Concordia University, Nebraska

Investment Committee Meeting

MJ Serene, CFA – Client Executive

MONDAY, OCTOBER 26TH 2015
How Russell works with CUNE to reach its goals
Focus of Concordia Board of Regents and Investment Committee; Russell provides guidance

Consulting model would delegate to IC/staff with guidance from consultant
Russell OCIO solution
Fewer decision points

LEGACY PORTFOLIO

CURRENT PORTFOLIO

What’s different:

- Total portfolio approach
- Increased accountability
- Transparency
- Timely implementation
- With RIFL Multi-Asset Core Plus Fund, tactical moves are integrated with overall portfolio risk exposures and positioning...
  
  …and can be used to mitigate risks and/or enhance returns
### Strategic Design: Governance

Governance structure: How Board, IC, and Russell work together

<table>
<thead>
<tr>
<th>Fiduciary level</th>
<th>Policy and Strategy</th>
<th>Portfolio Management</th>
<th>Review</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Policy</td>
<td>Strategy</td>
<td>Dynamic Asset Allocation</td>
</tr>
<tr>
<td></td>
<td>Define fund objectives, spending, risk and liquidity</td>
<td>Asset allocation, asset class strategies, and structure</td>
<td>Actively managing risk and return objectives in real time</td>
</tr>
<tr>
<td>Board</td>
<td>Decides</td>
<td>Oversees</td>
<td>Oversees</td>
</tr>
<tr>
<td>Investment committee</td>
<td>Recommends to Board</td>
<td>Decides</td>
<td>Oversees</td>
</tr>
<tr>
<td>Russell working with CUNE</td>
<td>Recommends</td>
<td>Recommends</td>
<td>Reviews quarterly</td>
</tr>
<tr>
<td>Third party investment managers</td>
<td>Recommends</td>
<td>Decides</td>
<td>Manages within pre-set targets in IPS</td>
</tr>
<tr>
<td></td>
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</tbody>
</table>
Strategic Design: Objective Setting

What are the goals of the Endowment?

› The Endowment is invested with the goal of minimizing the level of risk needed to generate returns that will support the ongoing spending needs of CUNE
  › Diversifying the portfolio across all major asset classes
  › Transparency into the total portfolio
  › Dynamic management
Strategic Design: Objective Setting
What are the goals of the Endowment?

› Long term goal: preserve the real value of the portfolio after spending
  › Currently written as CPI + 5% (forecasted probability ~40%)
  › Actual spending closer to 4.5% (forecasted probability ~50%)
› Shorter term goal: provide support to operating budget

These goals need to be balanced; will otherwise be in conflict with each other: Taking more risk increases the long term expected return and portfolio value, but can decrease near term support for CUNE due to increased portfolio volatility
### CUNE Endowment Growth
Projected annual gifts needed to reach $100M portfolio value

- **Median Market Expectations**
  - Base: $44.0
  - + Median Expected Market Return: +$46.4
  - - 4.5% Spending using Hybrid Rule: -$29.4
  - + Gifts of $3.9M/year: +$38.9
  - 10 Year Goal: $100.0

- **More Favorable Market Expectations**
  - Base: $44.0
  - + 75th %tile Expected Market Return: +$61.1
  - - 4.5% Spending using Hybrid Rule: -$29.0
  - + Gifts of $2.4M/year: +$23.9
  - 10 Year Goal: $100.0

- **Less Favorable Market Expectations**
  - Base: $44.0
  - + 25th %tile Expected Market Return: +$30.9
  - - 4.5% Spending using Hybrid Rule: -$29.8
  - + Gifts of $5.5M/year: +$54.8
  - 10 Year Goal: $100.0

- Assuming median capital market expectations for CUNE’s current portfolio, annual gifts of $3.9M would be needed to reach the $100M goal in 10 years time.

- If more favorable market returns (v. median) occur over the next 10 years, necessary gifts would decrease; this is illustrated by the 75th %tile market return graph.

- If more less favorable market returns (v. median) occur over the next 10 years, necessary gifts would increase; this is illustrated by the 25th %tile market return graph.

The above analysis is calculated using the study input, Capital Markets Assumptions (June 2015) included with this report. CUNE current asset allocation and other assumptions outlined in this report.

Forecasting represents predictions of market prices and/or volume patterns utilizing varying analytical data. It is not representative of a projection of the stock market, or of any specific investment. There is no guarantee that the stated results will occur.
Strategic Design: Asset Allocation

- RIFL Multi-Asset Core Plus Fund, 62%
- RIFL Core Bond Fund, 15%
- RIFL Absolute Return Fixed Income Fund, 5%
- CTF Real Estate Equity Fund, 5%
- Russell Total Return Fund (Quarterly), Ltd, 13%

RIFL funds are funds of the Russell Institutional Funds, LLC; they are private placements. They are not mutual funds.

