

Providing solutions to your daily challenges.

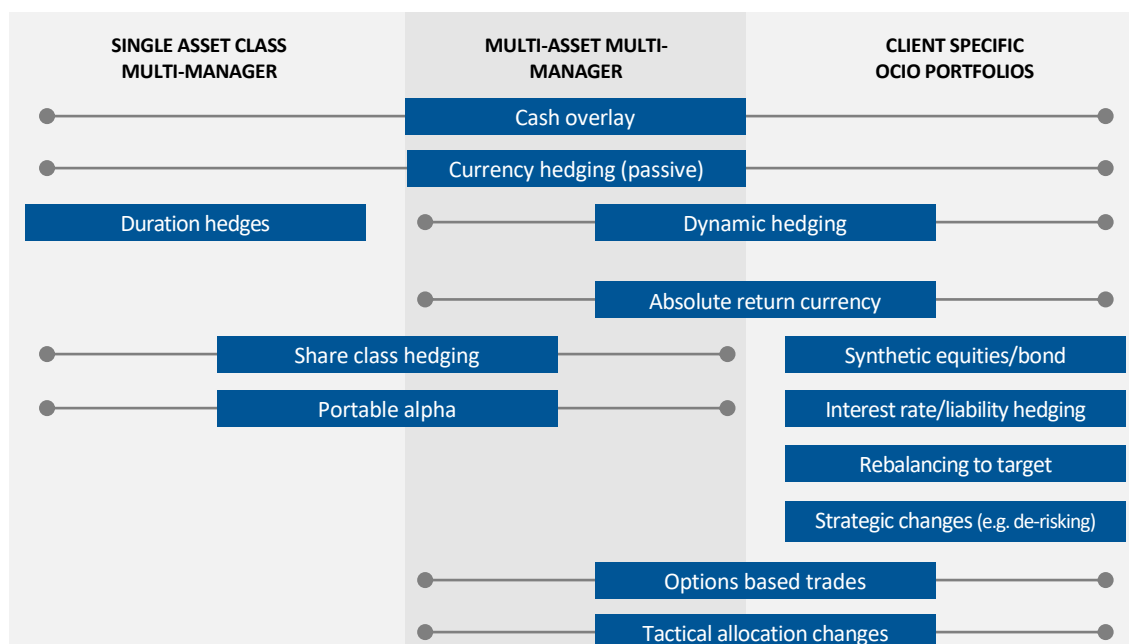
**Risk and
volatility**

Speed of implementation

**Access to desired
exposures**

A flexible programme tailored to your needs

An effective overlay programme will bring together oversight and accountability to avoid the drift of investment exposures within policy ranges, with access to a global multi-venue 24-hour trading desk for best execution and local execution expertise.



Source: Russell Investments, for illustrative purposes only.

The bespoke programme can include a range of solutions tailored to your needs, whilst maintaining your objectives, views and beliefs.

- Convert cash exposures to equity and/or bond exposures using derivatives, adjusting for total cash holdings on a daily basis.
- Dynamic de-risking solutions can be employed that manage surplus risk where the goal is to improve the value of the assets in relation to the liabilities.
- Undesired asset classes can be reduced, and desired asset classes can be added.
- Risk management tools designed to reduce the frequency and/or magnitude of drawdowns.

An example of an overlay strategy for excess cash balances

An overlay strategy can manage cash reserves and maximise efficiency by investing excess cash into defined risk assets. This can reduce performance drag and more accurately reflect investment objectives. In this example, an overlay strategy using a diversified mix of global long futures positions (with no leverage) was used to deploy excess cash.

The result? 8bps performance improvement from overlaying cash (10-year average). This equated to £9.2 million additional return net of fees and improved flexibility around cash reserves.*

Past performance does not predict future returns.

**Source: Russell Investments, annualised. Analysis conducted using reference portfolio: 0% cash, 22.5% FTSE All World (GBP Unhedged), 67.5% FTSE All World (GBP Hedged), 10.0% Bloomberg Global Agg Corporate (GBP Hedged). Prior year outperformance: 2023, 15.7bps 2022, -18.8bps; 2021, 20.6bps, 2020, 11.2bps; 2019, 23bps. £9.2 million additional return is based on an AUM of ~£1 billion at £920,000 p.a. Assumptions: Average cash level 1%, 10-year history from 31 December 2023. Opportunity cost from not securitising cash varies by asset allocation and time period and is represented by horizontal bars as marked within the chart legend. For illustrative purposes only. Does not represent any actual investment. Indexes are unmanaged and cannot be invested in directly. Data is historical and not a guarantee of future results.

An experienced, well-resourced team

£54b Managed in overlay services globally	80 Overlay clients	35+ yrs Experience in overlay management	13 Dedicated team members	12 yrs Average industry experience
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Source: Russell Investments, data as at 31 December 2023.



GET IN TOUCH:

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IMPORTANT INFORMATION

For Professional Clients Only.

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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. Any past performance is not necessarily a guide to future performance.

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