



RUSSELL INVESTMENTS DUE DILIGENCE

Capacity for Loss Guide

April 2019

“A client’s ability to absorb falls in the value of their investment. If any loss of capital would have a materially detrimental effect on their standard of living, this should be taken into account in assessing the risk that they are able to take”.

- Financial Services Authority, Guidance Consultation: Assessing Suitability, January 2011

Notes on Illustrations

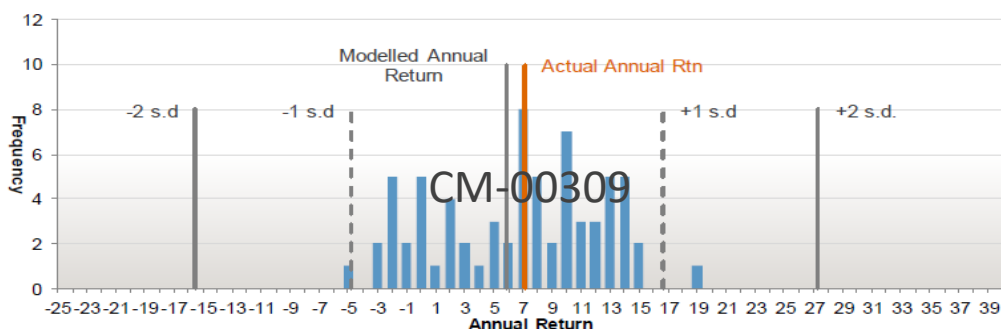
Historic Returns

Traditionally, investment performance of portfolios has been reported on a cumulative return basis since inception of the fund, or over 3 or 5 year periods. This neither reflects the actual investment periods of individual clients, nor illustrates the range of returns clients have experienced over discrete periods during their investment.

In these illustrations we have broken down the performance of each portfolio into all the individual 12-month returns, and 000 plotted these on a frequency distribution chart to illustrate how many times a portfolio experienced a given return over these 12-month periods.

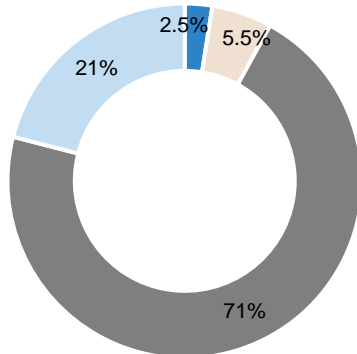
In the example below for the Progressive Portfolio, the blue bar above the '5' on the horizontal axis shows that the portfolio has had a return of 5% once since inception (over a 12-month period).

We have overlaid the chart with the average annual return achieved, as well as the projected annual return and the maximum and minimum projected returns as represented by the 2 standard deviation range either side of the average projected return.