The Russell Real Estate Equity Fund is a fund of the Russell Trust Company Common Trust Funds; it is not a mutual fund.

The Russell Total Return Fund Ltd. is offered as a private placement to qualified recipients of the offering for investment purposes only.
Strategic Design: Objective Setting
How can we change the expected outcome?

Market return – Spending + Gifts

- Take more (or less) investment risk
  - Will come with market volatility and volatility to spending unless there is an opportunity to further diversify
  - Actual market returns could be better or worse
  - Any long-term strategic decision to increase risk should not be without more near term considerations

- Decrease (or increase) spending
  - Spending today is a trade-off for the ability to spend in years to come
  - A 1% increase to annual spending results in a $4 million decrease to the expected real value of the Endowment in ten years
  - Will put pressure on current operating budget
How does your portfolio match back to your mission?

**SPENDING POLICY & METHODOLOGY**

- **STABLE & GROWING**
  - Balance intergenerational equity with spending and inflation
  - Steady contributions
  - Reviewing new investment strategies

- **CONSTRAINED**
  - Operations/grants heavily dependent on portfolio
  - Investment constraints
  - Some underwater portfolios

- **AGGRESSIVE GROWTH**
  - Strong cash flow/capital campaign mode
  - Lack of constraints
  - Flexibility in investment implementation

**VOLATILITY & RISK MANAGEMENT**

**LIQUIDITY MANAGEMENT**

**SPENDING POLICY & METHODOLOGY**
Portfolio construction and management
Russell manager research and implementation expertise

<table>
<thead>
<tr>
<th>Asset allocation &amp; capital markets research</th>
</tr>
</thead>
<tbody>
<tr>
<td>Understanding the active management opportunity</td>
</tr>
<tr>
<td>› 250 professionals</td>
</tr>
<tr>
<td>› 8+ years average Russell tenure</td>
</tr>
<tr>
<td>› 47 CFA charterholders; 11 PhDs</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Manager research</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our information advantage</td>
</tr>
<tr>
<td>› 50+ analysts</td>
</tr>
<tr>
<td>› 7+ years average Russell tenure</td>
</tr>
<tr>
<td>› 4,700+ meetings*</td>
</tr>
<tr>
<td>› Analyst specialization</td>
</tr>
<tr>
<td>› Independence and objectivity</td>
</tr>
<tr>
<td>› 24 CFA charterholders; 2 PhDs</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Portfolio management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategically combining active managers</td>
</tr>
<tr>
<td>› 80+ portfolio strategy professionals</td>
</tr>
<tr>
<td>› 110+ trading &amp; implementation professionals</td>
</tr>
<tr>
<td>› 75+ senior management / product / business support</td>
</tr>
<tr>
<td>› 81 CFA charterholders; 2 PhD</td>
</tr>
</tbody>
</table>

**Asset class risks**
**Return opportunities**

**Excess return forecasts**
**Stability forecasts**
**Buy/hold/sell rankings**

**Access Innovation**
**Implementation**
**Designed for consistency of performance**

As of December 31, 2014 unless otherwise noted
Source: Russell Corporate Marketing Vital Statistics and Human Resources
*Meetings during 2014 include face-to-face as well as teleconference/video-conference meetings (also includes multiple meetings with the same investment management firm).
We believe Russell is uniquely qualified to select money managers

**ACCESS**
- Transparency into the key decision makers and portfolios

**BREADTH**
- Broad coverage of the available managers

**INSIGHTS**
- Understanding the skill sets necessary to beat the market

**PERSPECTIVE**
- The ability to analyze and select the managers Russell believes are the best of the best
Systematically bringing you manager insight

12,958
TOTAL INVESTMENT PRODUCTS MONITORED

7,322
INVESTMENT PRODUCTS CONTINUALLY RESEARCHED

773
INVESTMENT PRODUCTS WITH A PRIMARY “HIRE” RATING

439
INVESTMENT MANAGERS USED IN RUSSELL FUNDS

135 Manager research & portfolio management professionals
39 Countries covered by our research team

Voted tops for having best manager due diligence

Data as of 3/31/2015.
Total Investment Products Monitored: is the total number of products listed in the database, including Alternatives products. Investment Products continually Researched is the number of products in the database with an active offering status where Russell has applied a defined rank (1,2,3,4,A,B,C,D), including Alternatives products. Investment Products with a primary ‘Hire’ Rating is the number of products in the database with an active offering status with a Hire (4) rank in including Alternatives products. Investment Managers used in Russell Funds is the total number of Investment Managers with signed executed contracts as of the quarter-end reporting period.

For a sixth year in a row, Russell was voted among the top two for having the best manager due diligence practices by respondents in a 2014 FundFire survey of nearly 100 consultant relations professionals. Russell was rated as having the most rigorous due diligence process for evaluating a product’s suitability in a client portfolio. In five of those years, we were ranked #1.

