FOR PUBLICATION

In the

United States Court of Appeals

For the Eleventh Circuit

No. 25-10692

ANN JOHNSON,
as the representative of a class of similarly
situated persons, and on behalf of Royal
Caribbean Cruises Ltd Retirement Savings Plan,

Plaintiff-Appellant,

versus

RUSSELL INVESTMENT MANAGEMENT, LLC,
RUSSELL INVESTMENTS TRUST COMPANY,
f.k.a. Russell Trust Company,

Defendants,

ROYAL CARIBBEAN CRUISES LTD.,
ROYAL CARIBBEAN CRUISES LTD.,

Defendants-Appellees.

Appeal from the United States District Court
for the Southern District of Florida
D.C. Docket No. 1:22-cv-21735-RNS

Before JILL PRYOR, LUCK, and BRASHER, Circuit Judges.

BRASHER, Circuit Judge:

This appeal is about whether Royal Caribbean breached its fiduciary duty under the Employee Retirement Income Security Act. Ann Johnson, on behalf of a class of similarly situated plaintiffs, complained that Royal Caribbean breached its obligation to prudently select investments for its employee retirement plan. Specifically, she alleged that Royal Caribbean's decision to replace Vanguard Target Date Funds with Russell Target Date Funds in the plan's menu of investment options caused the class members' losses because the investment was objectively imprudent.

The district court granted summary judgment because it concluded that Johnson was obligated to, but did not, submit evidence that the Russell Target Date Funds was objectively imprudent compared to another target date fund that had the same investment strategy and risk profile. We believe the district court erred. An ERISA plaintiff need not identify an apples-to-apples comparison to establish objective imprudence in every case. In this case, Johnson argues that the very features that distinguish the Russell Target Date Funds from otherwise comparable funds are what made the Russell funds an objectively imprudent investment. Because a plaintiff may, but need not, rely on apples-to-apples comparator evidence at summary judgment in a breach of fiduciary duty case like this one, we reverse and remand for the district court to consider the full record on the issue of objective imprudence.

I.

We will start with some background information about retirement plans and target date funds. A self-directed retirement plan provides a menu of investment options from which participants can choose to invest their funds. The investment menu is set by the plan's sponsor—here, Royal Caribbean. Many plans, like the one in this case, offer target date funds, or TDFs, as an option. A TDF is an investment vehicle that simplifies retirement planning by allowing investors to invest all their savings in a single diversified fund that changes its asset allocation over time based on a target retirement date, rather than actively managing many different investments across their portfolio. Consistent with investing best practices, TDFs adjust their asset allocation to become more conservative as the investor's retirement date (*i.e.*, the fund's "target date") approaches. A TDF's approach to risk is called its "glidepath." Some TDFs use "to" glidepaths (*i.e.*, assets are most conservatively allocated *at* the target date—the most conservative approach), while other TDFs employ "through" glidepaths (*i.e.*, assets reach the most conservative allocation some period of years *beyond* the target date—a less conservative approach).

Now, with the stage set, we move to the facts leading to this dispute. In 2014, Royal Caribbean's Investment Committee decided to restructure its employee retirement plan.[1] To that end, the Committee established a Request for Proposal Team to solicit RFPs from investment companies for Plan advisory and management services. Eleven prospective vendors submitted proposals, and Royal Caribbean's outside counsel prepared a memorandum to evaluate each one. Although the memorandum did not list Russell among the initial top four contenders, it noted that "Russell's strength is their expertise in providing consulting services and investment advice." Doc 177-29 at 5. Upon reviewing the memo, the RFP Team selected Russell as one of its four finalists because of its "[s]trong expertise in providing consulting service and investment advice." Doc. 177-30 at 4. But in its early assessment, the RFP Team also recognized that Russell did have a few "downside[s]": their "pricing was on the high end," they mandated that at least 75% of Plan fund offerings be Russell funds, and they required engaging a third-party recordkeeping service provider. *Id.*

Meanwhile, the Investment Committee considered "various [TDF] offerings, including historical returns, diversification strategies, management strategies[,] and expense ratios" to add to the Plan's investment menu during the pendency of the RFP process.

[1] At the time, Royal Caribbean's retirement scheme included a Pension Plan and a 401(k) Plan. In December 2015, the Plans were merged into a single 401(k) Plan. The distinction between the two plans is not relevant to this appeal. For simplicity, we refer to Royal Caribbean's retirement scheme as the singular "Plan."

