

Providing solutions to today's challenges.

**Beta masquerading
as alpha**

**Unwanted portfolio
biases**

**Active manager
costs**

Attaining targeted factor exposures and risk control

Constructing and managing multi-manager strategies is most effective when integrated with implementation capabilities to improve the risk profile, transparency, control, and cost for delivering the overall strategies. These capabilities reduce the overall portfolio's unintended risks in a targeted manner, without interfering with the alpha-generating activities of the active managers being employed.



1

Customised exposures used in combination with third party active managers.



2

Enable multi-managers to achieve **preferred positioning**, expressing strategic beliefs.



3

Removing unwanted portfolio biases, without swamping stock selection.

Incorporating factor insights and risk management into your portfolio

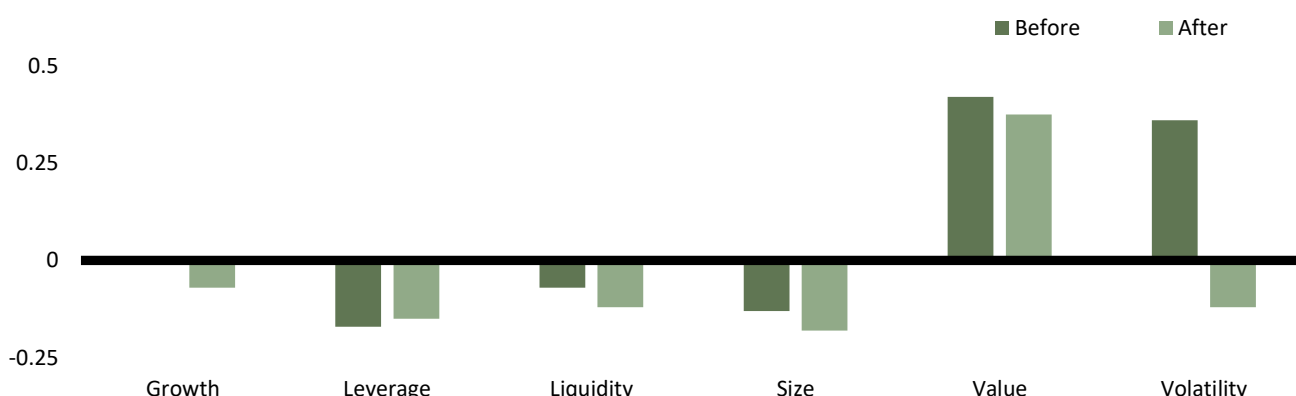
Factor strategies can close the gap: adapting as managers, markets and views evolve. A comprehensive factor strategy provides cost efficient access to desired exposures using robust portfolio techniques with consistent risk modelling. The implementation of custom factor portfolios is fully flexible - your factor definitions, your strategic beliefs, and your preferred positioning.

Using a completion portfolio to control equity volatility and tracking error

Completion portfolio strategies can provide a systematic way to solve misalignment in portfolio exposures. Completion portfolios use customised exposures and enable multi-managers to achieve preferred positioning. Furthermore, a completion strategy can help reduce the total cost expenditure on aggregate manager fees.

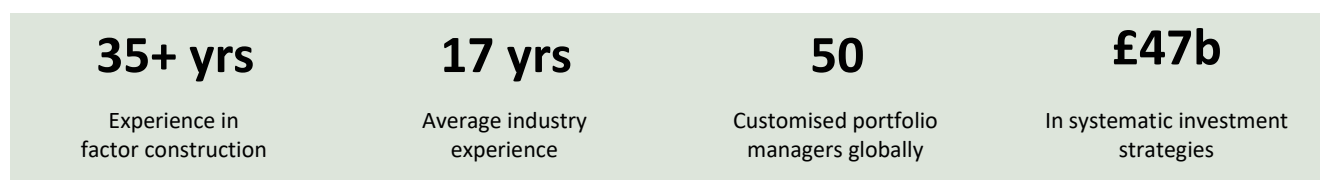
A custom completion portfolio to reduce equity volatility

This portfolio had a combination of active managers overweight volatility risk, an unintended bias, with preference to maintain overweight to value, negative exposure to leverage and existing beta. The outcome from a completion portfolio was **133% reduction** in volatility risk relative to benchmark, while maintaining desired exposures.



Source: Russell Investments. For illustrative purposes only. Data as at 31 December 2022, benchmark MSCI World. The “before” represents a multi-manager exposure without a completion portfolio added. The “after” represents how these can be altered with a custom completion portfolio”.

An experienced, well-resourced team



Source: Russell Investments, data as at 31 December 2023.



GET IN TOUCH:

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