The 4 P’s of skillful manager research

- **PEOPLE**: Are people or organizational advantages evident?
- **PROCESS**: Is process powerful and distinctive?
- **PORTFOLIO**: Is portfolio consistent with expectations?
- **PERFORMANCE**: Is performance indicative of skill?

TOP DUE DILIGENCE IN MANAGER RESEARCH 2014 FUNDFIRE SURVEY

Russell Investments
Russell research analysts cover the globe
Specialist knowledge, shared globally, applied locally
Finding and identifying good managers
Thorough documentation provides consistency and objectivity

**Qualitative**
- Meeting Agenda & Findings
- Ranks & Commentary
- Investment Approach
- Special Reports
- Quarterly Call Records
- Sounding Board

**Quantitative**
- Holdings-Based
  - Equity Profile
  - Axioma Roadmap
- Position Tracer
- Returns-Based
  - Scenario Analysis

**RADAR (Russell Analysis Data and Ranks):**
Proprietary research database
Utilized by analysts globally
Houses 18 years’ of research
Objective ranking framework guides analysis of leading indicators of excess return

<table>
<thead>
<tr>
<th>Categories</th>
<th>Disaggregate Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment Staff</td>
<td>■■■■</td>
</tr>
<tr>
<td>Organizational Environment</td>
<td>■■■■</td>
</tr>
<tr>
<td>Security Selection</td>
<td>■■■</td>
</tr>
<tr>
<td>Research</td>
<td>■■■</td>
</tr>
<tr>
<td>Sell Decision</td>
<td>■■■</td>
</tr>
<tr>
<td>Portfolio Construction</td>
<td>■■■</td>
</tr>
<tr>
<td>Implementation</td>
<td>■■■</td>
</tr>
</tbody>
</table>

Key success factors include: leadership, research strength, decision making process, focus, risk management, and ability to execute.
Putting our insight to work for you
Our managers provide repeatable outcomes to add value

10 year Russell Research Results as of December 31, 2014*

<table>
<thead>
<tr>
<th>Category</th>
<th>Vs. Index</th>
<th>Vs. Universe Median</th>
</tr>
</thead>
<tbody>
<tr>
<td>US Large Cap</td>
<td></td>
<td></td>
</tr>
<tr>
<td>US Small Cap</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EAFE</td>
<td>2.00%</td>
<td></td>
</tr>
<tr>
<td>Emerging Markets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Broad Market Fixed</td>
<td>2.50%</td>
<td></td>
</tr>
<tr>
<td>US Core Plus Bonds</td>
<td></td>
<td>0.50%</td>
</tr>
</tbody>
</table>

* Refer to page 21 for additional information
The 10-Year Research Success chart shows the average yearly return difference of Russell's hire list mean versus hire list index and universe median over a 10-year period ending December 2014.
Percent of Russell Hire Lists that outperform benchmarks and universe medians
5-year annualized rolling time periods

Source: Russell; please see disclosures on next page. This slide includes all asset classes for which we maintain a hire list, have at least five years of data and have at least three hire rank products in the hire list over the given time period.

Data is final; last updated 10/1/2015.

For a sixth year in a row, Russell was voted among the top for having the best manager due diligence practices by participants in a 2014 FundFire survey of nearly 100 consultant relations professionals.
Hire List Performance Disclosures

Source:
These slides contain data as provided by internal Russell applications. These applications are populated with data collected from individual managers by third party data collectors. The data is not thoroughly verified by Russell and although deemed reliable, its accuracy is not guaranteed by Russell Investments or its affiliates. Most data is gross of advisory fees, but net of fee data is utilized where gross of fee data is not available.

Note: In some cases money managers do not provide data on their products, therefore a reader should be aware that the representations may be misleading; performance of hire lists may be higher or lower than represented.

Hire ranked does not imply that such products have been placed in any of our funds or products.

Excess Returns:
Each product in our hire lists is compared to the relevant Russell assigned benchmark and universe to determine product level excess returns for each quarter. All product level quarterly excess returns are geometric excess returns. Product level quarterly excess returns are then averaged across all products in the hire list to determine an average hire list quarterly excess return. Averages are only calculated for hire lists that consist of at least three hire rank products for the given quarter. The average quarterly excess returns by hire list are then annualized to determine the hire list 5 year annualized rolling excess returns. Each 5 year annualized return requires 20 contiguous quarters of non-missing quarterly averages. If the 5 year annualized average excess return for a hire list is greater than zero, then the hire list is considered to have outperformed over that time period.

Representation:
No client of Russell Investments has been able to achieve the represented performance due to the fact that the hire lists and universes are comprehensive composites that cannot be invested in directly. The hire lists and universes in Russell’s research database that are used in this material (presentation) cannot be purchased or held by any client. These manager products are available for our consulting clients and internal portfolio managers to use in the construction of portfolios for our fund and separate account clients.

