



RUSSELL INVESTMENTS

Investment Update

Multi Asset Growth III
March 2019

Contents

The cycle of market emotions

Over the lifetime of an investment you will experience a range of different emotions. Investment success over the long term depends on you working with your adviser to ensure this emotional journey does not lead to decisions that could derail your investment journey. This section illustrates that cycle in terms of historical periods.

Market outlook

This section looks at the current economic environment and what factors are driving markets. We also describe how we have recently adapted our multi-asset portfolios to adapt to this environment.

Fund fact sheet

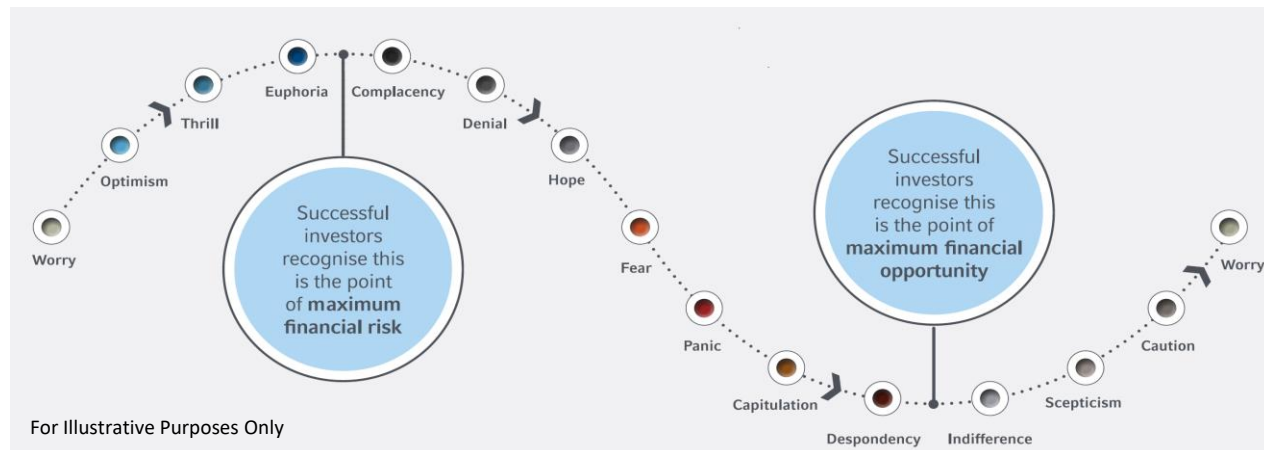
This section describes the fund you are invested in, the makeup of the Fund in terms of multi-manager investments, and the performance of the portfolio over time.

Fund range performance

A look at cumulative returns across the five fund range allows you to see the relationship between increasing risk and the resultant returns in rising markets as well as more challenging times.

The cycle of market emotions

Greed and fear throughout the economic cycle



	OPTIMISM	THRILL	EUPHORIA	COMPLACENCY	DENIAL	HOPE	PANIC	CAPITULATION	DESPONDENCY	SCEPTICISM	CAUTION	WORRY
Market Cycle 1	NOV 1971-DEC 1972 > Inflationary pressures. > Productivity improvements > Rapid corporate earnings growth > Introduction of paperless technology 30%			JAN 1973-JAN 1974 > OPEC Oil crisis – crude oil prices tripled. Inflation > Credit squeeze > Property company failures -15%			FEB 1974-NOV 1974 > Global recession > Extended bear market -24%			DEC 1974-JUN 1975 > Share market recovery despite recession 39%		
Market Cycle 2	AUG 1984-AUG 1987 > Credit Boom > Strong world economic growth 136%			SEP 1987 > Irrational shareholder sentiment. > Peak of overinflated stock values vs historical PEs. -2%			OCT 1987-NOV 1987 > 1987 Global stock market crash. -28%			DEC 1987-DEC 1989 > Stock market recovery as value hunters sought to buy quality stocks cheaply. 64%		
Market Cycle 3	APR 1997-SEP 2000 > Tech boom. Investor exuberance > Emergence of 'new economy' sectors 99%			OCT 2000-SEP 2001 > Tech bubble burst > September 11 terrorist attacks -28%			MAR 2002-FEB2003 > Reduced global economic growth forecasts. > Extended bear market. > Corporate accounting scandals. -22%			MAR 2003-MAY 2005 > Geopolitical uncertainty > Refocus on world economic fundamentals > Boom in resources in response to industrialization of China 52%		
Market Cycle 4	JUN 2005-JUL 2007 > House prices hit highs > Credit boom > Higher interest rates 28%			AUG 2007-SEP 2008 > Credit crunch. Sub-prime mortgage crisis. > Collateralised debt obligation (CDO) failures > Lehman Brothers declares bankruptcy -17%			OCT 2008-FEB 2009 > Global financial crisis > European and US recessions. Negative real GDP reported for major developed countries in Q4 2008. -37%			MAR 2009-DEC 2013 > Global share market recovery > Deleveraging, slow economic growth 187%		