Doc. 177-6 at 3. The Committee "resolved to add the Vanguard [TDF] . . . to the Plan portfolio" and set the Vanguard TDF as "the Plan's default fund." *Id.*

In August 2014, Russell gave an in-person presentation to the Committee. The presentation highlighted the Russell TDF series' distinguishing characteristics, including its "to" glidepath and its bias towards investing in emerging markets and real assets relative to its competitors, which tended to be more heavily invested in U.S. equities. Russell also submitted follow up information to the Committee, including historical returns for the funds in Russell's proposed investment menu lineup, which compared the funds' performance to composite benchmarks.

The Investment Committee subsequently replaced the Vanguard TDF series with the Russell TDF series. And in September 2015, Royal Caribbean and Russell officially entered into an Investment Management Agreement.

According to Johnson, the Investment Committee made a very bad decision. The Russell TDFs never had more than 12 clients and had lost their two largest clients to the Vanguard TDFs in 2014, the year before Royal Caribbean's decision to move from Vanguard to Russell. Johnson's expert testified that, at the time of this decision, the Russell TDFs "had inferior characteristics with respect to the commonly used risk, return, and risk-adjusted return metrics." Doc. 186-6 at 5. Adjusting for the risk of the Russell TDF funds since their inception, "the risk-adjusted returns for Russell [we]re lower than that for each of the corresponding vintage funds." *Id.* at 7. Finally, as of December 2014, Morningstar had rated the "Russell LifePoints Target Date Series" (Russell's retail mutual fund TDF, which is allegedly similar to the Russell TDF series that was included in the Plan) with a "[n]egative" rating. Doc. 186-12 at 2.

From 2015 to 2019 (when Royal Caribbean removed the Russell TDF series from the investment menu), the Russell TDF underperformed the Vanguard TDF (which it replaced) and the American Funds TDF (which eventually replaced the Russell TDF). In fact, comparing the Russell TDF with the legacy Vanguard TDF and the replacement American Funds TDF, the Russell TDF underperformed, on an annualized basis, by an average of 1.51% and 2.12%, respectively, from October 2015 until May 2019. During that same period, the Russell TDF also underperformed its composite benchmark, ranging from 0.38% to 0.97% annual underperformance, for an asset-weighted average underperformance of 0.71%.

Within the first few years of the Royal Caribbean–Russell relationship, Russell recognized Royal Caribbean's frustration with the Russell TDF series' performance. For example, in an internal 2017 email, Russell executive Stacey Bro stated that, "based on longer-term historical peer relative performance [of the Russell TDF series]," Royal Caribbean may "think they have made a bad fiduciary decision." Doc. 186-36 at 2. Similarly, in another internal 2017 email, Russell's Director of Institutional Investment Solutions, Lynn Pfeiffer, noted that other clients were moving away from the Russell TDF because "as a fiduciary it is hard to go with worse numbers and higher fees." Doc. 186-68 at 3. And finally, an internal 2018 strategy presentation to Russell executives specified that Russell's "fees [were] now high relative to peers." Doc. 191-9 at 5.

In April 2019, Royal Caribbean terminated Russell's Investment Management Agreement. And in May 2019, the Committee replaced the Russell TDF series with the American Funds TDF series.

Johnson, a participant of the Plan who invested in the Russell TDF series, on behalf of a class of similarly situated plaintiffs, sued Royal Caribbean and Russell for breaching "ERISA's strict fiduciary standards." Doc. 31 at 26. As relevant here, she alleged that Royal Caribbean imprudently selected Russell as the Plan's investment manager, failed to monitor the Plan's investment menu and the Russell TDF series' performance, and failed to monitor the Investment Committee. She specifically claimed that the Russell TDF series' underperformance, "to" glidepath selection, and high fees relative to other TDFs demonstrated that it was an objectively bad investment.

Following discovery, Royal Caribbean and Russell both filed motions for summary judgment, which the district court granted. In granting summary judgment for Royal Caribbean, the district court reasoned that an ERISA plaintiff must identify comparator funds to establish objective imprudence through an "apples-to-apples" comparison. Doc. 273 at 16. It then held that Johnson had relied on "[i]mproper [c]omparators," such as the Vanguard and American funds, *id.*, that Russell's custom TDF benchmark was the only "[p]roper [c]omparator," and that the court did not need to consider any "[o]ther [e]vidence of [a]lleged [o]bjective [i]mprudence," *id.* at 19–20.

