





Russell Investments' Multi-Asset Portfolios offer broad diversification across traditional and non-traditional asset classes, opportunistic strategies, and active hedging to help generate smoother returns and minimize drawdowns.

UPDATE – 4TH QUARTER 2023

FUND ATTRIBUTION

ASSET CLASS	IMPACT*	COMMENTARY
 EQUITIES	+	Headwinds for equities at the start of the quarter included: worries of enduring inflation, expectations for rates to remain high, and geopolitical tensions arising from conflicts in the Middle East. Evidence of moderating inflation and better-than-expected corporate earnings drove equities higher in the period. Canadian, U.S. and Overseas equities saw strong returns but Emerging Market equities, were weaker than developed markets over the period.
 REAL ASSETS	+	Despite weak performance from energy, listed infrastructure still experienced positive returns due to strong performance from industrials. Real Estate also posted strong returns in the quarter as real rates declined. The portfolios benefited from positive market conditions amid optimism over future rate cuts.
 COMMODITIES	-	Commodities declined in the quarter. The rise in precious and industrial metal prices were more than offset by weaker prices for agriculture, energy, and livestock. Energy was the worst performing sector despite output cuts from the Organization of the Petroleum Exporting Countries (OPEC), as prices for natural gas, crude oil and gas significantly declined.
 FIXED INCOME	+	Short-term Canadian yields fell at the start of the quarter due to softer inflation, but signs of a resilient U.S. economy pushed overall yields higher in October. By November, an expectation that the Federal Reserve's (the Fed) interest rate hikes had stopped led to a sharp fall in yields, and core bond returns were strongly positive on the quarter. Credit sensitive positions in convertible bonds and high yield corporate bonds also added value over the period.

Source: Russell Investments, as at 12/31/2023. For illustrative purposes only. *Did the asset class go up or down.

ASSET ALLOCATION	Multi-Asset Income Strategy		Multi-Asset Growth & Income Strategy		Multi-Asset Growth Strategy	
	Q4	Q3	Q4	Q3	Q4	Q3
FIXED INCOME	62.7%	62.7%	51.5%	51.4%	28.0%	28.1%
■ Government Bonds	23.7%	23.9%	16.3%	16.4%	6.4%	6.4%
■ Investment Grade Credit	17.4%	17.7%	10.3%	11.6%	2.6%	3.4%
■ Inflation Linked Bonds	4.2%	4.3%	3.9%	4.2%	2.0%	2.0%
■ High Yield Credit	3.8%	3.3%	6.5%	5.0%	4.4%	3.5%
■ Convertible Bonds	7.2%	7.6%	6.7%	7.1%	7.5%	7.9%
■ Emerging Markets Bonds	2.9%	2.4%	4.1%	2.6%	2.8%	2.2%
■ Securitized Credit	3.4%	3.6%	3.8%	4.6%	2.2%	2.7%
EQUITIES	18.7%	19.3%	28.6%	28.9%	49.1%	49.8%
■ Canadian Equities	2.0%	2.0%	2.1%	2.1%	4.0%	4.0%
■ U.S. Equities	5.8%	6.5%	9.4%	9.9%	18.8%	19.6%
■ EMEA Equities	5.1%	5.0%	8.1%	8.0%	13.6%	13.5%
■ Asia & Pacific Equities	2.5%	2.6%	4.0%	4.0%	6.5%	6.5%
■ Emerging Markets Equities	3.3%	3.2%	5.0%	4.9%	6.3%	6.2%
REAL ASSETS	12.3%	12.7%	14.3%	14.6%	17.6%	18.0%
■ Listed Infrastructure	3.0%	2.9%	4.0%	3.9%	5.0%	4.9%
■ Listed Real Estate	4.5%	4.4%	5.5%	5.4%	6.8%	6.7%
■ Commodities	4.8%	5.4%	4.9%	5.4%	5.8%	6.4%
CASH & OTHER	6.3%	5.3%	5.6%	5.1%	5.4%	4.1%

Source: Russell Investments. Data as of December 31, 2023. May not add to 100% due to rounding.

POSITIONING AND OUTLOOK

POSITIONING CHANGES – The Russell Investments Global Unconstrained Bond Pool merged into the Russell Investments Global Credit Pool on December 1st, 2023. The merger resulted in minor changes to the overall asset allocation of the portfolio.

