UPDATE

Russell Investments Global Equity Pool

1st Quarter 2022

Introduction

It was a bumpy start to the year in global financial markets as war broke out between Russia and Ukraine, jolting investor confidence and causing the price of key commodities such as oil and wheat to spike higher. That in turn further added to inflationary pressures and raised expectations that central banks will tighten faster and further than previously forecast. Meanwhile, new variants of the COVID-19 virus continued to force lockdowns in certain regions, although most countries eased restrictions toward the end of the quarter.

The conflict between Russia and the Ukraine overshadowed all other events in the quarter and will likely continue to dampen investor sentiment for the foreseeable future. It's likely to aggravate the issues already battering consumers globally – rising prices of energy and food, and disrupted supply chains. Over the longer-term, there is a risk of a new cold war between Russia and the West, increased military spending and a further blow to globalization. For Europe, the war will likely accelerate its move away from dependence on Russian oil and natural gas toward sustainable energy sources.

As well, the Russia-Ukraine crisis is expected to deal a double-whammy to the global economy. Not only could it fuel much higher inflation, but it's also likely to dent global economic growth, with Europe poised to take the largest hit due to its geographic proximity and dependence on Russian energy. While still above recent trend, 2022 GDP (gross domestic product) growth forecasts have been lowered to 3.0% for the U.S., 2.5% for Europe, and 3.5% for the U.K. Canada stands to benefit from the war as a major exporter of oil, wheat and potash – the commodities most impacted – but that will be offset by the corresponding inflationary pressure on consumers. Still, our forecast for Canada's GDP growth remains unchanged at 3.8% for this year.

While higher oil prices are grabbing the headlines and are a major contributor to inflation in the developed world, rising food prices are another significant risk. Russia and Ukraine supply around a quarter of the world's wheat exports, much of which goes to emerging markets in the Middle East and Africa. Food prices are an issue for inflation but are also a risk for political stability in many emerging economies.

Another issue weighing on markets in the quarter – and likely to continue throughout the year -- is the prospect of tighter monetary policy by the world's major central banks. Indeed, the U.S. Federal Reserve (Fed) and the Bank of Canada raised interest rates in the first quarter, and both are expected to continue hiking their benchmark rates throughout the year. This could dampen consumer spending, a major driver of economic growth in both countries. The risk is great in Canada, where household debt levels are at record highs. The Bank of England has also raised rates this year and the European Central Bank announced it would end its asset-repurchase program earlier than expected, although it left rates unchanged.

The Fed's new hawkish stance and the geopolitical uncertainty in Europe has buoyed the U.S. dollar this year. Its safe-haven status has pushed it above what we see as fair value against the Canadian dollar, although there is a case for U.S. dollar weakness in the second half of the year if Russia retreats from Ukraine and the Fed softens its stance as inflation pressures lessen. Any potential weakening of the U.S. currency could help the performance of non-U.S. markets and offset some of the headwinds facing emerging markets.

Hopes for a diplomatic solution to the Ukraine crisis did boost investor sentiment at moments throughout the quarter, as did a pledge by the Organization of Petroleum Exporting Countries (OPEC) to boost oil production. But most global equity markets ended the period sharply lower. The Canadian benchmark index was a notable outperformer, however, gaining 3.8% in the quarter.

Even with the pullback in the first months of the year, our cycle, value and sentiment investment decision-making process finds U.S. equities to be expensive, while Europe is only marginally expensive. The U.K. and emerging markets are more fairly valued. Canadian equities are poised to benefit from the high weighting of the energy and materials sectors in the benchmark index, and our outlook for Canadian equities is positive. We continue to prefer Canadian equities over the U.S.

The business cycle is positive as pandemic-related restrictions on travel and other activities are lifted, so this is likely to support global equities over bonds. We also believe cyclical and value stocks will benefit from higher long-term interest rates and the slowing but ongoing economic recovery. This is more favorable for Canada and Europe than the U.S., which is dominated by high-growth technology stocks.

Russia's invasion of Ukraine has been condemned by most developed countries and led to a wave of far-reaching sanctions that are expected to pummel the economy. The Russian rouble tumbled briefly, and many global index providers have reclassified Russian stocks as "uninvestable." The U.S., U.K. and Australia banned imports of Russian oil. Numerous businesses have shuttered operations in Russia. However, China has failed to condemn Russia's actions and that could potentially further weaken U.S. relations with the country, which is already fragile due to ongoing trade conflicts.

Market Outlook

BUSINESS CYCLE Outlook for the global economy	VALUATION Current asset prices	SENTIMENT Investor behaviour
+	—	O
POSITIVE	**NEGATIVE**	**NEUTRAL**
Global economic recovery jolted by war in Ukraine. Europe will bear the brunt of the pain. U.S. economy likely to be only slightly dented, China growth likely to depend on stimulus. Canada to benefit from commodity gains.	The U.S. is expensive, UK and emerging markets at fair value, Europe less expensive after recent market declines. US bonds now fairly valued after sell-off; Japanese, German and UK bonds still expensive.	War in Ukraine, new Omicron variants, ongoing supply chain issues, surging inflation and start of tighter monetary policy is dampening investor sentiment. However, our contrarian indicators collectively are not indicating a market panic.