Capacity for Loss

Secure Model Portfolio

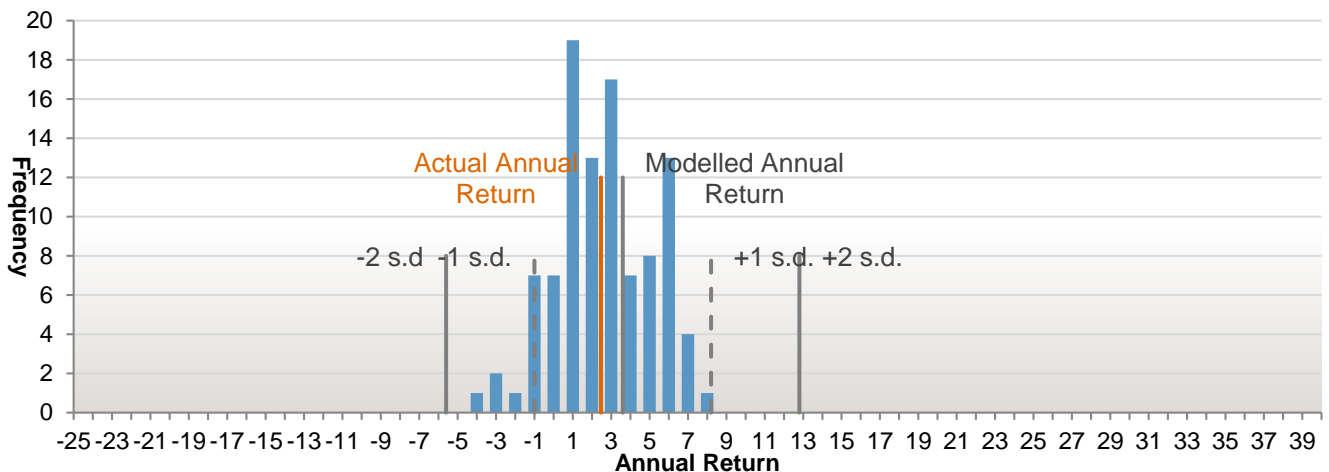


- UK Growth Assets
- International Growth Assets
- Defensive Assets
- Multi Asset Growth I

Russell Risk Score	1 / 10	Projected Annual Return (%)	3.6
DT Risk Score	3 / 10	Since Inception Annual Return (%)	2.5
Max 12-month Return (%)	7.8	Projected Annual Volatility (%)	4.6
Min 12-month Return (%)	-4.0	Since Inception Annual Volatility (%)	2.7

Historic Returns

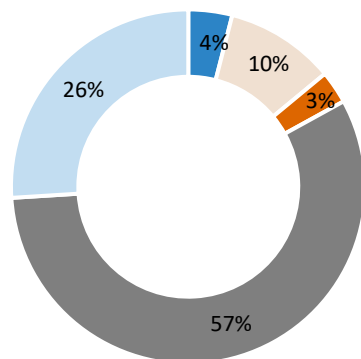
The number of times a portfolio has experienced a given return (horizontal axis) in any 12-month period since launch. Standard deviation is applied to the annual rate of return of an investment to measure the investment's volatility, it is a statistical measurement that illustrates historical volatility. For example, a volatile stock has a high standard deviation, while the deviation of a stable stock is lower. A large dispersion indicates how much the return on the fund is deviating from the expected normal returns.



Source: Russell Investments, net returns in GBP from 01/02/2010 to 30/04/2019. Any past performance figures is not a guide to future performance.

Capacity for Loss

Cautious Model Portfolio

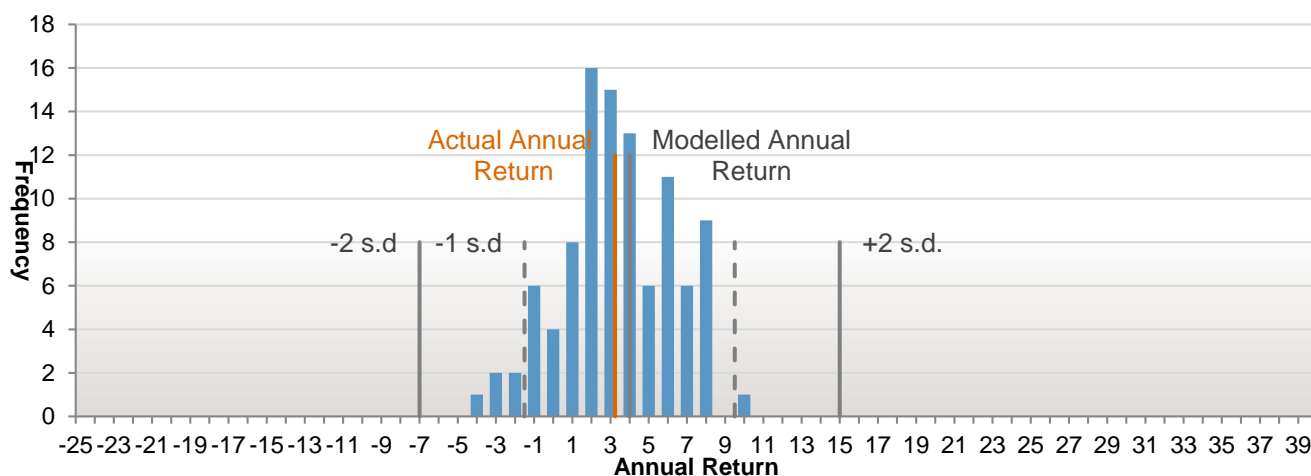


- UK Growth Assets
- International Growth Assets
- Real Assets
- Defensive Assets
- Multi Asset Growth I