The Hire List Success chart shows the percentage of defined coverage areas where the hire list mean return exceeded the hire list index return or the universe median return for the five-year periods ending on the dates shown.

The 10-Year Research Success chart shows the average yearly return difference of Russell’s hire list mean versus hire list index and universe median over a 10-year period ending December 2014.

Past performance is not indicative of future performance.

Timing:
Data is Final (Performance ending 2Q2015, last updated October 1, 2015). Manager products are included and excluded as our product ranks change over time; not all products are continually hire ranked over these indicated time periods.

The information presented is for illustrative purposes only and expires on November 30, 2015.
Global Manager Oversight & Due Diligence Team
Dual Reporting to Investment Research and Compliance

› Global insight & best practices in local markets
  › Russell has been hiring, firing and monitoring managers all over the world for >30 years.
  › Knowledge of more than 60 regional regulatory agencies worldwide.
  › Extensive knowledge of long-only and alternative investment managers globally.
› Specialized skill set and experience necessary
The four pillars of manager due diligence

Consistency
- Document vs. document
- Document vs. verbal
- Verbal vs. actual

Transparency
- Documentation
- Back office during on-site
- Access to service providers

Infrastructure
- Process
- People
- Systems

Reputation
- Background checks
- Reference – manager provided
- Reference – team’s network

All four pillars are critical to Russell’s due diligence process and an investment manager’s success with Russell.

(1) Alternative products only
Building a responsive portfolio
Positioning strategies enhance implementation skill

CONSTRUCT
Manager allocation

MANAGE
Market over time

Strategic positioning strategies

STRATEGIC PREFERRED PORTFOLIO

DYNAMIC PREFERRED PORTFOLIO

Manager changes
Manager weight changes
Dynamic positioning strategies
Evolve dynamic preferred positioning

Know where you want to be

What drives Russell PM preferred positioning?

Strategic Beliefs

Manager Research Insights

External Sub-advisor Views

Strategist Signals

Cycle, Value, Sentiment Indicators

Russell Investments
### Russell Investments - Equity Direct Investments
A global team of experienced investment professionals

<table>
<thead>
<tr>
<th>Global Coverage</th>
<th>Extensive Resourcing</th>
<th>Stability &amp; Experience</th>
</tr>
</thead>
</table>
| › Manage strategies covering every major equity market in the world. | 20 Associates:  
› 1 Global Head  
› 4 Quantitative Researchers  
› 7 Portfolio Managers  
› 3 Portfolio Analysts  
› 6 Implementation Professionals | › Team was established 10 years ago and still lead by Brian Mock  
› Average of 12 years experience  
› Average of 7 years at Russell |
| › Associates based in three key time zones and provide 24 hour coverage | | |

Seattle  
London  
Sydney
RIFL Multi-Asset Core Plus Fund
Asset allocation and manager lineup as of September 30, 2015

<table>
<thead>
<tr>
<th>ASSET CATEGORY</th>
<th>ASSET CLASS</th>
<th>MANAGERS/STRATEGIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global Equity</td>
<td>Real Assets</td>
<td>Epoch</td>
</tr>
<tr>
<td>Regional Large Cap</td>
<td>Emerging Markets</td>
<td>Hermes (European Equities), RIFL Global Small Cap Fund, RIFL Emerging Markets Equity Plus Fund, RIFL Global Real Estate Fund, RIFL Global Infrastructure Fund, RIFL Global Commodities Fund, RIFL Global High Yield Bond Fund, RIFL High Yield Bond Fund, TBL, Lazard, Amundi, Cash, Russell Conscious Currency Strategy (RCCI)</td>
</tr>
<tr>
<td>Global Real Estate</td>
<td></td>
<td>Deutsche Asset and Wealth Management</td>
</tr>
<tr>
<td>Global Infrastructure</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Global Commodities</td>
<td></td>
<td></td>
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<tr>
<td>Global High Yield</td>
<td></td>
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<tr>
<td>Bank Loans</td>
<td></td>
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<tr>
<td>Emerging Markets Debt</td>
<td></td>
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<tr>
<td>Global Equity Volatility</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Risk Premia Strategies</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Allocations and Managers/Funds/Strategies are as of September 2015. Current data may be different. The Russell Multi-Asset Core Plus Fund is a dynamic, diversified portfolio designed to capture market opportunities. The underlying allocations to various asset classes will shift over time, but the overall strategic allocation will remain 75% global equity/12% marketable real assets/13% diversifying fixed income. Russell positioning strategies are customized exposures directly managed by Russell for use within the total portfolio and may include overlays, index replication, smart beta strategies, and custom quantitative strategies. This is a fund of the Russell Institutional Funds, LLC; it is a private placement. This is not a mutual fund.
Appendix
One comprehensive solution to help you meet your fiduciary obligations

