

Complex multiple-fund merger



Background

A leading Canadian investment firm embarked on a highly complex multi-fund transition due to a major corporate acquisition in early 2025. Managing a diverse portfolio of retail and institutional funds, the client faced the task of integrating 23 mutual funds into its own fund structure. The merger required not only operational coordination but also strategic transition management across global markets.

The new funds represented a wide array of asset classes, including Canadian equities, global equities, emerging markets, and fixed income, each with unique liquidity profiles and trading constraints.

Challenge

With a fixed deadline and volatile market conditions, the client partnered with Russell Investments seeking to execute the transition with precision, speed, and strategic foresight.

With only **1.5 months to execute** the transitions due to a deadline mandated by the regulatory filing for the merger, the client needed to:

- Transition **23 funds across every major asset class**, including Canadian equities, global equities, emerging markets, and fixed income.
- Coordinate fund-of-fund activity, derivatives, currency hedging, and redemptions and subscriptions.
- Retain securities to minimize tax implications and manage cost basis constraints.
- Navigate market volatility triggered by the U.S. administration's tariff announcements.

The scale and complexity were immense: **over 10,000 trades, 700,000 individual executions, 90 markets, and 41 currencies**—all within a six-week implementation window. The merger also involved live fund activity, requiring constant rebalancing and adaptation to client strategy changes. The transition team had to manage exposure precisely while responding to dramatically evolving market conditions and client requests.

Six Weeks. One Global Transition.

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Solution

Russell Investments approached the mandate not as a series of transitions, but as a unified project. Key elements of the solution included:

- A consultative process that began with **pre-merger analysis and strategic recommendations**, including identification of seven funds that did not require a transition manager.
- A flat fee was the most appropriate **pricing model** for this project: The work requires researching numerous complex factors and presenting options to the client, and a flat fee best aligns the transition manager's incentives with those of fund participants.
- Use of **ETFs and futures** to maintain market exposure and liquidity during volatile conditions, including equitization strategies that proved critical during tariff-induced market swings.
- Seamless coordination among **seven portfolio managers** across London and Seattle, supported by operational teams and custodians.
- **Real-time adaptability to client requests**, including strategy changes, liquidity management, portfolio rebalancing, and retention of securities to manage tax implications. All completed during a period when the VIX reached one of its highest levels since the global financial crisis.²

The client team and the Russell Investments team operated as a single unit, fostering a collaborative ethos that extended beyond the transaction. Daily communication and shared decision-making drove the success throughout the process.

“From the start, our team and Russell Investments team operated as one seamless unit, united by a clear, shared purpose: to deliver a smooth and efficient fund merger. Russell Investments acted as an embedded extension of our team, bringing a strategic, coordinated approach to project management that kept all parties informed, aligned and focused. Each organization was empowered to execute their responsibilities while maintaining full visibility into the broader goals of every fund involved. It was a model partnership that delivered successful results.” -Client¹

Results

Despite market turbulence and evolving client needs, Russell Investments delivered:

- Transition costs that aligned closely with pre-event estimates, even after accounting for strategy changes and market volatility.
- Maintained exposure throughout the event, meeting the client's cash/equity targets and minimizing opportunity risk.
- A satisfied client who offered to act as a reference mid-project and praised Russell Investments as “an extension of our team.”

The merger was completed on time and on budget, with the client acknowledging that internal execution would not have been feasible without Russell Investments' expertise. The success of the project also led to strengthened relationships and future collaboration opportunities between the two organizations.

Exhibit 1: A Summary in Numbers



Source: Russell Investments. Data as of August 2025. Currency figures in Canadian Dollar (CAD).

The bottom line

This case showcases Russell Investments' ability partner closely with clients to manage high-stakes, multi-fund transitions with agility and precision helping clients pursue favorable outcomes for fund participants. For institutions facing mergers, restructurings, or complex fund transitions, Russell Investments provides more than execution: we bring strategic leadership. This specific merger stands as a testament to what can be achieved when expertise, collaboration, and commitment converge.

¹ This testimonial may not be representative of the experience of other clients and is not a guarantee of future performance or success. The quoted individual is a current client. No cash or non-cash compensation was provided for this testimonial.

² Cboe Global Markets, "VIX Index Historical Data," accessed October 2025; Federal Reserve Bank of St. Louis (FRED), "Measuring Fear: What the VIX Reveals About Market Uncertainty," February 2025. Available at: <https://fredblog.stlouisfed.org/2025/02/measuring-fear-what-the-vix-reveals-about-market-uncertainty/>

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