



What's in a Benchmark?

The designated benchmarks used within the Scorecard System were selected because they are the most appropriate and/or most used indices in the marketplace (Russell 1000, MSCI EAFE, BC US Aggregate Bond, etc.). While both the Russell and S&P indices are commonly utilized, Russell employs a more quantitative approach to index construction. Below are some benefits of using the Russell benchmarks:



- Russell ranks each company in the investable universe according to its total market capitalization. The market cap is the primary tool to determine where a company belongs in the Russell Index. S&P uses a committee to make these decisions.
- Russell indices adjust each company's capitalization ranking to eliminate closely held shares that aren't likely to be traded. Using this float adjustment methodology, Russell creates benchmarks that most accurately reflect the market.
- Russell updates their indices' holdings on a regular basis. Russell reconstitutes its indices annually, which assist in a truer representation of the market.
- Russell indices objectively allow the market to determine the index composition according to clear and published rules. The market determines which companies are included, not the subjective vote of a selection committee.

As a reminder, the score is a starting point. For a complete picture of a score's performance, run an Asset Class Review report. Those several pages often verify the fiduciary decision to keep, watchlist or consider replacement of a fund in question.

This material was created to provide accurate and reliable information on the subjects covered but should not be regarded as a complete analysis of these subjects. It is not intended to provide specific legal, tax or other professional advice. The services of an appropriate professional should be sought regarding your individual situation. The "Retirement Times" is published monthly by Retirement Plan Advisory Group's marketing team. This material is intended for informational purposes only and should not be construed as legal advice and is not intended to replace the advice of a qualified attorney, tax adviser, investment professional or insurance agent. (c) 2021. Retirement Plan Advisory Group. Fiduciary Pension Partners is not affiliated with Retirement Plan Advisor Group but subscribes to its annual services offering. Fiduciary Pension Partners is a registered investment adviser with its principal place of business in the State of New Jersey. Registration does not imply a certain level of skill or training.