Russell Risk Score	2 / 10	Projected Annual Return (%)	4
DT Risk Score	3 / 10	Since Inception Annual Return (%)	3.2
Max 12-month Return (%)	9.6	Projected Annual Volatility (%)	5.5
Min 12-month Return (%)	-4.4	Since Inception Annual Volatility (%)	3.3

Historic Returns

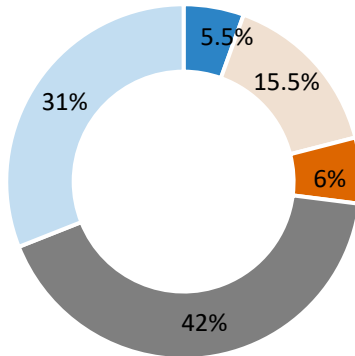
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Capacity for Loss

Conservative Model Portfolio

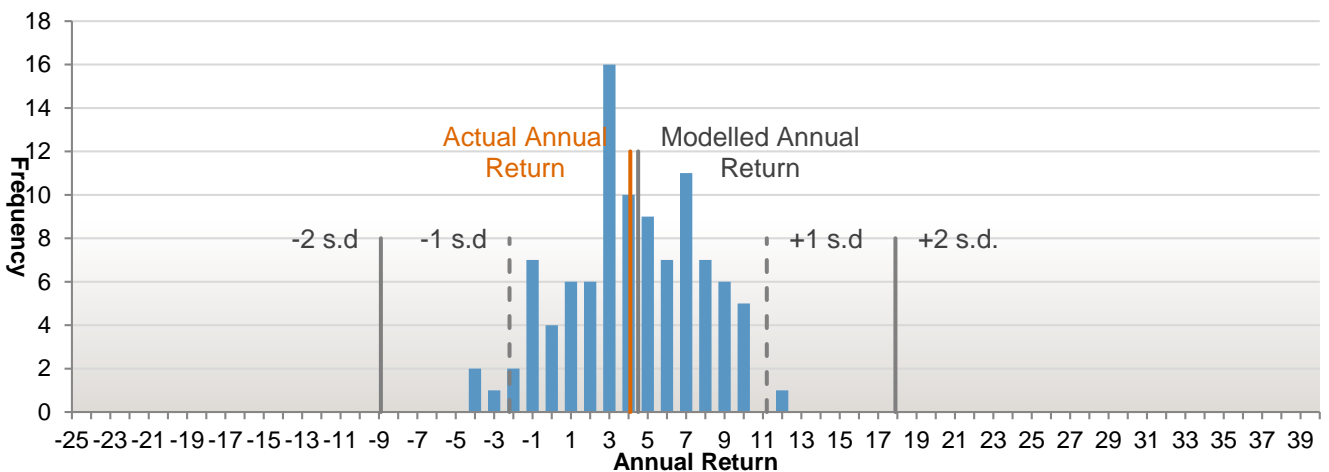


- UK Growth Assets
- International Growth Assets
- Real Assets
- Defensive Assets
- Multi Asset Growth I

Russell Risk Score	3 / 10	Projected Annual Return (%)	4.5
DT Risk Score	4 / 10	Since Inception Annual Return (%)	4.1
Max 12-month Return (%)	11.7	Projected Annual Volatility (%)	6.7
Min 12-month Return (%)	-4.9	Since Inception Annual Volatility (%)	4.1

Historic Returns

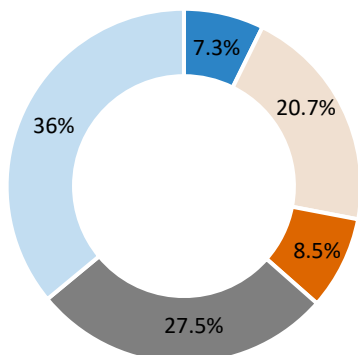
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Capacity for Loss