Johnson timely appealed. While the appeal was pending, Johnson and Russell reached a settlement and jointly moved for voluntary dismissal of the appeal, which we granted. Royal Caribbean Cruises Ltd. and Royal Caribbean Cruises Ltd.'s Investment Committee (collectively, Royal Caribbean) are the only remaining appellees.

II.

We review the district court's decision to grant summary judgment *de novo*. *Baker v. Upson Reg'l Med. Ctr.*, 94 F.4th 1312, 1316–17 (11th Cir. 2024).

III.

ERISA requires fiduciaries administering employee benefit plans to prudently investigate, choose, and monitor investments. 29 U.S.C. §§ 1104(a)(1)(B), 1109(a). We recently addressed how a participant in a plan can prove a fiduciary breach under ERISA's section 1109(a). *See Pizarro v. Home Depot, Inc.*, 111 F.4th 1165 (11th Cir. 2024). In *Pizarro*, we held that "liability turns not only on an imprudent process, but also on that process resulting in an imprudent investment." *Id.* at 1176. In other words, to establish fiduciary liability, we held that a plaintiff must demonstrate (1) procedural imprudence (*i.e.*, "imprudent process") and (2) loss causation (*i.e.*, "resulting in an imprudent investment"). *Id.*

Loss causation, not imprudent process, is the focus for us today. Loss causation requires a plaintiff to prove that an investment was not "objectively prudent." *Id.* An investment is not objectively prudent, we have held, when it falls "outside the 'range of reasonable judgments a fiduciary may make based on her experience and expertise,' such that a hypothetical prudent fiduciary in the same circumstances as the defendant, armed with the information that a proper evaluation would have yielded, would not (or could not) have made the same choice." *Id.* (quoting *Hughes v. Nw. Univ.*, 595 U.S. 170, 177 (2022)).

ERISA plaintiffs often rely on comparisons to demonstrate objective imprudence by presenting evidence that a challenged investment was inferior to an alternative that a fiduciary could have chosen instead. *See id.* at 1178; *see also GIW Indus., Inc. v. Trevor, Stewart, Burton & Jacobsen, Inc.*, 895 F.2d 729, 733 (11th Cir. 1990). When assessing this kind of comparator evidence, we have explained that "whether an investment is objectively imprudent must be assessed against the actions of a hypothetical prudent fiduciary with 'like aims.'" *Pizarro*, 111 F.4th at 1181 (quoting 29 U.S.C. § 1104(a)(1)(B)). So, if a fund was chosen "because it was conservative," then its performance should be "benchmarked [] against a conservative metric," not "more aggressive benchmarks." *Id.*

The parties in this case fundamentally disagree about the role of this kind of comparator evidence. Johnson argues that she need not provide comparator evidence to demonstrate objective imprudence, but she also argues that she has done so by comparing the Russell TDF funds to the funds they replaced, the Vanguard TDF series, and the funds that ultimately replaced them, the American TDF series. Royal Caribbean responds that comparator evidence is, in fact, required to establish objective imprudence, and that Johnson's comparator evidence does not satisfy the requirement. It points out that the Russell, Vanguard, and American TDFs are different—they employed different investment strategies, glidepaths, and asset allocations—rendering them inadequate apples-to-apples comparators. Accordingly, Royal Caribbean concludes that Johnson failed to establish loss causation.

We agree with Johnson that a plaintiff is not necessarily required to identify a comparable investment to establish loss causation. The objective imprudence of an individual investment turns on whether it falls "outside the range of reasonable judgments a fiduciary may make based on her experience and expertise." *Id.* at 1176 (citation modified). Although comparator evidence may be relevant to establish loss causation, we cannot say it is always necessary.

Instead, we expect the facts relevant to objective prudence to vary from case to case. After all, the determination of whether an individual investment is objectively prudent "will necessarily be context specific." *Hughes*, 595 U.S. at 177 (quoting *Fifth Third Bancorp v. Dudenhoeffer*, 573 U.S. 409, 425 (2014)). And, as with many other context-specific inquiries, the factfinder will be required to consider and weigh competing evidence. *See, e.g.*, *Daubert v. Merrell Dow Pharms., Inc.*, 509 U.S. 579, 593 (1993); *United States v. Robelo-Galo*, 166 F.4th 1311, 1316 (11th Cir. 2026). To that end, in *Pizarro*, we identified various types of evidence that can inform whether an investment falls "outside the range of reasonable judgments," 111 F.4th at 1176 (citation modified), to assess its objective prudence, grouping them in qualitative and quantitative buckets, *see id.* at 1179–82.