Percentage returns refer to the increase/decrease in the S&P 500 index in USD over their period shown

Market Outlook

Market Review – March

- Global equity markets experienced a turbulent March. Weak economic data and concerns about slowing global economic growth weighed on investors' minds. However, stocks recovered at the end of the month as investors looked towards a positive outcome to US-China trade talks that recommenced in Beijing.
- In the UK, Brexit uncertainty remained as the House of Commons voted against Prime Minister May's withdrawal agreement and failed to support numerous alternative plans.
- The European Central Bank unexpectedly unveiled a fresh round of stimulus in a dovish monthly policy statement.

Strategist's Outlook

- Global Equities: Our medium-term equity oversold signals from December have now expired. Momentum is flat in the US and the UK. We have downgraded our value score on UK equities due to Brexit scenarios and implications. We have upgraded our emerging market (EM) cycle score on easing trade war issues and easier EM monetary policy.
- Fixed Income: We have upgraded our government bond sentiment score on improving momentum and expiry of some short-term oversold signal.
- Currencies: We currently have a long position to the Japanese yen which is our highest conviction view.
- Macro forecasts - 2019 GDP forecast: 2.3% (unchanged). Inflation forecast 2.2% (vs 2.3% last month). Fed: 1 rate hike in 2019 (unchanged), 2 in 2020. Non-farm payrolls: Payrolls growth to decline from 2019H2 as recession probability increases.

31 March 2019

Multi Asset Growth III

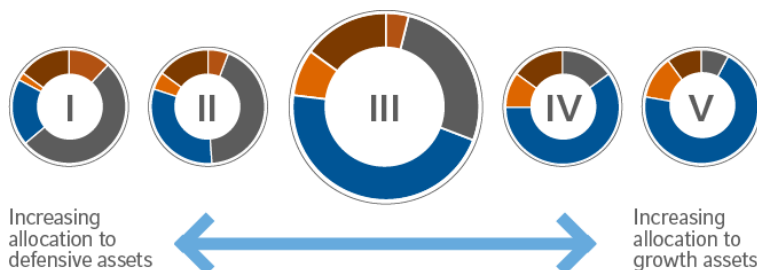


Portfolio Manager
David Vickers

Russell Investment's Multi-Asset Strategies Team comprises over 50 experienced professionals, including portfolio managers, researchers, portfolio analysts, and strategists in Russell Investments offices around the globe. This team focuses on total client outcomes, including all major asset classes in their solutions. They identify areas of the market offering attractive valuations and growth potential with a reasonable level of risk and research strategies and managers to exploit these pockets of value.

The fund targets capital growth over the long term by combining a range of investments such as equities, bonds and commodities which we actively manage in response to our market insights. The fund may invest up to 75% in riskier assets that may provide potential for more aggressive growth, such as equity securities.

