GLOBAL EQUITY POOL

Russell Investments

Russell Investments Global Equity Pool provides long-term capital appreciation by obtaining diversified exposure to equity securities issued by corporations listed on recognized stock exchanges around the world.

UPDATE AS OF MARCH 31, 2024

QUARTERLY SUMMARY

FROM THE PORTFOLIO MANAGER: KEY MESSAGES

MARKET

- Benign inflation prints, coupled with resilient economic data, established a firm narrative around a soft landing, propelling global equity markets higher. Despite a reset in the U.S. Federal Reserve's (the Fed) rate cut expectations (now down to three cuts in 2024) pushing up yields, the MSCI World Net Index return was positive at 11.74% for the quarter.
- Growth outperformed yet again in Q1, however, there was broader participation in cyclical sectors beyond AI themed stocks. The so called "Magnificent 7" lost a couple of members: Apple and Tesla struggled due to concerns about iPhone growth and waning electric vehicle (EV) demand. Defensive strategies and smaller cap lagged.
- Information Technology (IT) and Communication Services were the best performing sectors. Financials, energy and industrials also outperformed the broad market as recession fears abated further. Utilities, real estate and staples were the worst performers.
- In USD terms, the U.S. was the strongest region. In local terms Japan led the broad market, up over 17% due to continued tailwinds from improved governance practices and central bank policy changes.

POOL

- The pool slightly underperformed its benchmark, MSCI World Index.
- While the risk-on rally remained speculative, and the pool leaned slightly defensive, we kept up with the rally as our emphasis on manager stock selection remained a highlight.
- Peer relative performance remains strong:
  - The pool was top quartile in Q1 2024
  - The pool is also top quartile across 1, 3, 5, 10 and 15 year periods

POSITIONING

- Our outlook continues to favor marginally defensive positioning. While equity market pricing arguably suggests recession is avoided altogether, our view still points to elevated recession risk (40%) in late 2024/ early 2025.
- Stock selection is by far the biggest risk exposure in the fund at around 65%.
- Factor tilts are aligned with long-term strategic targets, with moderate overweight to value and low volatility, and neutral on growth.
- The pool remains slightly underweight U.S., and overweight Europe and emerging markets (EM).

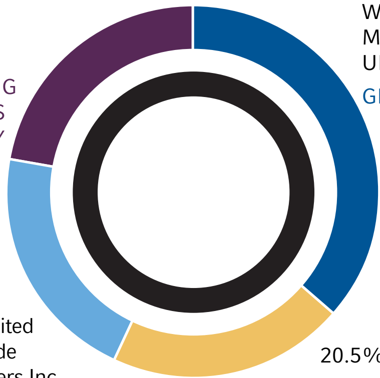
PERFORMANCE DRIVERS

CONTRIBUTORS

- The pool saw positive performance from our earnings momentum growth manager, Wellington Management Canada ULC.
  Stock selection in various sectors came through via names such as NVIDIA, META, Arm Holdings plc (ARM), Uber, Spotify, Lilly and Celsius
- Targeted exposure to the Magnificent 7 was rewarded at the total portfolio level:
  - Underweight the Magnificent 7 dropouts (Apple and Tesla) was additive
  - Overweight others, META, Meta, Microsoft, Amazon were all additive
- Other contributors were broad based across multiple sectors and regions:
  - Underweight real estate and utilities were tailwinds as resilient economic data prolonged investors' expectations for rate cuts
  - Off-benchmark exposure to Taiwan Semiconductor Manufacturing Company Limited (TSMC) was a positive given its robust Q4 2023 earnings report

DETRACTORS

- Wellington Value and Intermede Investment Partners Limited struggled in the quarter:
  - Value and smaller cap, key exposures for Wellington Value, were headwinds
  - Intermede struggled with selection in financials and underweight to NVIDIA detracted
  - We remain confident in both managers as their exposures offer opportunities across quality, smaller cap and deep value
- Efforts to moderate volatility via defensive levers proved to be a persistent challenge as more volatile areas of the market continued outperforming.
  - We continue to believe that having these exposures as part of the overall positioning is important given elevated cycle uncertainty, and with markets hovering at overbought levels
- Underweight to NVIDIA was a primary detractor at the fund level, though somewhat mitigated by Wellington's position.