**STRATEGIC ADVICE**
- Objective setting
- Governance and fiduciary framework and structure
- Strategic asset allocation
- Risk & Financial modeling
- Spending and Investment policy review/update
- Capital markets research
- New investment strategies, analysis and education

---

**ASSET MANAGEMENT**
- Portfolio structure and construction
- Manager research, selection, monitoring and contracting
- External investment manager fees
- Operational due diligence
- Dynamic asset allocation
- Risk management
- Fund operations
- Cash securitization

---

**ADMINISTRATION**
- Performance measurement / analysis**
- Custody**
- Fund reporting
- Online statements
- Form 990 and audit assistance
- Donor securities gift processing*
- Donor accounting and planned giving administration*

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**OTHER VALUE ADDED SERVICES**
- Dedicated client team
- Comprehensive client service
- Quarterly review meetings
- Risk, liquidity and spending reports
- Secure client website
- Client conferences and educational events

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**Investment Committee Decides**

**Russell Assumes Responsibility**

**Russell Provides Investment Committee Reviews**

**Russell Provides Investment Committee Participates**

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*Additional administration fees will apply
**If Russell is asked to report on non-Russell assets, additional custody and performance reporting fees will apply
Concordia University, Nebraska
Long-term portfolio return assumptions*
Hurdle Rate: 4.5%

<table>
<thead>
<tr>
<th>Probability of passive strategic portfolio beating hurdle</th>
<th>3 year</th>
<th>5 year</th>
<th>10 year</th>
<th>20 year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>48.2%</td>
<td>53.2%</td>
<td>61.0%</td>
<td>72.5%</td>
</tr>
<tr>
<td>Probability of active strategic portfolio beating hurdle</td>
<td>54.6%</td>
<td>60.9%</td>
<td>71.6%</td>
<td>84.0%</td>
</tr>
<tr>
<td>Probability of passive strategic portfolio beating inflation-adjusted hurdle</td>
<td>35.1%</td>
<td>34.9%</td>
<td>32.8%</td>
<td>32.1%</td>
</tr>
<tr>
<td>Probability of active strategic portfolio beating inflation-adjusted hurdle</td>
<td>42.2%</td>
<td>42.6%</td>
<td>44.5%</td>
<td>48.6%</td>
</tr>
</tbody>
</table>

- Current environment puts significant pressure on probability of beating hurdle
- Decreasing allocation to core bonds/capital preservation assets would increase probability of beating hurdle, but would materially increase risk and widen range of outcomes
- Active risk does help to increase the likelihood of beating the hurdle rate

*Assumptions are calculated using portfolio components shown on page 9. These projections are based on beta and alpha for the active portfolio and beta only for the passive portfolio. The assumptions are not meant to be a prediction of investment returns.

Hurdle rate used for the purpose of this analysis is 4.5%.

Sources: The above analysis is based on data provided by Russell Capital Markets Forecasts (June 30, 2015) and excess return targets for the Russell funds.

Forecasting represents predictions of market prices and/or volume patterns utilizing varying analytical data. It is not representative of a projection of the stock market, or of any specific investment. There is no guarantee that any stated expectations will occur. Please see important information at the end of this report for additional details on the analysis provided.

p.30
Concordia University, Nebraska

Long-term portfolio return assumptions*

Hurdle Rate: 5%

<table>
<thead>
<tr>
<th>Probability of passive strategic portfolio beating hurdle</th>
<th>3 year</th>
<th>5 year</th>
<th>10 year</th>
<th>20 year</th>
</tr>
</thead>
<tbody>
<tr>
<td>45.1%</td>
<td>48.8%</td>
<td>55.4%</td>
<td>65.0%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Probability of active strategic portfolio beating hurdle</th>
<th>3 year</th>
<th>5 year</th>
<th>10 year</th>
<th>20 year</th>
</tr>
</thead>
<tbody>
<tr>
<td>51.5%</td>
<td>56.6%</td>
<td>66.7%</td>
<td>78.7%</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Probability of passive strategic portfolio beating inflation-adjusted hurdle</th>
<th>3 year</th>
<th>5 year</th>
<th>10 year</th>
<th>20 year</th>
</tr>
</thead>
<tbody>
<tr>
<td>32.3%</td>
<td>30.6%</td>
<td>27.4%</td>
<td>25.4%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Probability of active strategic portfolio beating inflation-adjusted hurdle</th>
<th>3 year</th>
<th>5 year</th>
<th>10 year</th>
<th>20 year</th>
</tr>
</thead>
<tbody>
<tr>
<td>39.0%</td>
<td>38.9%</td>
<td>38.6%</td>
<td>40.6%</td>
<td></td>
</tr>
</tbody>
</table>

- Current environment puts significant pressure on probability of beating hurdle
- Decreasing allocation to core bonds/capital preservation assets would increase probability of beating hurdle, but would materially increase risk and widen range of outcomes
- Active risk does help to increase the likelihood of beating the hurdle rate

*Assumptions are calculated using portfolio components shown on page 9. These projections are based on beta and alpha for the active portfolio and beta only for the passive portfolio. The assumptions are not meant to be a prediction of investment returns.

