UPDATE

Multi-Asset Growth Strategy

3rd Quarter 2021

Introduction

The emergence of stronger variants of the COVID-19 virus, supply-chain issues, rising oil prices and growing signs that the U.S. Federal Reserve (Fed) could begin to tighten monetary policy sooner than expected had a dampening effect on markets in the third quarter.

Equities generally continued to march higher, albeit at a slower pace than earlier in the year, while bonds fell as yields rose on the Fed outlook. However, emerging markets fared poorly as China's crackdown on technology companies and real estate giant Evergrande's debt woes reverberated throughout the region.

Economies globally continue to rebound from the lows of 2020, when the pandemic first emerged. While most have seen double-digit growth, they are still playing catch-up, with gross domestic product (GDP) still well below their 2019 levels. The U.S. is a positive outlier, however, with GDP now above where it was before the pandemic and the potential to continue moving higher. In fact, wage inflation and other factors in the U.S. have underpinned growing concerns the Fed will raise interest rates sometime next year. That possibility is likely to weigh on investors going forward.

Much will depend on what happens with the spike in inflation, which has been larger than expected. Although we believe inflation is transitory and related to the rapid recovery from 2020's pandemic, the bottlenecks in the supply chain and the supply-demand imbalance in the oil market could keep inflation high until 2022. While the Fed is likely to begin tapering back on its bond purchases this year, it's not broadly expected to start raising rates until 2023 – unless inflation remains higher than expected for longer than expected. This possibility could keep markets wary.

The highly contagious COVID-19 variants are also a concern. Although vaccination rates continue to grow around the world, there are holdout populations. And the vaccines may not be as effective against the variants as the original strain, which could bode poorly for infection rates as winter sets in throughout the northern hemisphere and people spend more time indoors. Still, news about the efficacy of booster shots and a potential treatment for COVID-19 were hopeful.

Investors are also keeping an eye on the U.S. government's budget discussions, and any political fallout that might result. While the U.S. Congress passed a stopgap spending bill to keep the government functioning for now, discussions on the debt ceiling are unlikely to run smoothly given the deep rift between the Democrats and Republicans. As well, President Joe Biden's stimulus initiatives – including a $1 trillion infrastructure plan, and a series of changes to the tax code – are likely to take some horse-trading to advance in the U.S. Congress.

China's relations with both the U.S. and Canada remain frosty, or worse. The Biden Administration has stood firm on tariffs and existing trade agreements, which have hampered China's economy and disrupted supply chains. Meanwhile, China has been ramping up its military flights over Taiwan in response to increased naval presence in Asia by the U.S. and other countries. The U.S. characterized the flights as "provocative" and having the potential to destabilize the region, which is likely to rankle China following earlier U.S. comments on human rights in the country. And China's relationship with Canada may take on a new tone following the hostage "exchange" in September. Canada released Meng Wanzhou, chief financial officer of Chinese telecommunications giant Huawei, from custody following a deferred prosecution agreement with the U.S. She had been held for alleged violations of U.S. sanctions against Iran. Immediately following her release, China released two Canadian men from custody, who had widely been considered pawns in the Huawei dispute. The incident has raised fears of future hostage diplomacy by China.

China also had an impact in the financial markets. Stocks throughout Asia were jolted by the Chinese government's crackdown on technology giants. And the real estate sector was hurt by Evergrande's missed bond payment. As the world's most indebted developer, with US$300 billion in debt[1], its collapse could have a domino effect throughout China's property industry.

Market Outlook

BUSINESS CYCLE Outlook for the global economy	VALUATION Current asset prices	SENTIMENT Investor behaviour
+	—	O
POSITIVE	NEGATIVE	NEUTRAL
Global economy still in recovery phase. U.S. recovery more mature than other countries, so greater upside seen outside U.S.	**Equities are expensive across most markets, but especially U.S. Better value internationally, for example in the UK and emerging markets.**	**Delta variant, supply chain issues, and prospect of higher interest rates is tempering investor morale.**

Source: Russell Investments. As of September 30, 2021.