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:

- **Long JPY / Short CAD** – Long JPY / Short CAD – Despite some volatility in the quarter, the Japanese Yen continued to lose value against the Canadian dollar. The potential appreciation of this undervalued currency makes this trade very attractive. With a potential recession on the horizon, flows into the Japanese Yen, which is usually seen as a safe haven currency, against the procyclical Canadian dollar, would result in a profitable trade. The market's reaction to the Bank of Japan's (BoJ) decision to relax its yield curve control in November was muted though the BoJ hoped this would halt the yen's decline.
- **Option Collar** – As prior options were expiring, the portfolio rolled into a new put spread collar[^] on the S&P 500 index. The strategy sold a call at a strike of 4700, sold a put at 3450 and bought a put at 4100. The strategy will profit from downside moves until the market falls about 20% at which point further protection would be neutralized by the short put. This strategy was costless to implement given the two sales and the way market volatility was structured at the time and has an expiration date of October 2024.
- **HIGH YIELD CREDIT DEFAULT SWAPS*** – The protection against the high yield exposure in the core fixed income portfolio remained in place to reduce credit sensitivity.

[^] A put spread collar is an options strategy that protects against large losses, but that also limits large upside gains.

* A type of insurance contract on fixed income securities that will compensate the buyer in the event of loan default.

Comments apply to all three funds unless otherwise noted.

SUB-ADVISER CHANGES

No changes in the period.

PERFORMANCE

Performance (%) as of December 31, 2023

	3 mo	YTD	1 yr.	3 yr.	5 yr.	10 yr.	Since inception
Multi-Asset Income Strategy (Series F)	6.32	6.98	6.98	0.49	3.37	3.66	4.16
Multi-Asset Growth & Income Strategy (Series F)	6.21	7.89	7.89	1.27	3.81	4.20	4.51
Multi-Asset Growth Strategy (Series F)	6.14	10.07	10.07	3.31	5.38	5.38	4.94

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

FUND CODES (FRC)

Multi-Asset Income Strategy

	Trust	Class
B (front load)	303	4200
B-5	155	4207
F (fee based)	803	4205
F-5	455	4206
O	483	1403
O-7	407	N/A

Multi-Asset Growth & Income Strategy

	Trust	Class
B (front load)	175	3175
B-5	190	3190
B-6	193	3193
B-7	196	3196
F (fee based)	186	3186
F-5	187	3187
F-6	188	3188
F-7	189	3189
O	199	5010
O-7	299	7010

Multi-Asset Growth Strategy

	Trust	Class
B (front load)	305	1004
B-5	365	1054
F (fee based)	805	1006
F-5	895	1056
O	485	1405

For additional Series fund codes, visit russellinvestments.com/ca/fundcodes

IMPORTANT INFORMATION

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. The indicated rates of returns are the historical annual compounded total returns including changes in unit/share value and reinvestment of all dividends or distributions, and does not take into account sales, redemption, distribution or optional charges or income taxes payable by any securityholder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.

Series F is fee-for-service and as such, the performance shown does not include the fee paid by the investor to the dealer that would have reduced returns

Nothing in this publication is intended to constitute legal, tax, securities or investment advice, nor an opinion regarding the appropriateness of any investment, nor a solicitation of any type. This information is made available on an "as is" basis. Russell Investments Canada Limited does not make any warranty or representation regarding the information.

Diversification and strategic asset allocation do not assure a profit or protect against loss in declining markets.

This publication may contain forward-looking statements. Forward-looking statements are statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as or similar to, "expects", "anticipates", "believes" or negative versions thereof. Any statement that may be made concerning future performance, strategies or prospects, and possible future fund action, is also a forward-looking statement. Forward looking statements are based on current expectations and projections about future events and are inherently subject to, among other things, risk, uncertainties and assumptions about economic factors that could cause actual results and events to differ materially from what is contemplated. We encourage you to consider these and other factors carefully before making any investment decisions and we urge you to avoid placing undue reliance on forward-looking statements. Russell Investments has no specific intention of

updating any forward looking statements whether as a result of new information, future events or otherwise.

Sub-advisers are current as of December 2023. 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.

Russell Investments is the operating name of a group of companies under common management, including Russell Investments Canada Limited.

Russell Investments' ownership is composed of a majority stake held by funds managed by TA Associates Management, L.P., with a significant minority stake held by funds managed by Reverence Capital Partners, L.P. Certain of Russell Investments' employees and Hamilton Lane Advisors, LLC also hold minority, non-controlling, ownership stakes.

Copyright © Russell Investments Canada Limited 2024. All rights reserved.

Frank Russell Company is the owner of the Russell trademarks contained in this material and all trademark rights related to the Russell trademarks, which the members of the Russell Investments group of companies are permitted to use under license from Frank Russell Company. The members of the Russell Investments group of companies are not affiliated in any manner with Frank Russell Company or any entity operating under the "FTSE RUSSELL" brand.

Date of first publication: January 2024 [EXP-04-2024]

RETAIL-04010