Hurdle rate used for the purpose of this analysis is 5.0%.

Sources: The above analysis is based on data provided by Russell Capital Markets Forecasts (June 30, 2015) and excess return targets for the Russell funds.

Forecasting represents predictions of market prices and/or volume patterns utilizing varying analytical data. It is not representative of a projection of the stock market, or of any specific investment. There is no guarantee that any stated expectations will occur. Please see important information at the end of this report for additional details on the analysis provided.
Concordia University, Nebraska
20-year Time Horizon Assumptions as of June 30, 2015

<table>
<thead>
<tr>
<th>Asset Class/Fund</th>
<th>Alpha Return Assumptions*</th>
<th>Beta Return Assumptions**</th>
<th>Beta Standard Deviation Assumptions**</th>
<th>Portfolio Allocations</th>
</tr>
</thead>
<tbody>
<tr>
<td>US Private Real Estate</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CTF Real Estate Equity Fund</td>
<td>0.25%</td>
<td>6.33%</td>
<td>15.23%</td>
<td>5.00%</td>
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<tr>
<td>Multi Asset Core Plus</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>RIFL Multi-Asset Core Plus Fund</td>
<td>2.00%</td>
<td>7.45%</td>
<td>15.47%</td>
<td>62.00%</td>
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<tr>
<td>US Agg</td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>RIFL Core Bond Fund</td>
<td>0.60%</td>
<td>3.91%</td>
<td>3.22%</td>
<td>15.00%</td>
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<tr>
<td>Absolute Return Fixed Income</td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>RIFL Absolute Return Fixed Income Fund</td>
<td>1.90%</td>
<td>4.65%</td>
<td>5.36%</td>
<td>5.00%</td>
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<tr>
<td>50/50 Directional and Non-Directional Hedge Funds</td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>Hedge Funds</td>
<td>4.00%</td>
<td>5.52%</td>
<td>8.13%</td>
<td>13.00%</td>
</tr>
</tbody>
</table>

| Total Annualized Return Assumption - Gross of Fees | 8.41% |
| Aggregate Annual Fees***                        | 0.89% |
| Total Annualized Return Assumption - Net of Fees*** | 7.52% |
| Total Annualized Real Returns                   | 4.97% |

| Total Standard Deviation Assumption            | 11.24% |
| Standard Deviation of Real Returns             | 11.60% |

* Alpha is based on Russell Fund targets excess return and risk goals developed by Russell Investments Strategy and Research management to help measure our skill in managing managers and the general success of our funds against their stated objectives. Targets for multi-manager funds are based on targets received from underlying managers, historical data and the Russell’s qualitative assessments of the prospects for managers in a multi-manager portfolio and various other factors. We believe our methodology is reasonable for its purpose, but targets are not intended to predict the performance of Russell funds and we expect that actual performance will vary considerably.

** Source for Beta Return and Standard Deviation data: Russell Capital Markets Forecasts (June 30, 2015). Please note all information shown is based on assumptions and is not meant as a prediction of fund performance. Expected returns employ proprietary projections of the returns of each asset class. We estimate the performance of an asset class or strategy by analyzing current economic and market conditions and historical market trends. References to future returns for either asset allocation strategies or asset classes are not promises or even estimates of actual returns a client portfolio may achieve. The assumptions do not take fees into consideration and all returns are assumed gross of fees. Asset classes are broad general categories which may or may not correspond well to specific products.

*** Fees are per current Fee Agreement based on the current target asset allocation.
RIFL funds are not mutual funds, but are funds of the Russell Institutional Funds, LLC; they are private placements.
The Russell Trust Company Common Trust Funds (RTC CTF) are not mutual funds. The RTC CTFs are designed for non-qualified assets, such as tax-exempt organizations operating under Section 501(c)(3). Employee benefit plan and government plan money are generally not eligible to invest in CTFs.
Concordia University, Nebraska
Asset Class and Scenario Stress Tests

The portfolio is exposed to negative price shocks in equities and real assets

The return enhancement and diversifying assets help mitigate risk by being less impacted by the return shocks than the growth assets