Moderate Model Portfolio

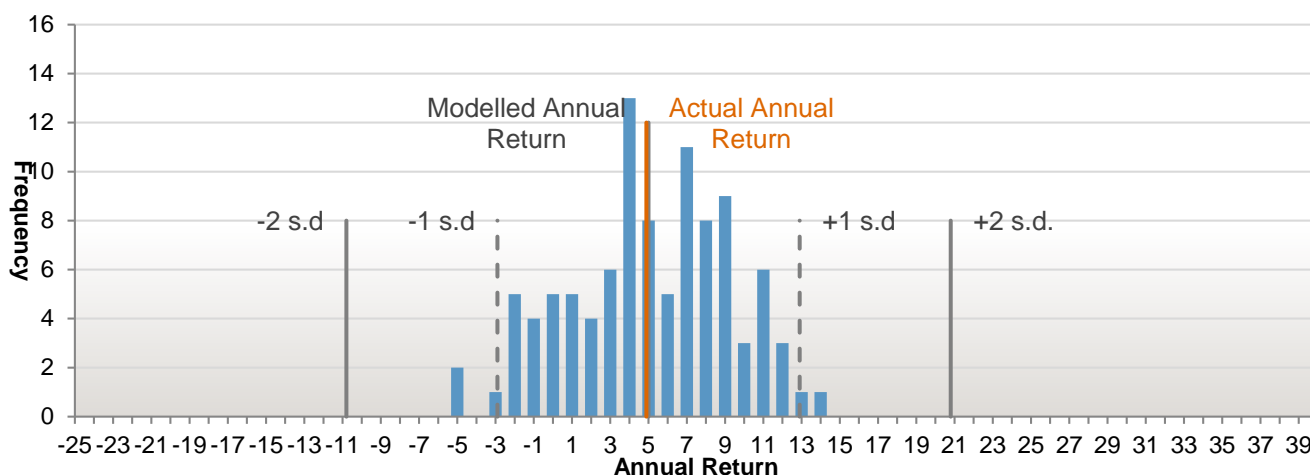


- UK Growth Assets
- International Growth Assets
- Real Assets
- Defensive Assets
- Multi Asset Growth I

Russell Risk Score	4 / 10	Projected Annual Return (%)	5
DT Risk Score	4 / 10	Since Inception Annual Return (%)	4.9
Max 12-month Return (%)	13.8	Projected Annual Volatility (%)	7.9
Min 12-month Return (%)	-5.4	Since Inception Annual Volatility (%)	4.9

Historic Returns

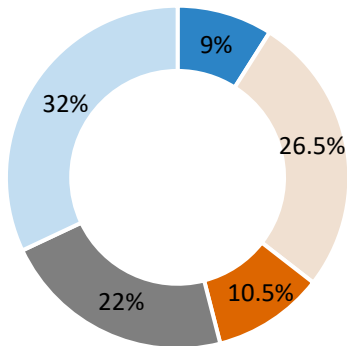
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Capacity for Loss

