

Fund update

Focused Global Equity



October 2022

At Russell Investments Canada Limited (“Russell Investments Canada”), we are committed to providing high conviction investment solutions utilizing a selection of the world’s leading investment managers, as a means to help Canadians pursue their desired investment outcomes.

Changes have been made recently to the lineup of sub-advisers in **Russell Investments Focused Global Equity Pool** (and Class version, collectively the “Funds”).

Specifically, changes include:

- The appointment of managers: **Pzena Investment Management LLC (“Pzena”)** and **Wellington Management Canada ULC**

CHANGE RATIONALE

The additions of Pzena and Wellington represent two of Russell Investment’s (RI) high conviction global equity managers. They are both used throughout the RI global equity complex.

Pzena Investment Management LLC (“Pzena”)

Pzena’s Global Value product is ranked a “hire” by Russell Investments’ manager research team. The company employs a collaborative co-portfolio management approach to value investing, with a strong team of analysts to support its efforts. The firm’s research process includes assessing the quality of a company’s management, long-term operational viability, and avoidance of excess leverage.

Pzena’s portfolios tend to emphasize larger capitalization stocks in developed markets and portfolios may also invest in emerging markets when valuations are perceived as sufficiently discounting additional risks. Pzena is focused on generating excess returns within its products, is committed to the value style of investing, and accepting of the volatility associated with this investment style. The research process is intended to help avoid stocks with large potential downside and can help mitigate the risk of buying stocks with deteriorating fundamentals.

Russell Investments has a high regard for the investment expertise of the professionals at Pzena. The supporting analysts have extensive business backgrounds, and Pzena has built a strong team to support its international and global product offerings. Due to Pzena’s deep value orientation, Russell Investments expects this manager’s strategy to do best when deep value stocks outperform. Russell Investments also expects the firm to be a strong early-cycle investor.

Wellington Management Canada ULC (“Wellington”)

Wellington’s Global Growth Equity (GGE) product is ranked a “hire” by Russell Investments’ manager research team. Led by Portfolio Manager Matthew Hudson, the GGE investment team targets large and mid-capitalization companies with improving fundamentals which are expected to lead to accelerating earnings growth. Mr. Hudson and his team have demonstrated an ability to deliver outperformance over a full market cycle.

The growth strategy will include traditional higher growth stocks as well as those where Wellington believes earnings are set to accelerate. It has a particular focus on clear earnings drivers, structural advantages, and seeking above consensus earnings expectations. Earnings drivers can include product cycles, new technologies, management or competitive changes, restructurings, or other factors that may lead to positive revisions to earnings.

Russell Investments has researched this firm for more than 20 years and has a positive view of Matt Hudson, the analyst platform at Wellington and the firm's investment insights.

NEW SUB-ADVISER TARGET WEIGHTS IN RUSSELL INVESTMENTS FOCUSED GLOBAL EQUITY POOL (AND CLASS)

The percentages below represent the target allocation of the Funds' assets to each sub-adviser's strategy and Russell Investments' positioning strategies.

SUB-ADVISER	ROLE	PREVIOUS FUND TARGETS	CURRENT FUND TARGETS
Sanders Capital, LLC	Value	34.00%	19.00%
Intermede Investment Partners Limited and Intermede Global Partners Inc.	Growth	34.00%	20.00%
Wellington Management Canada ULC	Growth	0.00%	14.00%
Pzena Investment Management LLC	Value	0.00%	19.00%
Russell Investments	Active Positioning Strategy	29.00%	25.00%
Russell Investments	Liquidity Reserve*	3.00%	3.00%

Sub-advisers listed are current as of October 2022. Russell Investments has the right to engage or terminate a sub-adviser at any time and without notice. * Liquidity Reserve is a cash account that supports day-to-day cash flow and may be overlaid with derivatives to provide market exposure in order to manage the risk profile of the Fund.

EFFECT ON RUSSELL INVESTMENTS FOCUSED GLOBAL EQUITY POOL (AND CLASS)

Russell Investments Canada has completed a thorough proforma analysis of the Fund(s) structure incorporating the recommended manager change(s). The Funds' investment objective(s), strategies and principal risks will remain consistent with the Fund's description as it appears in the prospectus.

Fund tilts vary over time depending on manager positions. The recommended structure will balance portfolio exposures from the prior, defensive objective – which has since been removed from prospectus language. Thus, low volatility will decrease with a greater emphasis on providing broad based market exposure.

For more information about Russell Investments global equity solutions, please contact us at 1-888-509-1792 or by email at canada@russellinvestments.com.

Important information

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.

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Please remember that all investments carry some level of risk, including the potential loss of principal invested. They do not typically grow at an even rate of return and may experience negative growth. As with any type of portfolio structuring, attempting to reduce risk and increase return could, at certain times, unintentionally reduce returns.

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Positioning strategies are customized portfolios directly managed by Russell Investments for use within the total portfolio. Portfolio managers use positioning strategies to seek excess return and manage portfolio risks by targeting specific exposures. The Russell Investments positioning strategy allocation includes the Fund's liquidity reserve.

Russell Investments is the operating name of a group of companies under common management, including Russell Investments Canada Limited. Russell Investments' ownership is composed of a majority stake held by funds managed by TA Associates with minority stakes held by funds managed by Reverence Capital Partners and Russell Investments' management.

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First used: October 2022

CORPCA-00511 [EXP-10-2023]