services firm that provides consulting, asset management, manager research, trading implementation and index services. We were founded in 1936 and have been serving our clients retirement needs for nearly 80 years. As of March 31, 2015, Russell manages over \$272 billion in assets, actively engages over 400 asset managers globally, transitioned in 2014 over \$800 billion in client assets, consults to some of the world's largest pools of capital, representing over \$2.4 trillion in assets under advisement, and calculates over 700,000 benchmarks daily, covering 81 countries and more than 10,000 securities.

Russell provides these services to our clients which include institutional clients, independent distribution partners, and individual investors who share our ambition of improving the long-term financial security of their participants. These clients include many of the major and mid-size US corporations (namely pension plan and DC clients), endowments and foundations, and public retirement systems that drive our economy. Our entire global business is built around serving the needs of these clients. To that end, Russell acts exclusively on an agency basis and typically in a fiduciary status, putting our clients' interest first. Our long and deep heritage in financial services, combined with our breadth of experience across various client segments and global markets, gives us a view of clients, regulators, markets, and investment solutions that should be helpful to you in this significant rulemaking process.

For that reason, we would appreciate the opportunity to share some of our experiences and insights with you during in the hearing process, scheduled to be held on August 10-13, 2015. The topics we would like to address are as follows:

1. We believe the proposal is too ambitious in attempting to create a new, market-wide standard and should be scaled back to focus primarily on the segment of the market that is the focus of the rulemaking and the impact analysis (namely, retail). We believe the proposal should not disturb existing regulation with respect to institutional investors and services, given the ambiguity and disruption that may cause to a segment of the market that works well today and that is built on many years of regulatory, judicial, and practical experience. We would like to highlight key concerns of the current proposal and suggest further reasons why the proposal need not disrupt existing arrangements that are covered by ERISA today.
2. We do not support the low fee exemption as currently suggested by the DOL for inclusion in further rulemaking. We believe it undermines the goals the Department of Labor seeks to achieve. We would like to highlight areas of particular concern and suggest alternatives for the Department to consider that would help increase retirement savings participation rates and improve financial outcomes.
3. We believe that the proposal should limit the extent to which any additional fiduciary responsibilities arise for an asset manager who is providing services to a party who is itself a fiduciary under existing law or would be under the proposal (e.g., an RIA firm who is the fiduciary to end retail investor). These additional responsibilities may prevent or deter an asset manager from providing useful services or information that is valuable to the client's (proximate) fiduciary. We would like to suggest alternative means by which the DOL, instead, may better equip fiduciaries to deliver the services and products that lead to better financial outcomes for people.

Thank you for the opportunity to provide input in on these very important issues as part of the comment and hearing process.

Sincerely,

Jean-David Larson

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