Balanced Model Portfolio

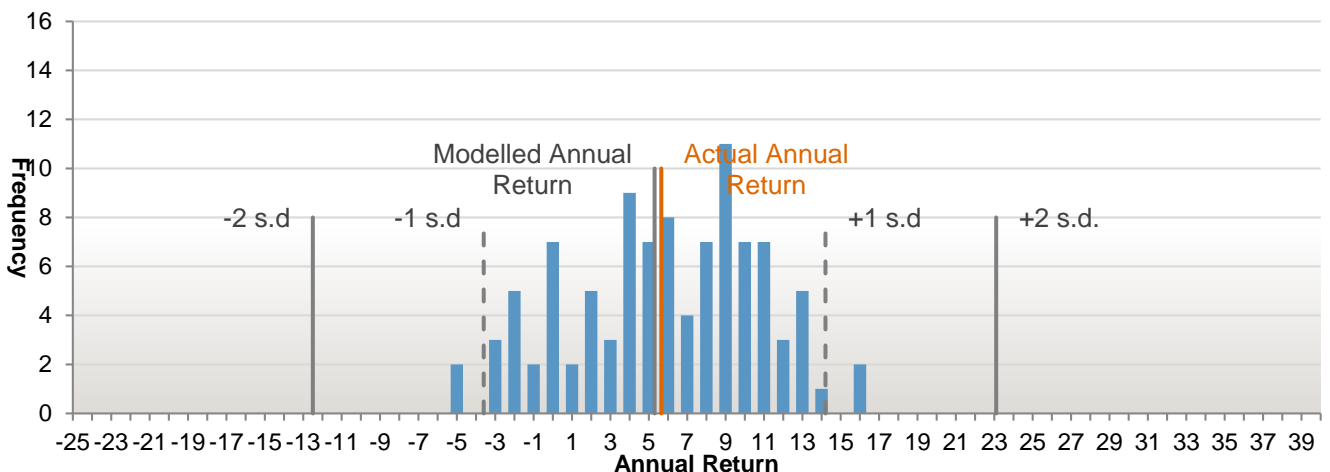


- UK Growth Assets
- International Growth Assets
- Real Assets
- Defensive Assets
- Multi Asset Growth I

Russell Risk Score	5 / 10	Projected Annual Return (%)	5.3
DT Risk Score	5 / 10	Since Inception Annual Return (%)	5.7
Max 12-month Return (%)	15.5	Projected Annual Volatility (%)	8.9
Min 12-month Return (%)	-5.9	Since Inception Annual Volatility (%)	5.8

Historic Returns

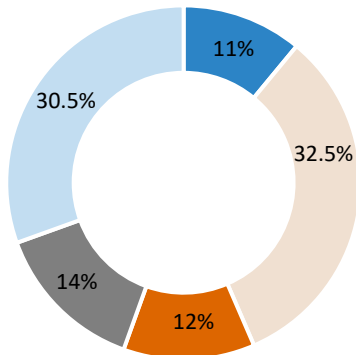
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Capacity for Loss

Progressive Model Portfolio

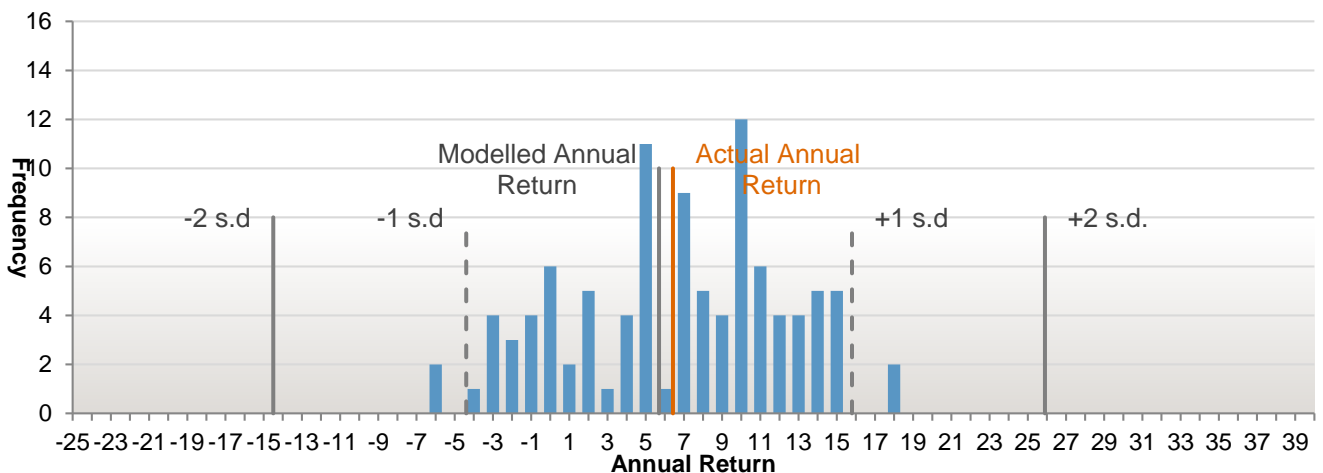


- UK Growth Assets
- International Growth Assets
- Real Assets
- Defensive Assets
- Multi Asset Growth I

Russell Risk Score	6 / 10	Projected Annual Return (%)	5.7
DT Risk Score	5 / 10	Since Inception Annual Return (%)	6.4
Max 12-month Return (%)	17.9	Projected Annual Volatility (%)	10.1
Min 12-month Return (%)	-6.5	Since Inception Annual Volatility (%)	6.7