The Multi Asset Growth Funds Range



What happened this month

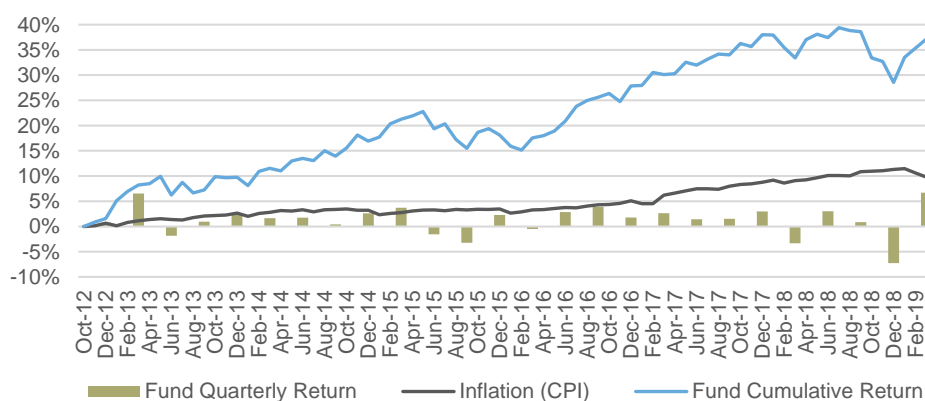
The Fund rallied over the first quarter of 2019. A dovish US Federal Reserve (Fed), strong oil prices and optimism over a trade accord between the US and China, buoyed equity markets and tightened corporate high yield spreads most notably. Theresa May's Brexit deal was rejected for a third time in the House of Commons. Further headwinds in Europe came in the form of moderating economic data and upcoming elections in Spain. However, a supportive European Central Bank bolstered European corporate high yield and IG credit spreads. The more dovish stance of the Fed was also a tailwind for local currency emerging market debt, with spreads tightening over the period.

For illustration only

Performance Review

Fund Name	1 Month	6 Months	1 Year	2 Years	3 Years	Since Inception (PA)	31/03/19-31/03/18	31/03/18-31/03/17	31/03/17-31/03/16	31/03/16-31/03/15	31/03/15-31/03/14
Multi Asset Growth III (C Acc)	1.3	-1.0	2.8	5.4	17.7	5.0	2.8	2.5	11.6	-3.1	8.7
IMA Mixed Investment 20-60% Shares	1.3	-0.9	3.1	3.8	16.9	5.6	3.1	0.6	13.0	-1.7	9.2

The fund is priced at market open (7am) so Fund prices have been moved a day later with benchmarks which price at market close (7pm).



Source: Russell Investments. As at 31 March 2019. Returns in GBP, net of C Class Fees. Past Performance is not a guide to future performance.

Fund facts

Inception Date

2nd October 2012

ISIN (SEDOL)

GB00(B7W5QJ2)4

Ongoing Charge

0.62% (01/04/2019)

Minimum Investment

£1,000 initial, £500 subsequent

Currency

GBP

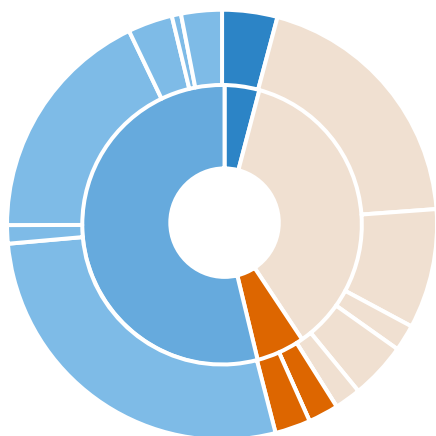
Distribution Date

28 February

31 March 2019

Multi Asset Growth III (continued)

Current Fund Allocation



Cash	-2.0%	Cash	-2.0%
Investment Grade	16.7%	Fixed Income	36.5%
Government Bonds	11.6%		
High Yield	1.9%		
Convertible Debt	4.4%		
Alternative Credit	1.9%		
EMD	0.0%		
Real Estate	2.2%	Real Assets	4.6%
Infrastructure	0.0%		
Commodities	2.4%		
Global Equities	21.8%	Equities	60.8%
US	8.6%		
UK	20.4%		
Pan Europe ex UK	4.7%		
Japan	1.9%		
Emerging Equity	3.4%		

