



# Russell Investments Multi-Asset Growth (Sterling) Fund

A diversified growth strategy to achieve your real goals.

## Fund objective

The Multi-Asset Growth Strategy Sterling Fund (MAGS) aims to deliver consistent growth. It employs a multi-strategy investment approach and is broadly diversified across a range of growth assets across equities, bonds and alternative asset classes.

The Fund aims to achieve an annual return equivalent to inflation plus 4% (gross of fees), with up to two-thirds of the volatility of equity markets. We use a disciplined investment process to design, construct and manage the Fund. It is designed using our strategic and tactical insights, derived from extensive research and experience. The Fund draws on the complete range of our skill-sets and the strengths of our whole organisation.

From strategic thinking through to research, portfolio construction, risk management and investment implementation. It is this combination of multiple specialisms that builds quality decision-making at all levels. In short, MAGS gives you the best of our ideas and expertise to help you achieve your real growth goals.

## What do you need for success in multi-asset?

Multi-asset investing combines traditional securities with alternative approaches. It can get highly specific and can provide diversifying factors even within a precise asset allocation. Having grown in popularity over recent years, the asset class product offering has grown substantially since it was defined, and with this growth many have come to associate multi-asset products as a risk management tool. In order to succeed, investors need to understand a diverse range of political, social and economic market drivers and translate these in terms of the impact on countries, currencies, sectors and stocks. This is not an easy task.

Our team aims to identify promising strategies and managers early in their life-cycle. In this way, we can get the best of the performance potential from new manager and strategy ideas, and secure capacity before they become too popular and close to new investors. By investing in MAGS, you gain early access to these new products and specialist ideas.

A well-constructed multi-strategy multi-manager Fund that combines complementary investment strategies is the most effective way to exploit the breadth of opportunity on offer. We can smooth the ride in this volatile asset class by dynamic management of the strategy and factor exposures in the Fund.

## Fund facts



**Portfolio Manager**  
David Vickers

<b>Performance Objective:</b>	Inflation +4% annually (Gross at fees) Volatility: up to two-thirds equity market volatility.
<b>Share class; dealing currency:</b>	Class B Roll-up; GBP
<b>Dealing frequency; cut off:</b>	Daily; 1.00pm GMT
<b>Fund size:</b>	GBP 1,952.77m as at 30th June 2017
<b>ISIN code:</b>	IE00B4VY5G95
<b>Fund launch date:</b>	8th December 2009

Targets figures do not take into account any fees or charges on investment returns.

# Russell Investments Multi-Asset Strategy Fund

Our multi-asset team combines specialist researchers, strategists, portfolio managers and analysts, and trading implementation experts. So when you invest in MAGS you partner with a highly capable, influential and sophisticated network of dedicated professionals. It is not enough simply to hire good managers. You also need to combine them effectively and manage the mix actively through time, taking into account the trade-off between risk and reward. We approach the task from first principles using:



## Well-founded strategic beliefs

There are certain factor exposures that over the course of a market cycle will deliver higher returns than the broad market. We believe that growth and value are dominant and we tilt the Fund towards these factors over the long term.



## Best-in-class managers from around the world

We employ an open-architecture approach using best-in-class investment manager strategies from around the globe, giving investors access to a truly unconstrained breadth of managers.



## Smart beta factor strategies

We incorporate customised exposures directly managed by Russell Investments that allow our portfolio managers to reflect our strategic and dynamic insights in an active manner.



## Dynamic management to exploit market inefficiencies

We leverage the insights both of Russell Investments' team of strategists and those of the managers that we employ, together with external research sources and our own tactical factor views, in order to take advantage of market opportunities.



## Timely and effective implementation

Our Implementation Services team employs sophisticated techniques to transition between managers and strategies, minimise trading costs and manage liquidity in order to ensure that our investment insights are captured efficiently.



