

Personalized International SMA

Portfolio manager

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Investment objectives

The Personalized International SMA seeks to provide long-term capital growth from non-U.S. developed markets stocks while delivering customized investment outcomes by incorporating client-directed customization, e.g., tax management, category and theme-based restrictions, and custom screens. The strategy is designed to outperform the MSCI World ex USA (Net) Index over a full market cycle.

Investment process

Russell Investment Management, LLC ("RIM") selects the money managers and optimizes the portfolio utilizing quantitative and/or rules-based processes. RIM's portfolio construction process seeks to achieve the desired level of concentration, appropriate risk management, and exposure to strategic and tactical sources of excess return intended to meet the separately managed accounts investment objective over a market cycle. The underlying money managers are unaffiliated with RIM and have non-discretionary asset management assignments pursuant to which they provide a model portfolio to RIM representing their investment recommendations.

**Managers listed here are current as of 09/30/2025. These money managers are unaffiliated with Russell Investment Management, LLC ("RIM") and have non-discretionary asset management assignments pursuant to which they provide a model portfolio to RIM representing their investment recommendations. RIM may change portfolio asset allocation at any time, including not allocating portfolio assets to one or more money manager strategies or securities within a money manager's model portfolio.*

Product details

Model inception date	09/01/2019
Benchmark	MSCI World ex USA (Net) Index
Minimum account size*	\$60,000–\$100,000
Typical holdings range	80

*The minimum account size varies by platform.

Composite performance (%) as of September 30, 2025

	Quarterly	Year to Date	Annualized				
			1 Year	3 Year	5 Year	10 Year	Since inception ¹
Pre-tax composite returns (gross of fees) ^{2, 3}	6.21	26.11	15.82	23.47	—	—	7.46
Pre-tax composite returns (net of fees) ^{2, 3, 4}	5.46	23.86	12.82	20.47	—	—	4.46
MSCI World ex USA (Net) Index ²	5.33	25.34	16.03	21.60	—	—	7.21

¹The composite was created on August 31, 2021.

²Returns less than one year are not annualized. Performance in this report represents the performance of PMA accounts that were funded in cash with no existing positions or account restrictions at inception.

³Composite includes cash-incepted fee-paying discretionary accounts with tax overlay services.

⁴Net-of-fees returns reflect the deduction of advisory fees, including an assumed annual management fee of 3%, which represents an estimate of the fee that may be charged by a financial advisor. Actual client fees can vary and may include additional costs such as trading commissions. Performance results assume the reinvestment of dividends and capital gains distributions.

Performance quoted represents past performance and should not be viewed as a representation of future results. The investment return and principal value of an investment will fluctuate such that investments, when sold, may be worth more or less than the original cost. Post-liquidation returns may be adversely affected by an investor's deferred tax liabilities. Current performance may be lower or higher than the performance data quoted. Portfolios are managed to their respective strategies which may differ significantly in terms of holdings, industry weightings, and allocation from those of the benchmark. Portfolio performance, characteristics and volatility may differ from the benchmark. Unmanaged index returns assume reinvestment of any and all distributions, and unlike the performance composite returns, do not reflect fees, expenses and other expenses a client may incur. Investors cannot invest in an index.

Underlying managers and their investment strategies

Money manager*	Role	Year assigned
Intermede Investment Partners Limited and Intermede Global Partners Inc.	Growth	2019
Wellington Management Company, LLP	Growth/Value	2019
Pzena Investment Management, LLC	Value	2019

- Intermede provides compelling stock selection in high quality and sustainable growth segments of the market. They focus on stocks that are secular growers with some aspect of new innovation that the market has yet to price in, and seek top line and earnings growth, ideally with attractive return on equity, further margin expansion potential and strong free cash flow.
- Wellington Management uses a fundamental, bottom-up approach combining a fundamental growth strategy and a contrarian value strategy. Wellington's international fundamental growth strategy primarily invests in core growth stocks. It also buys stocks where it believes earnings are set to accelerate. The strategy targets mid to large cap non-U.S. companies, primarily in developed markets.
- Pzena employs a collaborative co-portfolio management approach to value investing, with a strong team of analysts to support its efforts. They employ a valuation-driven and research-intensive stock selection focus with a dogmatic emphasis on identifying companies that it believes are trading at a discount to their future earnings potential.