[1] https://www.cnbc.com/video/2021/09/30/china-evergrande-crisis-why-it-matters.html

Fund Performance Attribution

ASSET CLASS	IMPACT*	COMMENTARY
EQUITIES	-	While equities continued to perform positively, a selloff in the quarter brought equity returns below the inflation-based return targets for the period.
COMMODITIES	+	A selloff in August led to a sharp rise in September as markets were hit with regional energy shortages and agricultural prices also moved higher.
CORE FIXED INCOME	-	Sustained levels of higher inflation and expectations that the U.S. Federal Reserve will begin tapering bond purchases led to a late increase in bond yields, which weighed on fixed income returns.
REAL ASSETS	+	Infrastructure had a good quarter, but rising interest rates weighed on real estate returns in the month of September.

Source: Russell Investments, as at 9/30/2021. For illustrative purposes only.
*Relative to long-term return goal.

Multi-Asset Growth Strategy

ASSET ALLOCATION	Q3	Q2
FIXED INCOME	**26.5%**	**26.4%**
Government Bonds	5.0%	5.2%
Investment Grade Credit	2.9%	2.7%
Inflation Linked Bonds	2.0%	2.1%
High Yield Credit	3.6%	3.3%
Convertible Bonds	7.4%	7.5%
Emerging Markets Bonds	1.6%	1.3%
Securitized Credit	4.0%	4.4%
EQUITIES	**51.3%**	**51.4%**
Canadian Equities	5.5%	5.4%
U.S. Equities	19.9%	20.0%
EMEA Equities	13.8%	13.7%
Asia & Pacific Equities	6.9%	6.9%
Emerging Markets Equities	5.3%	5.3%
REAL ASSETS	**19.0%**	**18.6%**
Listed Infrastructure	5.0%	4.9%
Listed Real Estate	6.5%	6.7%
Commodities	7.4%	7.1%
CASH & OTHER	**3.2%**	**3.6%**

Source: Russell Investments. Data as of September 30, 2021. May not add to 100% due to rounding.

Goal:
Growth

Long-Term Return Target:
Consumer Price Index (CPI) + 5%

There is no guarantee the stated goals and objectives will be met.

POSITIONING CHANGES – There were no changes to the portfolio's tactical positions during the quarter. The portfolio remains positioned with an underweight to high yield debt and U.S. and emerging market equities, which are replaced with Canadian equity, convertible bonds and gold. These somewhat conservative adjustments are offset by the underlying equity portfolios holding higher exposure to the value factor, which tends to exhibit higher business cycle risk.

RUSSELL INVESTMENTS POSITIONING STRATEGIES – The weighting of this allocation will remain constant at 2%, but the underlying strategies will vary. At the end of the quarter, the strategies within the allocation were the following:

CAD HEDGE^ – The Canadian dollar (CAD) weakened over the quarter as the spread of the delta variant hurt the economy and delayed expectations of central bank action. A sell-off in energy through the first half of the period also weighed on the CAD, however, the currency did not rally in line with energy prices in the latter half of the period as the USD strengthened on some flight-to-safety trading. We continue to believe the CAD offers good value under 0.80 as our highly vaccinated population should lead to strong economic recovery and we expect continued upward pressure on energy prices.

HIGH YIELD CREDIT DEFAULT SWAPS* – We have maintained protection against the high yield exposure in our core fixed income portfolio as corporate bonds have rallied. These positions reduce the credit exposure in our core fixed income portfolio with spreads at tight levels relative to their post-2008 history.

^ Using another financial instrument or strategy to offset the risk of any negative price movement.
* A type of insurance contract on fixed income securities that will compensate the buyer in the event of loan default.