## Management of total portfolio risk

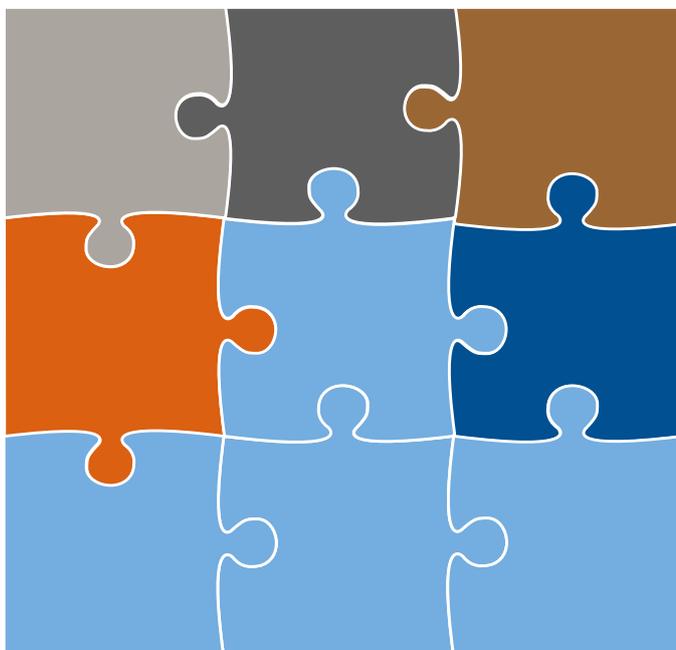
We use customised risk analysis tools to understand, evaluate and manage exposures within the strategy. We target our preferred positions and minimise unwanted risks. Full visibility and control makes this possible.

By combining these components, the Fund has achieved meaningful and consistent outperformance of the major broad-based indices.

# Product profile

The Fund is much more than just a selection of managers. Rather, it represents a total outsourced solution to multi-asset management. It integrates our capital markets insights, risk management capabilities and trading and implementation

skills, together with dynamic management of the asset mix, monitoring, hiring and firing of third-party managers, and our own smart beta custom portfolios.

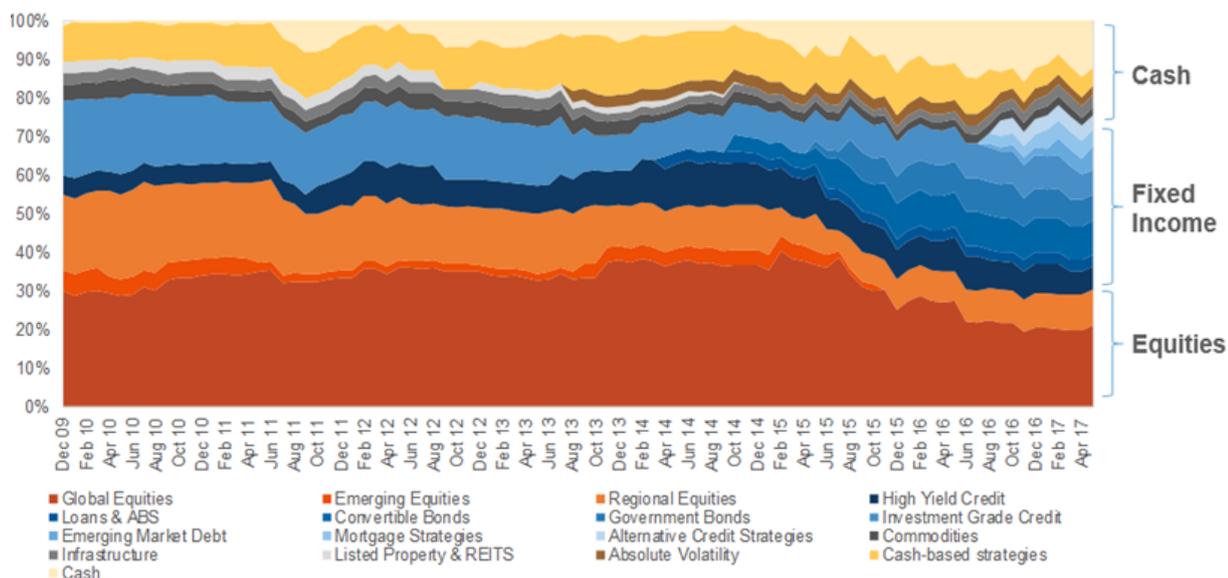


- Strategic beliefs
- Best-in-class managers
- Smart beta factor strategies
- Dynamic management
- Effective implementation
- Management of total portfolio risk

# Dynamic allocation

The Fund’s asset mix combines equities, bonds and alternative strategies both to capture growth opportunities and achieve powerful diversification benefits. After researching the most effective strategies in each asset class, our team selects from the best of active management, passive and smart beta approached. MAGS also

includes dynamic tactical positions, which we can implement either through changes to the manager mix and/or through direct management of custom portfolios which are designed to address specific sectors and/or country strategies. As at 31st May 2017, below shows asset allocation evolutions since inception.