Sources: The above analysis is based on forecasted fund returns from the Riskmetrics platform. Sensitivity analysis as of April 2015. The left hand chart demonstrates the expected return on the portfolio and portfolio components (provided on page 9) given one standard deviation movements in the listed asset classes. Forecasting represents predictions of market prices and/or volume patterns utilizing varying analytical data. There is no guarantee that any stated expectations will occur. The right hand chart demonstrates the simulated return the given stresses similar to what has been historically experienced and are hypothetical. They do not represent the results of actual trading and were achieved by means of the application of the stated historical event to current economic circumstances. Hypothetical or back-tested performance is shown for illustrative purposes only.

p.33
Concordia University, Nebraska
Asset Class and Scenario Stress Tests
Drawdown Comparison

Historical Stress:
08Q4
11Q3
08Q3
1000 -1SD
Dev LC - 1SD
S&P500 - 10%; UST +50bps
Black Mon (1987)
Asn Crisis (1997)
Rus Deval (1998)
GFC Historical

Historical
Stress:

Russell Global Index
Portfolio
Barclays Capital U.S. Aggregate

Dollars of Drawdown

$(5,000,000)

$5,000,000

$10,000,000

$15,000,000

$20,000,000

$25,000,000

Analysis as of December 31, 2014.
Sources: The above analysis is based on forecasted fund returns from the Riskmetrics platform. Sensitivity analysis is based on the current market environment. The above chart demonstrates the expected return on the portfolio and portfolio components (provided on page 9). The above chart demonstrates the simulated return given stresses similar to what has been historically experienced and are hypothetical. They do not represent the results of actual trading and were achieved by means of the application of the stated historical event to current economic circumstances. Hypothetical or back-tested performance is shown for illustrative purposes only.
Relative Drawdown Analysis

Hypothetical backtested analysis: Difference in Drawdown
Current Portfolio Allocation Less Alternative Allocation

Source: Russell
This is a hypothetical analysis provided for illustrative purposes only. Additional information on the underlying analysis is available upon request.
Strategic planning assumptions
Through June 30, 2015

<table>
<thead>
<tr>
<th>Equity</th>
<th>Fixed Income</th>
<th>Marketable Real Assets</th>
<th>Other</th>
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<tbody>
<tr>
<td>US Equity</td>
<td>EAFE Equity</td>
<td>Emerging Markets Equity</td>
<td>Global Equity</td>
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<tr>
<td>US Govt</td>
<td>Govt</td>
<td>Long Credit Fixed</td>
<td>Credit Fixed</td>
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<tr>
<td>LIBOR</td>
<td>Global Commodity</td>
<td>US Listed Real Estate</td>
<td>Global Listed Real Estate</td>
</tr>
<tr>
<td>Non-Dir. Hedge Fund</td>
<td>Inflation</td>
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<table>
<thead>
<tr>
<th>Correlations</th>
<th>Equity</th>
<th>Private - Unlisted</th>
<th>Fixed Income</th>
<th>Marketable Real Assets</th>
<th>Other</th>
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<tbody>
<tr>
<td>US Equity</td>
<td>1.00</td>
<td>0.94</td>
<td>1.00</td>
<td>0.83</td>
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<td>Emerging Markets Equity</td>
<td>0.81</td>
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<td>0.88</td>
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<td>Global Equity</td>
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<td>0.98</td>
<td>0.98</td>
<td>0.98</td>
<td>0.98</td>
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<tr>
<td>Global Fixed Income</td>
<td>0.94</td>
<td>0.98</td>
<td>0.92</td>
<td>0.98</td>
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<table>
<thead>
<tr>
<th>Correlation</th>
<th>US Equity</th>
<th>US Real Estate</th>
<th>Global Equity</th>
<th>Global Fixed Income</th>
<th>Global High Yield</th>
<th>EM Debt</th>
<th>LIBOR</th>
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<tr>
<td>US Govt</td>
<td>0.12</td>
<td>0.16</td>
<td>0.13</td>
<td>0.14</td>
<td>0.15</td>
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<tr>
<td>Govt</td>
<td>0.09</td>
<td>0.07</td>
<td>0.08</td>
<td>0.08</td>
<td>0.07</td>
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<tr>
<td>Long Credit Fixed</td>
<td>0.40</td>
<td>0.41</td>
<td>0.37</td>
<td>0.42</td>
<td>0.41</td>
<td>0.34</td>
<td>0.16</td>
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<tr>
<td>Credit Fixed</td>
<td>0.28</td>
<td>0.28</td>
<td>0.26</td>
<td>0.29</td>
<td>0.28</td>
<td>0.15</td>
<td>0.13</td>
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<tr>
<td>Long G/C Fixed</td>
<td>0.29</td>
<td>0.31</td>
<td>0.27</td>
<td>0.31</td>
<td>0.31</td>
<td>0.25</td>
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<tr>
<td>Agg Fixed</td>
<td>0.22</td>
<td>0.24</td>
<td>0.21</td>
<td>0.23</td>
<td>0.24</td>
<td>0.13</td>
<td>0.08</td>
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<tr>
<td>Global High Yield</td>
<td>0.31</td>
<td>0.31</td>
<td>0.27</td>
<td>0.31</td>
<td>0.31</td>
<td>0.25</td>
<td>0.18</td>
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<tr>
<td>EM Debt</td>
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<td>0.31</td>
<td>0.27</td>
<td>0.32</td>
<td>0.31</td>
<td>0.26</td>
<td>0.16</td>
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<tr>
<td>TIPS</td>
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<td>0.07</td>
<td>0.10</td>
<td>0.10</td>
<td>0.08</td>
<td>0.04</td>
<td>0.07</td>
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<tr>
<td>Cash</td>
<td>0.03</td>
<td>-0.06</td>
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<td>-0.01</td>
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<tr>
<td>LIBOR</td>
<td>-0.01</td>
<td>-0.09</td>
<td>-0.03</td>
<td>-0.04</td>
<td>-0.07</td>
<td>-0.12</td>
<td>0.07</td>
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<tr>
<td>Global Commodities</td>
<td>0.38</td>
<td>0.41</td>
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<td>0.42</td>
<td>0.44</td>
<td>0.37</td>
<td>0.31</td>
</tr>
<tr>
<td>US Listed Real Estate</td>
<td>0.60</td>
<td>0.62</td>
<td>0.47</td>
<td>0.61</td>
<td>0.60</td>
<td>0.55</td>
<td>0.87</td>
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<tr>
<td>Global Listed Real Estate</td>
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<td>0.78</td>
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<td>0.77</td>
<td>0.77</td>
<td>0.69</td>
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<tr>
<td>Global Listed Infrastructure</td>
<td>0.71</td>
<td>0.72</td>
<td>0.61</td>
<td>0.73</td>
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<td>0.59</td>
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<tr>
<td>Other</td>
<td>Non-Dir. Hedge Fund</td>
<td>0.50</td>
<td>0.47</td>
<td>0.51</td>
<td>0.51</td>
<td>0.51</td>
<td>0.42</td>
</tr>
<tr>
<td>Inflation</td>
<td>0.06</td>
<td>0.00</td>
<td>0.04</td>
<td>0.04</td>
<td>0.01</td>
<td>0.00</td>
<td>0.05</td>
</tr>
</tbody>
</table>