Historic Returns

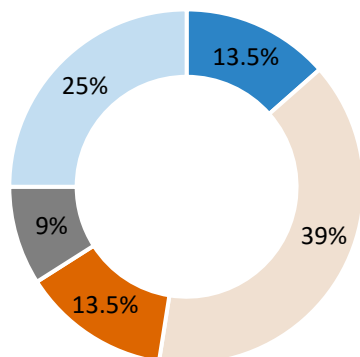
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Capacity for Loss

Adventurous Model Portfolio

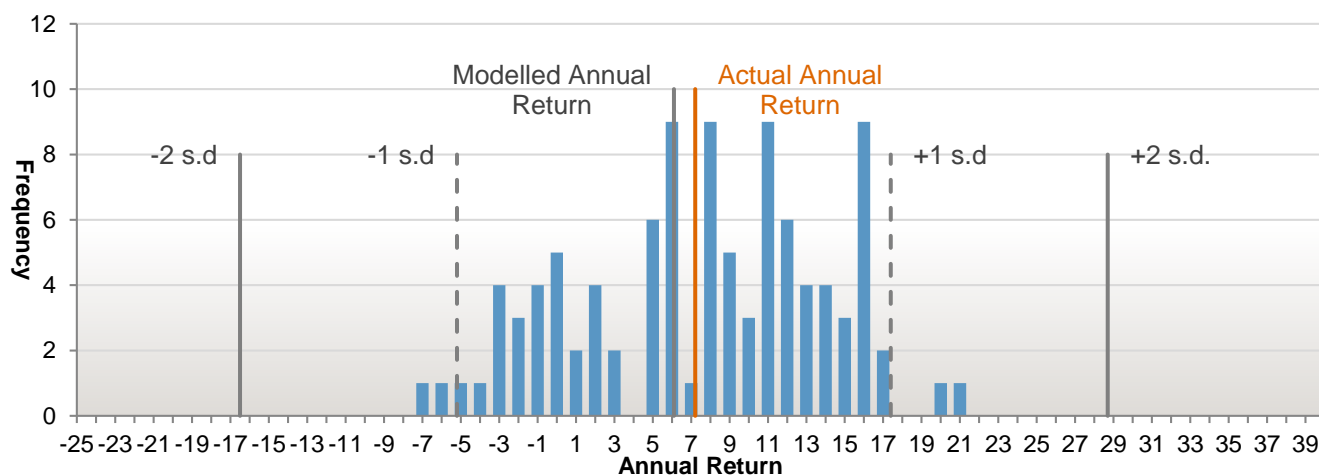


- UK Growth Assets
- International Growth Assets
- Real Assets
- Defensive Assets
- Multi Asset Growth I

Russell Risk Score	7 / 10	Projected Annual Return (%)	6.1
DT Risk Score	6 / 10	Since Inception Annual Return (%)	7.2
Max 12-month Return (%)	20.7	Projected Annual Volatility (%)	11.3
Min 12-month Return (%)	-7.1	Since Inception Annual Volatility (%)	7.6

Historic Returns

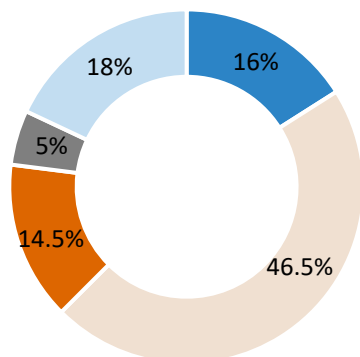
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Capacity for Loss