## Key benefits

- **Global:** Puts a team of global specialist managers and strategies to work for you.
- **Performance consistency:** Provides attractive risk-adjusted performance when compared to traditional investment approaches employed in emerging markets.
- **Access to experts:** Uses a best-in-class approach to identify the leading specialist third-party managers in each style segment. Through our intensive research process, we identify the best specialists and gain valuable insights into the success of different emerging markets equity strategies. Our extensive experience and relationships allow us to select niche specialist capabilities and customise strategies to complement our portfolios.
- **Daily monitoring:** Our multi-asset team monitors MAGS' underlying positions and risk exposures daily, shifting strategy and asset class allocations in response to market changes and opportunities. Using powerful proprietary systems, the team have total visibility down to individual stock positions and risk exposures.
- **30 years of practical experience:** Russell Investments' strategic and tactical insights based on over 30 years' practical experience and comprehensive data modelling. It is this combination of practical asset management experience and research excellence that gives MAGS such a powerful advantage.
- **Targeted exposures:** Invests in customised segregated mandates identified through our research, rather than off-the-shelf products, thereby taking full advantage of each strategy's key strengths and retaining full control of the Fund's overall positioning.
- **Integrated:** We employ a straightforward but powerful strategy process based on business cycle, market valuation and investor sentiment factors (Cycle, Value and Sentiment or CVS), together with a consistent methodology to design, construct and manage portfolios (DCM). Our CVS and DCM approaches link the work of our portfolio management, research and strategy teams, providing them with a common language and analytical framework. This allows our teams to combine top-down and bottom-up research, to generate more penetrating insights and to maintain constant market awareness. Importantly, this integrated capability underpins our ability to allocate the Fund's assets dynamically in the light of changing markets and new opportunities.
- **Nimble:** Real-time management and powerful analytics help manage risk exposures, make for greater agility in a constantly changing environment, and create flexibility to respond to what's going on in the marketplace.
- **Governance:** The Fund's performance includes time-consuming and expensive market set-up costs and the cost of all manager and strategy changes. We take away the need for beauty parades, allowing investors to focus on more critical governance aspects. In addition, Russell Investments' Manager Oversight Team undertakes comprehensive, on-site due diligence reviews for all managers, thereby reducing operational risks.

---

## Why Russell Investments?

We believe Russell Investments has a crucial advantage. We can combine our capital markets insights, manager research expertise, tactical asset allocation capabilities and factor capture skills in one integrated and dynamic process, on a truly global basis. We don't just find a good manager. We look at the manager's strategy and see whether it is appropriate for the current market environment, how it interacts with the overall portfolio, and whether the timing is right to invest now. Additionally, we look at the best way to implement that strategy – should we do this actively, passively or through smart beta?

Lastly, we constantly re-evaluate the strategy's place in the Fund's asset mix in the light of market movements. The emerging markets universe is extremely broad, and it is rare to find the multitude of skillsets required for success in just one manager. With thousands of stocks available for investment across the asset class, it is not possible to be an expert in them all. Our 30 years of experience researching managers and styles, and understanding country and sector return drivers, allows us to rapidly deploy world-class talent in a nimble, targeted and effective manner in order to exploit the multitude of opportunities provided by this volatile and inefficient asset class.

For more information: Call Russell Investments on +44 (0)20 7024 6000 or visit [russellinvestments.com](http://russellinvestments.com)

#### **IMPORTANT INFORMATION**

##### **For Professional Clients Only.**

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. Any opinion expressed is that of Russell Investments, is not a statement of fact, is subject to change and does not constitute investment advice.

The value of investments and the income from them can fall as well as rise and is not guaranteed. You may not get back the amount originally invested.

Potential investors in emerging markets should be aware that investment in these markets can involve a higher degree of risk.

Any forecast, projection or target is indicative only and not guaranteed in any way.

Issued by Russell Investments Limited. Company No. 02086230. Registered in England and Wales with registered office at: Rex House, 10 Regent Street, London SW1Y 4PE. Telephone +44 (0)20 7024 6000. Authorised and regulated by the Financial Conduct Authority, 25 The North Colonnade, Canary Wharf, London E14 5HS.

MCI-01324

Issue: December 2017

Expires: December 2018