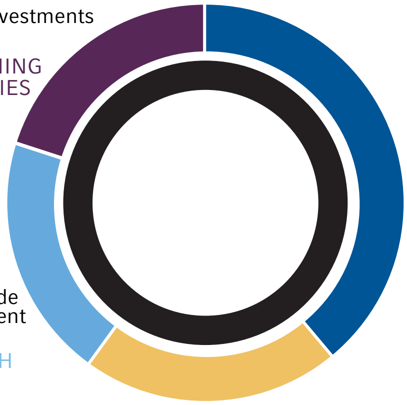
Source: Russell Investments. As of March 31, 2022.

Fund Performance Attribution

ASSET CLASS	IMPACT	COMMENTARY
FACTOR ALLOCATION	+	Factor allocation was positive. Overweight to Value was the main contributor. Tilt towards lower volatility was also a tailwind.
SECTOR ALLOCATION	+	Sector allocation was additive. Overweight to Financials and underweights to Consumer Discretionary and IT were the main contributors.
REGIONAL POSITIONING	-	Regional bet was negative. Exposure to EM and Europe ex UK were the main detractors.
SECURITY SELECTION	-	Security selection was ineffective, particularly in Financials, Energy, and Consumer Staples sector. Selection in US was also ineffective.

Source: Russell Investments, as at 03/31/2022. For illustrative purposes only.

Russell Investments Global Equity Pool



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. Sub-advisers are current as of March 31 2022. Russell Investments has the right to engage or terminate a sub-adviser at any time and without notice

ASSET ALLOCATION	Q1	Q4
REGION EXPOSURES		
Asia ex Japan	1.35%	1.07%
Australia/New Zealand	2.28%	1.78%
Canada	3.59%	3.15%
Emerging Markets	1.86%	2.15%
Europe ex UK	14.14%	15.61%
Japan	6.53%	6.29%
UK	3.95%	3.99%
United States	66.30%	65.97%
SECTOR EXPOSURES		
Communication Services	9.12%	9.32%
Consumer Discretionary	9.51%	10.33%
Consumer Staples	6.89%	6.65%
Energy	4.27%	3.65%
Financials	18.34%	18.61%
Health Care	14.56%	14.44%
Industrials	9.04%	8.66%
Information Technology	21.51%	21.59%
Materials	3.56%	3.64%
Real Estate	1.47%	1.53%
Utilities	1.73%	1.57%

Source: Russell Investments. Data as of March 31, 2022.
May not add to 100% due to rounding.

Fund Positioning and Outlook

The Russell Investments Global Equity Pool (the Fund) returned -6.34% over the first quarter as the escalation of Russia's invasion of Ukraine weighed on markets. As major producers of oil/gas and wheat, the likely supply disruptions tied to the invasion added further to inflationary pressures, with metals markets and other key agricultural commodities also affected. The Us Federal Reserve System and several other central banks around the world announced more "hawkish" policy measures to hopefully ease inflationary pressures without triggering a recession. The fund's performance was very strong leading up to the invasion, before giving back modestly, albeit still outperforming the benchmark. From a factor standpoint, overweight Value was the largest contributor while exposure to Low Volatility also benefited the fund's performance. Our off-benchmark exposure to emerging markets detracted during the quarter. In terms of manager performance, Value strategies (Wellington International Contrarian Value & Sanders) along with our Positioning strategy performed best, while Growth strategies lagged over the quarter. We took steps to moderate the Value exposure within the fund, allocating back to our Growth managers.