Portfolio Statistics

	Fund
Volatility (Since Inception)*	5.4%
Highest One-Year Return	13.4%
Lowest One-Year Return	-6.9%
Positive One-Year Returns	82.1%
Current Yield	1.3%
Fund Size	£96.4m

Source: Russell Investments. Data correct as at 31 March 2019. Total may not add up to 100% due to rounding.

Source: Russell Investments, as at 31 March 2019.

*Volatility describes the extent to which the funds' return has fluctuated over time

For more information on Russell Investments funds, please contact your financial adviser.

Important Information

Unless otherwise specified, Russell Investments is the source of all data. All information contained in this material is current at the time of issue and, to the best of our knowledge, accurate.

Please note that the value of investment and the income derived from them may go down as well as up and an investor may not receive back the amount originally invested. Any past performance is not a guide to future performance. Potential investors in emerging Markets should be aware that investment in these markets can involve a higher degree of risk.

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Multi Asset Growth Range

Performance data as at 31 March 2019

This table shows the performance of the Multi Asset Growth Funds for different periods.

Fund Name	Cumulative Performance (%)						PA (%)	Discrete Performance (%)				
	1 Month	3 Months	6 Months	1 Year	2 Years	3 Years	Since launch*	31/03/19-31/03/18	31/03/18-31/03/17	31/03/17-31/03/16	31/03/16-31/03/15	31/03/15-31/03/14
Multi Asset Growth I	0.6	4.0	0.2	1.2	1.5	9.6	2.7	1.2	0.3	8.0	--	--
Multi Asset Growth II	1.0	5.5	-0.4	2.1	3.4	14.3	3.6	2.1	1.4	10.5	--	--
Multi Asset Growth III	1.3	6.7	-1.0	2.8	5.4	17.7	5.0	2.8	2.5	11.6	-3.1	8.7
Multi Asset Growth IV	1.6	7.8	-1.5	2.9	5.9	20.5	4.6	2.9	2.9	13.8	--	--
Multi Asset Growth V	2.0	9.0	-2.0	3.9	6.6	23.5	5.5	3.9	2.6	15.8	--	--

This table shows the performance of some common asset classes for different periods.

Common indices	Cumulative Performance (%)						PA (%)	Discrete Performance (%)				
	1 Month	3 Months	6 Months	1 Year	2 Years	3 Years	Since launch*	31/03/19-31/03/18	31/03/18-31/03/17	31/03/17-31/03/16	31/03/16-31/03/15	31/03/15-31/03/14
Cash Bank of England Base	0.1	0.2	0.4	0.7	1.0	1.4	0.5	0.7	0.4	0.3	0.5	0.5
UK Gilts FTSE All Stocks Gilts	-0.9	-0.7	1.2	-0.4	0.1	6.6	3.3	-0.4	0.5	6.6	3.3	13.9
UK equities FTSE All Share	2.3	9.0	-2.2	6.0	7.3	30.8	8.1	6.0	1.2	22.0	-3.9	6.6
Global equities MSCI World Net GBP Hedged	3.2	13.9	-1.5	7.1	16.5	35.9	11.3	7.1	8.8	16.6	-5.0	14.0
Property FTSE EPRA/NAREIT Global	-1.2	4.7	1.1	14.0	4.9	21.7	9.4	14.0	-8.0	16.0	3.7	29.3
Commodities Bloomberg Commodity	-0.1	1.9	-5.5	0.0	-7.6	15.5	-5.1	0.0	-7.6	25.0	-16.9	-18.1

Source: Russell Investments as at 31/03/2019. Any past performance figures are not necessarily a guide to future performance.

FOR MORE INFORMATION:

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

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