We reaffirm that approach here. Qualitatively, a factfinder may look to whether the fund was a "popular option[] offered by other employers' plans of comparable size and complexity" and whether it "received positive ratings from industry analysts." *Id.* at 1180. And, quantitatively, a factfinder may weigh the fund's fees and performance relative to appropriate contemporaneous peers and benchmarks. *Id.* at 1178, 1180–82. The quantitative evaluation, though, may be applied only to "apples-to-apples comparison[s]" to control for differences across the investments' risk profiles, strategies, asset allocations, and the like. *Id.* at 1180. Controlling for these variables ensures that any historical underperformance is not simply a function of the fund pursuing a different investment objective, but, instead, reflects a fund's real economic inferiority relative to the alternative options that would have been available to a "prudent fiduciary with 'like aims.'" *Id.* at 1181 (quoting 29 U.S.C. § 1104(a)(1)(B)). Considered together, this non-exhaustive list of evidence provides a helpful framework to assess an investment's objective prudence.

The important point is that the law imposes no mandate that a plaintiff prove objective imprudence through apples-to-apples comparator evidence. In some circumstances, a context-specific inquiry may favor either qualitative or quantitative evidence, and a plaintiff does not need both. *See, e.g.*, *GIW Indus.*, 895 F.2d at 733 (concluding that a fiduciary caused losses to the fund without a quantitative analysis); *In re Unisys Sav. Plan Litig.*, 74 F.3d 420, 437 (3d Cir. 1996) (concluding that a reasonable factfinder could find the fiduciary caused losses to the plan without a quantitative analysis). So, even when a plaintiff lacks qualitative evidence, he may still establish loss causation by reference to a meaningful benchmark that demonstrates obvious underperformance. And, even when a plaintiff lacks a proper apples-to-apples comparison, he may still point to a fund's widespread unpopularity and negative industry ratings as evidence of its objective imprudence. After all, some of the most objectively imprudent investments will lack an apples-to-apples comparison precisely because they are such objectively bad fiduciary decisions.

Our approach to comparator evidence is consistent with those of other circuits. The Sixth Circuit has held that comparator evidence may be used "to show a fund acted imprudently" but has stopped short of deciding that comparator evidence is necessary to plead a fiduciary violation. *Smith v. CommonSpirit Health*, 37 F.4th 1160, 1166 (6th Cir. 2022). Likewise, the Third Circuit has held that a court must consider a variety of factors before weighing in on the prudence of a particular investment. *In re Quest Diagnostics ERISA Litig.*, 179 F.4th 217, 225 (3d Cir. 2026) (evaluating whether the plan fiduciaries consulted advisors, understood the funds' underlying merits, and employed a reasonable process). As both of our sister circuits have recognized, the prudence inquiry is fact-intensive. We, likewise, do not approach this question with a "mechanical checklist," recognizing that courts must consider all the available evidence to evaluate the objective prudence of a particular investment. *Id.*

Turning back to this case, Johnson argues that the decision to abandon the Vanguard TDFs in favor of the Russell TDFs is the kind of objectively imprudent decision that needs no apples-to-apples comparison. To be sure, it is undisputed that, at the time the Russell TDFs were added to the plan, their returns exceeded a custom benchmark. And, during the four-year class period, the Russell TDFs only slightly underperformed the custom benchmark; their "asset-weighted average underperformance [was] 0.71%." Doc. 191-4 at 5. But the mere fact that the Russell funds were within striking distance of their own custom benchmark does not answer Johnson's theory of objective imprudence—that the Russell TDFs' unique features, which were also baked into the custom benchmark, are what made them an objectively imprudent investment to begin with. *See, e.g.*, Doc. 191-3 at 22 ("Russell dodges the proper question: whether those very characteristics of the Russell TDFs made them an imprudent investment for the Plan given Royal Caribbean's investment objectives").

The touchstone for objective imprudence is that a challenged investment "must be assessed against the actions of a hypothetical prudent fiduciary with like aims." *Pizarro*, 111 F.4th at 1181 (citation modified). We make no determination about whether the record warrants summary judgment under the appropriate standard.

IV.

For the foregoing reasons, the decision of the district court is **REVERSED**. We **REMAND** for further proceedings not inconsistent with this opinion.