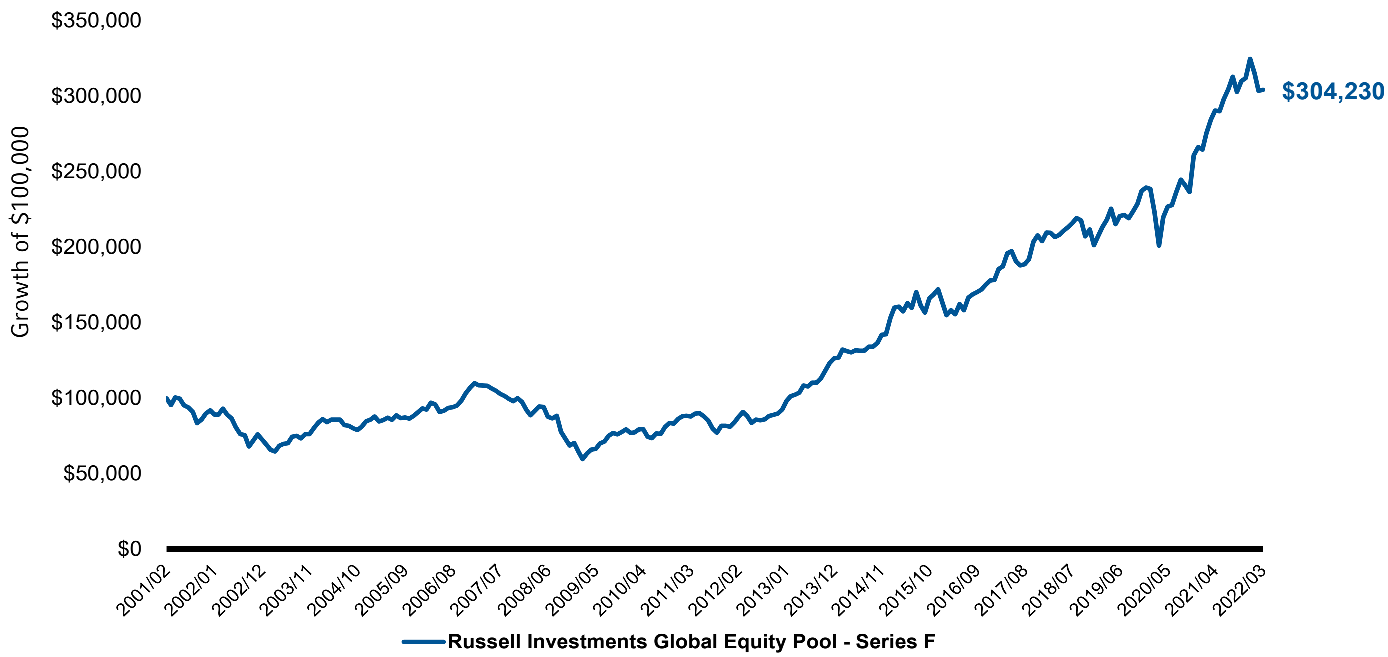
Inflation and risk of recession are key risks. These were juxtaposed with more encouraging signs of resiliency in the global economy, supported by strong employment data and continued strong corporate earnings. These continue to support a more constructive view. The disruptive effects of the invasion are hopefully transitory in nature and, for the meantime, may delay or diminish the threat to markets from more immediate and aggressive central bank policy tightening—and, perhaps most worrisome, a policy misstep. In combination, markets are likely to remain volatile in the near-term on policy, inflation and geopolitical developments.

SUB-ADVISER CHANGES

There were no sub-adviser changes during the period.

Russell Investments Global Equity Pool

(Series F)



Source: Russell Investments. As of March 31, 2022.
Series F is fee-for-service and as such, the performance shown does not include the fee paid by the investor to the dealer that would have reduced returns

SUB-ADVISER SPOTLIGHT

INTERMEDE INVESTMENT PARTNERS LTD.

Intermede was added to the Global Equity Pool in December 2019 and is a non-discretionary manager in the Fund. Barry Dargan is the portfolio manager for the strategy.

The company focuses on stocks that are secular growers with some aspect of new innovation that the market has yet to price in and looks for good top line growth and earnings growth, ideally with attractive return on equity, further margin expansion potential and strong free cash flow. Intermede also demands a greater discount on cyclical stocks which provides flexibility with an overall higher quality, lower volatility portfolio.

Russell Investments' sub-adviser analysis

Russell Investments believes Intermede provides compelling stock selection skill within the high quality, sustainable growth segment of the market. This approach has historically provided solid and stable excess returns that diversifies well with the other managers in the Fund.

Intermede is currently at an attractive point in its lifecycle, with low assets, high quality ownership of the firm by the investment team and autonomy of its investment professionals. Russell Investments has high confidence in lead portfolio manager, Barry Dargan, and the team of high-quality investment analysts. The strategy is expected to perform well when growth is being rewarded and be challenged in periods where higher risk stocks are rewarded or when value factors are rewarded.

INTERMEDE INVESTMENT PARTNERS

Location: London, UK

Strategy: Research-intensive and fundamental bottom-up approach to global equity

Number of holdings: 20-60

Capitalization level: All cap

Sub-style: Growth

Russell Investments

Performance (%) as of March 31, 2022

	3 mth	YTD	1 yr	3 yr	5 yr	10 yr	Since inception
Russell Investments Global Equity Pool (Series F)	-6.34	-6.34	6.93	11.70	10.19	12.84	5.37

Performance is annualized except for periods of less than one year. Inception: February 23, 2022. Source: Russell Investments / Confluence. Indexes are unmanaged and cannot be invested in directly. Past performance is not indicative of future results. Series F is fee-for-service and as such, the performance shown does not include the fee paid by the investor to the dealer that would have reduced returns.

To learn more about our globally diversified investment opportunities, please speak to your advisor or visit russellinvestments.com/ca

IMPORTANT INFORMATION

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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.

As with all mutual funds, investment in this mutual fund contains risks that may make it unsuitable for you, depending on your investment objectives and risk tolerance. If the fund does not perform as intended, you may experience a loss of part or all of your principal invested. Please read the prospectus of this fund for a detailed description of the risks involved in this investment.

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