

# Multi-Asset Portfolios

Update – 4th Quarter 2025



Russell Investments' Multi-Asset Portfolios offer broad diversification across traditional and non-traditional asset classes, opportunistic strategies, and active hedging to help generate smoother returns and minimize drawdowns.

## Quarterly summary

| Asset allocation          | Multi-Asset Income Strategy |              | Multi-Asset Growth & Income Strategy |              | Multi-Asset Growth Strategy |              |
|---------------------------|-----------------------------|--------------|--------------------------------------|--------------|-----------------------------|--------------|
|                           | Q4                          | Q3           | Q4                                   | Q3           | Q4                          | Q3           |
| <b>Fixed Income</b>       | <b>58.5%</b>                | <b>59.8%</b> | <b>38.3%</b>                         | <b>39.1%</b> | <b>18.1%</b>                | <b>18.6%</b> |
| Government Bonds          | 28.5%                       | 31.5%        | 18.0%                                | 19.7%        | 7.9%                        | 8.5%         |
| Investment Grade Credit   | 16.4%                       | 16.2%        | 9.5%                                 | 9.4%         | 2.4%                        | 2.4%         |
| Inflation Linked Bonds    | 0.5%                        | 0.5%         | 0.3%                                 | 0.3%         | 0.0%                        | 0.0%         |
| High Yield Credit         | 3.5%                        | 3.5%         | 3.2%                                 | 3.2%         | 2.9%                        | 2.9%         |
| Convertible Bonds         | 0.6%                        | 0.7%         | 0.3%                                 | 0.4%         | 0.0%                        | 0.1%         |
| Emerging Markets Bonds    | 1.1%                        | 1.2%         | 1.5%                                 | 1.6%         | 1.8%                        | 1.9%         |
| Securitized Credit        | 7.8%                        | 6.2%         | 5.5%                                 | 4.5%         | 3.0%                        | 2.8%         |
| <b>Equities</b>           | <b>32.8%</b>                | <b>32.3%</b> | <b>51.4%</b>                         | <b>50.3%</b> | <b>71.1%</b>                | <b>69.8%</b> |
| Canadian Equities         | 1.2%                        | 0.5%         | 1.4%                                 | 0.8%         | 2.0%                        | 1.1%         |
| U.S. Equities             | 19.1%                       | 19.5%        | 30.3%                                | 30.1%        | 40.8%                       | 41.1%        |
| EMEA Equities             | 6.0%                        | 5.7%         | 9.8%                                 | 9.3%         | 14.3%                       | 13.6%        |
| Asia & Pacific Equities   | 2.8%                        | 3.0%         | 4.5%                                 | 4.8%         | 6.5%                        | 6.9%         |
| Emerging Markets Equities | 3.7%                        | 3.6%         | 5.4%                                 | 5.3%         | 7.5%                        | 7.0%         |
| <b>Real Assets</b>        | <b>4.8%</b>                 | <b>4.4%</b>  | <b>7.0%</b>                          | <b>6.6%</b>  | <b>8.8%</b>                 | <b>7.8%</b>  |
| Listed Infrastructure     | 2.0%                        | 2.0%         | 2.9%                                 | 2.9%         | 2.9%                        | 2.9%         |
| Listed Real Estate        | 2.9%                        | 2.4%         | 4.1%                                 | 3.7%         | 5.8%                        | 4.9%         |
| Commodities               | 0.0%                        | 0.0%         | 0.0%                                 | 0.0%         | 0.0%                        | 0.0%         |
| <b>Cash &amp; Other</b>   | <b>3.9%</b>                 | <b>3.5%</b>  | <b>3.3%</b>                          | <b>4.1%</b>  | <b>2.0%</b>                 | <b>3.8%</b>  |

Source: Russell Investments. Data as of December 31, 2025. May not add to 100% due to rounding.

## Market Outlook

We believe that near-term cyclical risks for Canada may have decreased from their 2025 peak, amid a domestic economy that has proven somewhat more resilient than our expectations, and the positive spillovers from a strong U.S. economy. Nevertheless, with Canada's unemployment hovering near 7% (which is above the long-term equilibrium), we continue to believe that Canada's economy may face continued headwinds. In addition, the dynamic nature of CUSMA negotiations could potentially keep uncertainty somewhat elevated. We expect Canada's economy to be more prone to risks than that of the U.S. in the near-term.

However, we remain neutral on Canadian equities. Although both the TSX and S&P 500 are near their record highs, Canadian stocks are still trading at significant valuation discounts to U.S. stocks. In our view, this valuation tailwind for Canadian stocks, greatly offsets the macroeconomic headwinds.

Although overnight rates being at the lower end of the BoC's neutral rate estimate creates a high hurdle for further rate cuts, the lingering macroeconomic uncertainty and remaining fragility in the labor markets imply there might still be more room for rate cuts into 2026. Against this backdrop, we think Canadian government bonds are a key portfolio diversifier.

In the near-term, we expect the Canadian dollar might remain under pressure from the soft economy but will likely strengthen over the medium term against the U.S. dollar.

The portfolios are modestly underweight risk, primarily through positioning in the underlying equity funds, where managers have been underweight the most volatile names. Asset allocation tilts remain modest with an overweight to equities, neutral exposure to real assets and a slight underweight to fixed income allocation. Within global equities, the portfolios maintain regional preference to emerging markets. Within fixed income, the portfolio remains underweight high risk fixed income to hold a higher weight to core. This is both to reduce the overall credit exposure while also modestly increasing duration (or interest-rate sensitivity) vs. the benchmark.

### Performance (%) as of December 31, 2025

|                                                 | 3 mo. | YTD   | 1     | 3     | 5    | 10   | Since inception |
|-------------------------------------------------|-------|-------|-------|-------|------|------|-----------------|
| Multi-Asset Income Strategy (Series F)          | 0.38  | 8.38  | 8.38  | 7.93  | 3.59 | 4.11 | 4.57            |
| Multi-Asset Growth & Income Strategy (Series F) | 0.74  | 11.38 | 11.38 | 9.81  | 4.97 | 5.06 | 5.29            |
| Multi-Asset Growth Strategy (Series F)          | 1.18  | 14.45 | 14.45 | 12.80 | 7.53 | 6.14 | 5.81            |

Performance is annualized except for periods of less than one year. Source: Russell Investments / Confluence. Indexes are unmanaged and cannot be invested in directly. Past performance is not indicative of future results.

## Fund Codes (FRC)

### Multi-Asset Income Strategy

|                | Trust | Class |
|----------------|-------|-------|
| B (front load) | 303   | 4200  |
| B-5            | 155   | 4207  |
| F (fee based)  | 803   | 4205  |
| F-5            | 455   | 4206  |
| O              | 483   | 1403  |
| O-7            | 407   | N/A   |

### Multi-Asset Growth & Income Strategy

|                | Trust | Class |
|----------------|-------|-------|
| B (front load) | 175   | 3175  |
| B-5            | 190   | 3190  |
| B-6            | 193   | 3193  |
| B-7            | 196   | 3196  |
| F (fee based)  | 186   | 3186  |
| F-5            | 187   | 3187  |
| F-6            | 188   | 3188  |
| F-7            | 189   | 3189  |
| O              | 199   | 5010  |
| O-7            | 299   | 7010  |

### Multi-Asset Growth Strategy

|                | Trust | Class |
|----------------|-------|-------|
| B (front load) | 305   | 1004  |
| B-5            | 365   | 1054  |
| F (fee based)  | 805   | 1006  |
| F-5            | 895   | 1056  |
| O              | 485   | 1405  |

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Date of first publication: February 2026 [EXP-04-2026]

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