SUB-ADVISER CHANGES

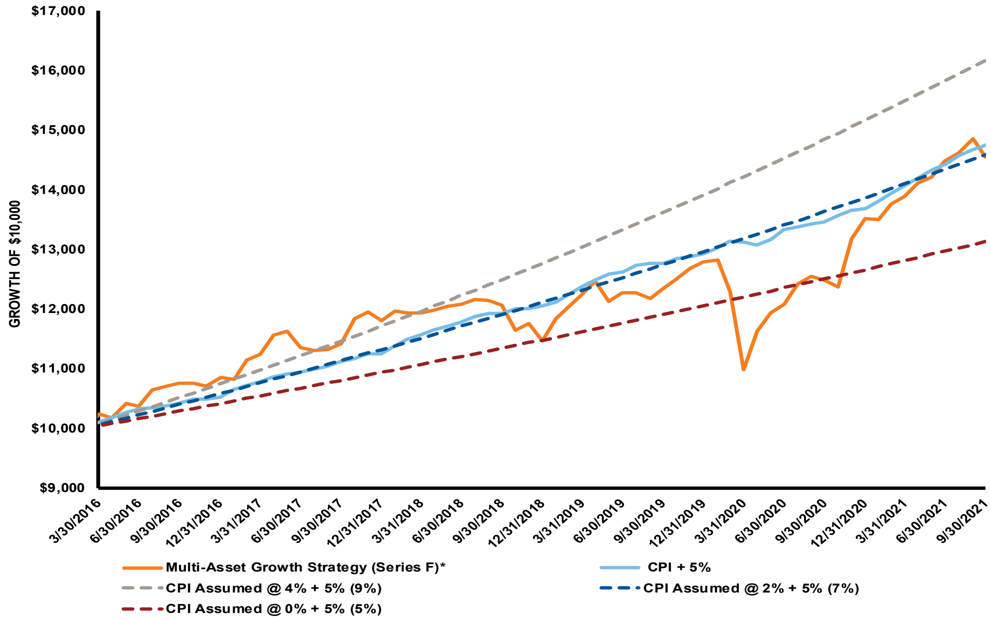
During the period, Hermes Investment Management Limited (Hermes) was added as a sub-adviser while First Eagle Alternative Credit, LLC (First Eagle) was removed. Russell Investments believes Hermes has proven security selection skills with a strong focus on environmental, social and governance (ESG) issues. Its Unconstrained Credit strategy applies top-down asset allocation, high-conviction based security selection, and option positions with liquid credits in an attempt to generate capital growth and income over the longer term.

First Eagle's bank loan portfolio has performed well over the last 12 months following the March 2020 crisis. We believe it is timely to reduce exposure to bank loans in order to improve the fund's flexibility. Loans have longer settlement periods than other fixed income securities, which means any changes in asset allocation take longer to execute.

Multi-Asset Growth Strategy (MAGS)

(Series F)