[1]Positioning strategies are customized exposures directly managed by Russell Investments for use within the total portfolio. Used in conjunction with third party active managers, positioning strategies allow our portfolio managers to seek excess return and manage portfolio risk by giving them the ability to fully reflect our strategic and dynamic insights with integrated liquidity and risk management. Liquidity Reserve is a cash account that supports day-to-day cash flow and may be overlayed with derivatives to provide market exposure in order to manage the risk profile of the Fund. Sub-advisers are current as of April, 2024. Russell Investments has the right to engage or terminate a sub-adviser at any time and without notice.

EXPOSURES	Q1	Q4
REGION EXPOSURES		
United States	66.14%	66.97%
Europe ex UK	15.09%	14.61%
Japan	5.91%	5.80%
Emerging Markets	3.69%	2.36%
UK	3.77%	3.98%
Canada	2.69%	2.96%
Australia/New Zealand	1.47%	2.00%
Asia ex Japan	1.24%	1.32%
SECTOR EXPOSURES		
Information Technology	21.04%	21.58%
Financials	17.25%	17.28%
Health Care	13.25%	14.00%
Consumer Discretionary	10.83%	10.03%
Communication Services	10.22%	8.92%
Industrials	10.26%	9.92%
Consumer Staples	6.81%	7.38%
Energy	4.84%	5.27%
Materials	3.80%	3.79%
Real Estate	1.29%	1.37%
Utilities	0.40%	0.44%

Source: Russell Investments. Data as of March 31, 2024.

OUTLOOK

CYCLE	VALUATION	SENTIMENT
Encouraging Gross Domestic Product (GDP) growth, moderating inflation prints, cooling but still positive jobs data, and resilient Purchasing Manager Indexes (PMIs) contrasted with high rates and inverted yield curve leads to a mixed outlook on the cycle. Our view on the risk of recession is still elevated but is lower than it was last quarter, and now on par with a soft-landing scenario. Market/street expectations on earnings growth remain optimistic and at odds with a recessionary, and perhaps even a soft-landing, environment. Overall, current conditions favor measured caution, which means having an overweight to quality and avoiding higher volatility.	Value continues to offer steep discounts compared to the broad market. It is no longer extreme but remains a compelling opportunity. The fund maintains a modest, strategic overweight to value. Growth continues to be expensive across the board, though more extreme in the U.S. vs Non-U.S. Small cap is also very attractive on valuation, and a potential opportunity in a soft-landing scenario. The fund shifted exposure at the end of the quarter to have a small overweight. Non-U.S. markets are more attractive compared to the U.S. The fund remains slightly underweight U.S. in favor of EM and Europe.	Broadly, equity sentiment is hovering around overbought, but is not quite at "euphoria" levels. Traditional sentiment indicators continue to favor somewhat "over-owned" sectors such as large-cap U.S. growth. Low volatility and EM offer potential contrarian plays but cycle support for all three remains murky.

PERFORMANCE

Performance (%) as of March 31, 2024

	3 mo.	YTD	1 yr.	3 yr.	5 yr.	10 yr.	Since inception
Global Equity Pool (Series F)	11.17	11.17	24.35	10.73	12.09	11.40	5.98

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 inception: February 23, 2001.

FUND CODES (FRC)

	Trust	Class
B (front load)	531	2015
F (fee based)	532	2020
O	417	5000

For additional Series fund codes, visit russellinvestments.com/ca/fundcodes

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Morningstar quartile rankings show how well a fund has performed compared to all other funds in its peer group. Each fund within a peer group is ranked based on its performance, and these rankings are broken into quarters or quartiles. Within a group, the top 25% (or quarter) of the funds are in the first quartile, the next 25% are in the second quartile, the next group in the third quartile, and the bottom 25% of funds with the poorest relative performance are in the fourth quartile.

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