Personalized International SMA

Model portfolio characteristics⁴

	Model	Benchmark
Number of holdings	81	776
P/E ratio	17.98	19.29
P/B ratio	2.03	2.13
P/CF ratio	9.30	9.86
Dividend yield (%)	2.90	2.82
Weighted Average Market Cap (Millions in USD)	138,728.51	102,130.62

⁴ The information presented is based on the model portfolio data and individual investors' portfolios may vary.

Model top 10 holdings⁵

Security	Sector	% of Model
Societe Miniere Barrick	Materials	2.95
Unicredit, Societa Per Azioni	Financials	2.56
Sumitomo Mitsui Financial Group, Inc.	Financials	2.37
Astrazeneca Plc	Health Care	2.37
Hsbc Holdings Plc	Financials	2.37
Shopify Inc.	Information Technology	2.07
Novartis Ag	Health Care	2.03
Ing Groep N.V.	Financials	2.03
Roche Holding Ag	Health Care	2.03
Komatsu Ltd.	Industrials	1.98

Model sector allocation (%)^{5, 6}

Sector	Model	Benchmark
Financials	24.83	26.12
Industrials	16.09	18.27
Health Care	11.91	9.51
Information Technology	10.28	8.69
Consumer Staples	8.79	7.08
Communication Services	7.55	4.44
Consumer Discretionary	7.40	9.38
Materials	6.46	6.74
Energy	2.27	4.72
Utilities	2.09	3.34
Real Estate	1.52	1.70

Model regional allocation (%)^{5, 6}

Region	Model	Benchmark
Europe ex UK	44.23	46.30
Japan	20.59	19.66
United Kingdom	17.79	12.57
Canada	7.26	11.70
Emerging Markets	5.26	0.12
Asia-Pacific ex Japan	4.05	3.30
Australia & New Zealand	0.00	6.12
United States	0.00	0.22

⁵The information presented is based on the model portfolio data and individual investors' portfolios may vary. The information presented should not be considered a recommendation to purchase or sell any security. There is no assurance that any securities presented will remain in the model portfolio at the time you receive information, that securities sold have not been repurchased or the asset allocation will be the same. The securities presented do not represent an account's entire portfolio and in the aggregate may represent only a small percentage of an account's holdings. It should not be assumed that the securities holdings and allocations presented were or will prove to be profitable, or that the investment recommendations or decisions we make in the future will be profitable or will equal the investment performance of the securities presented herein.

⁶Due to rounding, totals may not equal to 100%.

Personalized International SMA

Market Commentary

The U.S. economy is still adjusting to the effects of the widespread tariff hikes implemented earlier in the year. While GDP growth estimates for 3Q are in the 3.5% - 4.0% range, representing a rebound from 2Q, the overall trend is downward, with consensus growth expected towards 2.0% for the rest of the year. The tariffs will continue to weigh on growth through 2026, followed by mild rebound beginning in 2027 as the economy adapts and monetary policy eases. Inflation, which has cooled, could rise again depending on the impact of tariffs.

Europe is expected to see modest growth for the rest of the year with continued downside risks from trade tensions, energy costs and structural constraints like aging population and high public debt. Within Europe growth will be uneven. Portugal has upwardly revised its forecasts, while France has shaved its forecasts due to political uncertainty. Inflation is forecasted to decline further towards the ECB's target, just under 2%.

Within Asia, India, Vietnam and the Philippines are expected to be drivers of growth while China's growth is forecast to slow to around the 4% range. There are concerns about further deceleration due to weaker external demand and structural headwinds. Overall, the region is still concerned with the potential for rising trade barriers, which could dampen export growth. Inflation appears to be easing in the area.

On balance, expectations are for slower but still positive growth in the remainder of the year, reflective of a "soft-landing" scenario. Still, we continue to believe that macroeconomic uncertainty remains elevated, and we cannot rule out the possibility of a recession, although the likelihood is lower.

Personalized International SMA

Key terms

P/E ratio: The ratio of the company's share price to the company's earnings per share

P/B ratio: The ratio of the company's share price to the company's book value per share

P/CF ratio: The ratio of the company's share price to the company's cash flow per share

Dividend yield: The ratio of the dividend payment per share relative to the share price

Important risk disclosure

Russell Investment's Personalized Managed Accounts (PMA) program claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Russell Investment's Personalized DI Large Cap SMA has been independently verified for the period through 12/31/2023. The verification report(s) is/are available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report.

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All performance results are presented in the US dollars.

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MSCI World ex USA Index: Index captures large and mid cap representation across 22 of 23 Developed Markets countries—excluding the United States. With 1,008 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

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Personalized International SMA