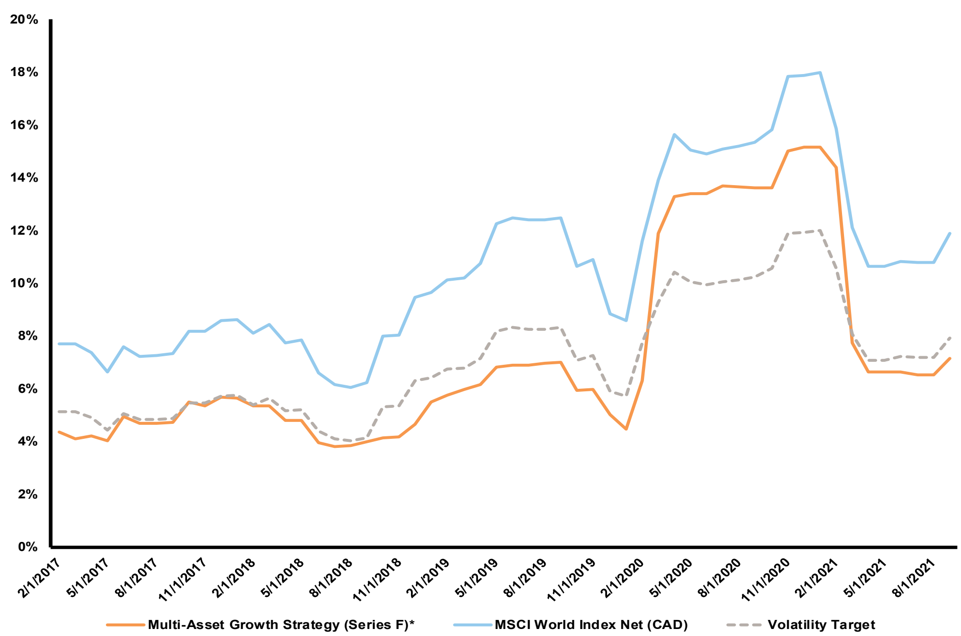
Performance net of fees



Source: Russell Investments. As of September 30, 2021. MAGS benchmark is MSCI World Index. But as it is an absolute return-oriented fund, its performance is being compared in the chart against its long-term return goal to exceed the level of inflation, or Consumer Price Index (CPI), plus 5%. The dotted lines show the potential target returns over the long term under different levels of inflation. The red line assumes no inflation (5% return target) and the grey line assumes inflation at 4% (9% return target). The dark blue line would be our most likely target level which assumes inflation is at 2% and therefore the target return is 7%. This is assumed to be the most likely outcome as 2% is the Bank of Canada's long-term inflation target.

Rolling 12-Month Volatility

(Series F)



Source: Russell Investments, as of September 30, 2021. The chart aims to illustrate how the volatility of MAGS is targeted to be two-thirds the volatility of the broad market as defined by the MSCI World Index.

All Performance shown is for Series F. Series F is a wrap or fee-for-service program and as such, the performance shown does not include the advisory fee paid by the investor to the dealer that would have reduced returns. Other series of units of the fund are subject to higher management fees and/or expenses which result in lower returns for those series than cited above. Indexes are unmanaged and cannot be invested in directly. Past performance is not indicative of future results.

Volatility is measured by standard deviation. Standard Deviation is a statistical measure of the degree to which an individual value in a probability distribution tends to vary from the mean of the distribution. The greater the degree of dispersion, the greater the risk.

Performance (%) as of September 30, 2021

	3 mo	1 yr	3 yr	5 yr	10yr	Since inception
Multi-Asset Growth Strategy (Series F)	0.45	16.52	6.45	6.23	9.21	5.48
Consumer Price Index	1.06	4.38	2.24	2.10	1.71	
MSCI World Index (Net)	2.30	22.18	12.38	12.91	14.90	

Performance is annualized except for periods of less than one year. Inception: July 25, 2005. Source: Russell Investments/Confluence. Indexes are unmanaged and cannot be invested in directly. Past performance is not indicative of future results.

Multi-Asset Growth Strategy benchmark for reporting purposes is the MSCI World Index. However, it is managed to its long-term return goal of the Consumer Price Index (CPI) plus 5%.

To learn more about our multi-asset investment opportunities, please speak to your advisor or visit russellinvestments.com/ca

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Sub-advisers are current as of September 2021. Russell Investments has the right to engage or terminate a sub-adviser at any time.

Positioning strategies are customized exposures directly managed by Russell Investments for use within the total portfolio. Used in conjunction with third-party active managers, positioning strategies allow our portfolio managers to seek excess return and manage portfolio risk by giving them the ability to fully reflect our strategic and dynamic insights with integrated liquidity and risk management.

As with all mutual funds, investment in this mutual fund contains risks that may make it unsuitable for you, depending on your investment objectives and risk tolerance. If the fund does not perform as intended, you may experience a loss of part or all of your principal invested. Please read the prospectus of this fund for a detailed description of the risks involved in this investment.

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