Growth Model Portfolio

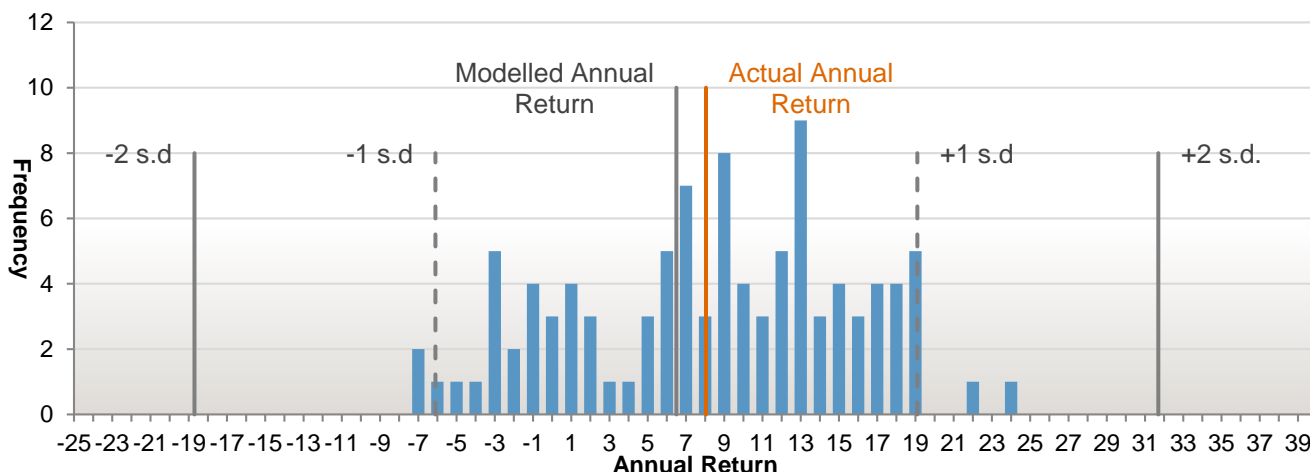


- UK Growth Assets
- International Growth Assets
- Real Assets
- Defensive Assets
- Multi Asset Growth I

Russell Risk Score	8 / 10	Projected Annual Return (%)	6.5
DT Risk Score	6 / 10	Since Inception Annual Return (%)	8.0
Max 12-month Return (%)	23.7	Projected Annual Volatility (%)	12.6
Min 12-month Return (%)	-7.6	Since Inception Annual Volatility (%)	8.6

Historic Returns

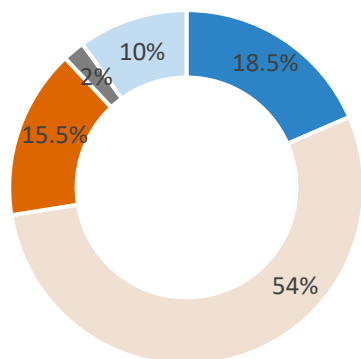
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Capacity for Loss

Aggressive Model Portfolio

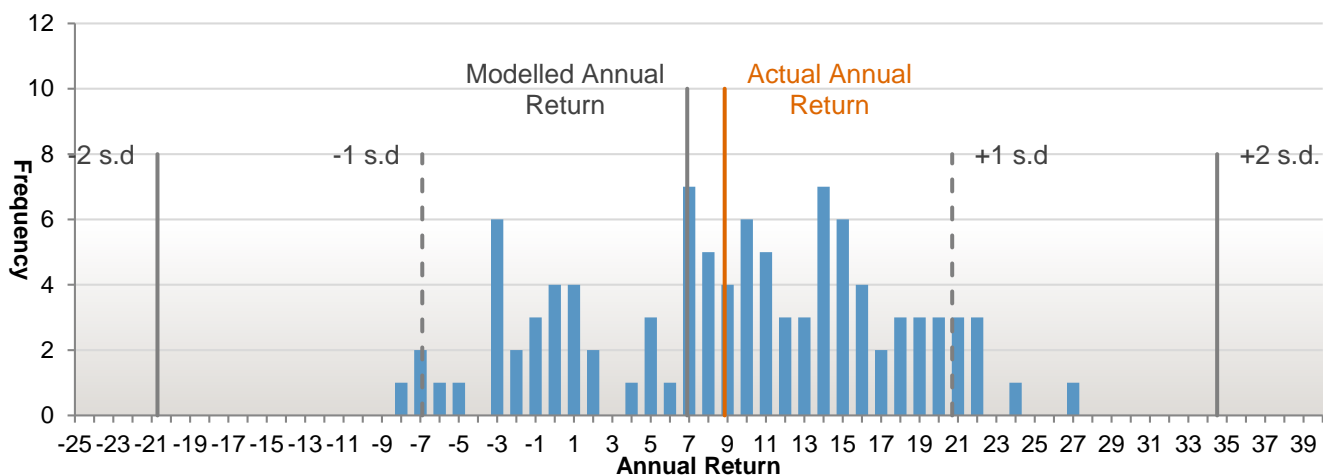


- UK Growth Assets
- International Growth Assets
- Real Assets
- Defensive Assets
- Multi Asset Growth I