Correlation values shown are for the 10-year forecast horizon. Assumptions do not take fees into consideration and all returns are assumed gross of fees. Yields represent the level at a ten-year horizon. The information presented in this document is based on data from multiple sources: including Russell Investments, Barrie & Hibbert, Barclays Capital, Bloomberg, and Consensus Economics, Inc. The summary statistics presented in this document are not intended for use in mean variance optimization. Please note all information shown is based on assumptions. Expected returns employ proprietary projections of the returns of each asset class. We estimate the performance of an asset class or strategy by analyzing current economic and market conditions and historical market trends. It is likely that actual returns will vary considerably from these assumptions, even for a number of years. References to future returns for either asset allocation strategies or asset classes are not promises or even estimates of actual returns a client portfolio may achieve. Asset classes are broad general categories which may or may not correspond well to specific products.
Russell believes exposures to the following factors over the course of the entire market cycle can offer higher returns than the market:

**Equity beliefs**

- **Value** – Stocks with lower valuation characteristics will generate higher returns than stock with higher valuations. Value is defined by the following ratios: Price-to-Book, Price-to-Earnings, Price-to-Sales, Price-to-Cash flow.

- **Equity Momentum** – High momentum stocks will generate higher returns than low momentum stocks over a market cycle, but with the risk of sharp price reversals. Momentum is defined as price and/or earnings momentum.

- **Quality** – Higher quality stocks will generate higher returns than lower quality stocks. Quality is defined by the following metrics: high profitability, low leverage, strength of balance sheet, low earnings volatility.

- **Capitalization** – Small capitalization stocks will generate higher returns than large cap stocks over a full market cycle.

- **Volatility** – Higher volatility stocks do not provide sufficient returns to compensate investors for the additional risk. Lower volatility stocks can provide better risk adjusted returns.

- **Selection** – Security and manager stock selection will drive benchmark relative fund performance over a market cycle.

**Fixed Income beliefs**

- **Credit** – Bonds with credit risk (default risk by the issuer) will generate higher returns than those of equivalent duration high quality government securities over a market cycle.

- **Real yield** – High real yield is a return source based on real rate convergence and inflation. The real yield return source is an inter-country relative value source of return in government bond markets where holding positions in high quality government bonds whose yield net of forward-looking inflation are relatively high and short interest rate risk is expected to be relatively low.

- **Term premium** – longer-term bonds will generate higher returns than comparable shorter-term bonds or cash. These higher returns result from expectations of future interest rates and liquidity preferences.

- **Selection** – Security and manager selection will drive benchmark relative fund performance over a market cycle.
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