Russell Risk Score	9 / 10	Projected Annual Return (%)	6.9
DT Risk Score	7 / 10	Since Inception Annual Return (%)	8.8
Max 12-month Return (%)	26.6	Projected Annual Volatility (%)	13.8
Min 12-month Return (%)	-8.2	Since Inception Annual Volatility (%)	9.5

Historic Returns

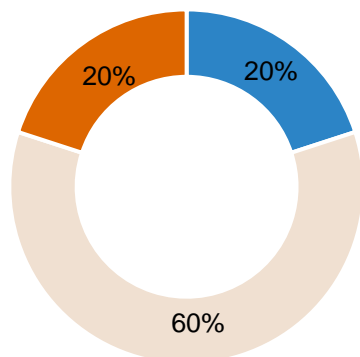
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Capacity for Loss

Aggressive PLUS Model Portfolio

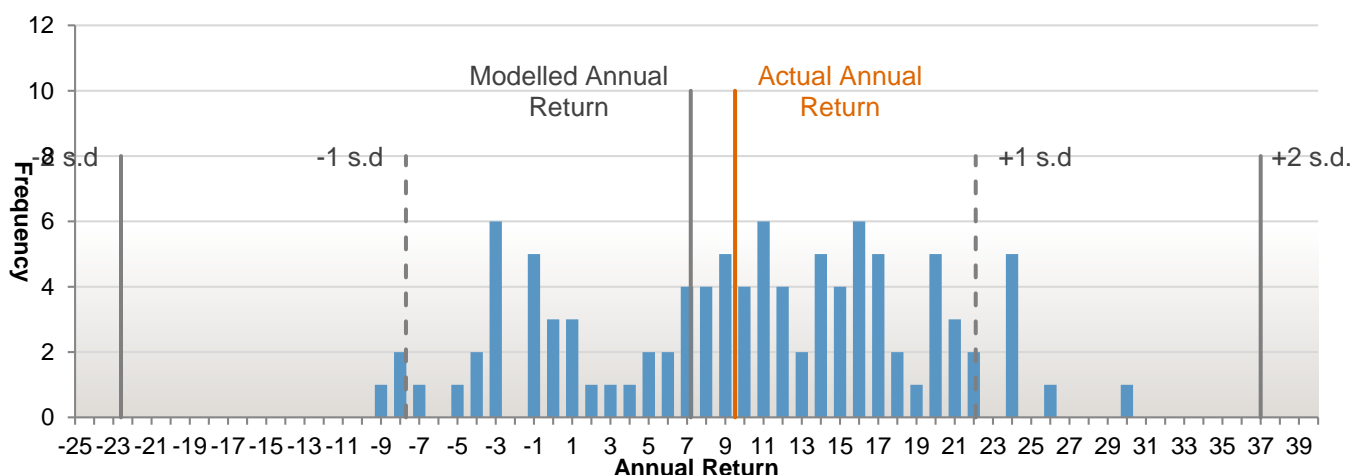


- UK Growth Assets
- International Growth Assets
- Real Assets

Russell Risk Score	10 / 10	Projected Annual Return (%)	7.2
DT Risk Score	7 / 10	Since Inception Annual Return (%)	9.5
Max 12-month Return (%)	29.2	Projected Annual Volatility (%)	14.9
Min 12-month Return (%)	-9.2	Since Inception Annual Volatility (%)	10.4

Historic Returns

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FOR MORE INFORMATION:

Call Russell Investments at +44(0)207 024 6601 or email ukadviser.support@russellinvestments.com

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