Performance Insights

MONTHLY REPORT – **MARCH 2024 | LOCAL CURRENCY EDITION**   FOR PROFESSIONAL INVESTORS ONLY

Equities rally on as bond markets re-check policy rate expectations

Global stock and bond market performance continued to diverge in February. Equity returns were broadly positive. In the US, UK and Europe, long yields rose as markets further moderated their expectations for the timing and size of policy rate cuts. The yield rise challenged long-duration bonds and rate-sensitive sectors. Sustained geopolitical tensions remained supportive of the USD and crude oil.

Global asset classes – Equity rally continues; rate-sensitive segments struggle
Equity performance was broadly positive in February. Long-duration bonds and rate-sensitive sectors were challenged by rising long yields in the US, UK and Europe. The USD appreciated versus major currencies and crude oil rose moderately with sustained geopolitical and global growth concerns. (page 3)

Global equities – US and Japan outperform; China rebounds
US and Japanese equities outperformed the FTSE All-World in February. China rebounded to buoy the Emerging index's performance to just shy of the global benchmark's return, while Asia Pacific, Europe and the UK lagged. Japan and the US retained the 12M lead. (page 4)

Industry returns – Cyclicals lead
Cyclicals continued to rally in February, with defensives lagging in most regions. Rate-sensitive real estate lagged the most, on average across regions, with long yields rising in major developed markets. (page 5)

Alternative indices – REITs underperform
REITs continued to underperform their benchmarks in February, as did Core Infrastructure indices. Both FTSE4Good and Environmental Opportunities indices posted mixed results across regions and themes. (page 8)
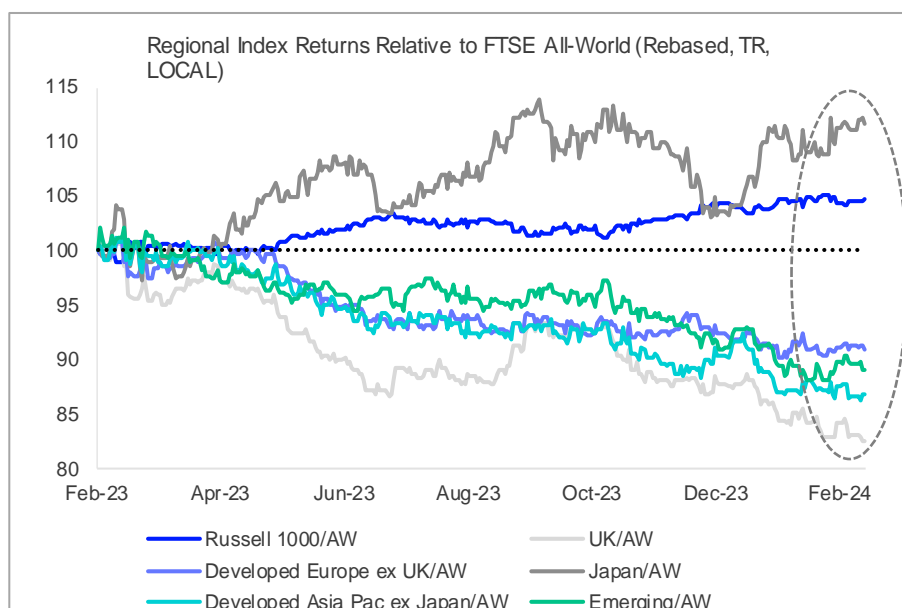
Factor performance – Momentum and Quality outperform
Momentum and Quality outperformed in most regions in February, reflecting a more cyclical, risk-on market sentiment that began in Q4 2023. Value, (Small) Size, Low Vol and Dividend Yield lagged in most markets. (page 9)

Foreign exchange – USD appreciates broadly
The USD continued to gain broadly versus other currencies in February, further reversing the Q4 2023 retreat. The yuan, euro and British pound depreciated modestly versus the USD, while the yen posted steeper losses, as it has over the 12M timeframe. (page 10)

Appendix - Asset Class Risk/Returns (1-Year and 5-Year), Correlation, Regional Performance and Country Exposures.

Regional Index Returns Relative to FTSE All-World (Rebased, TR, LOCAL)

Legend: Russell 1000/AW — UK/AW — Developed Europe ex UK/AW — Japan/AW — Developed Asia Pac ex Japan/AW — Emerging/AW

5.4% Russell 1000 (TR) February 2024	**5.7%** Russell 2000 (TR) February 2024
2.3% Move in Oil Price February 2024	**29 bps** Move in 10-year US Treasury Yield February 2024
8.5% FTSE US Discretionary (TR) February 2024	**-4.2%** FTSE US Telecoms (TR) February 2024

Source: FTSE Russell and LSEG. Data as of February 29, 2024. Past performance is no guarantee of future results. Please see the end for important legal disclosures.

Macro and Market Overview — February 2024

In February, global asset class performance continued to hinge on the monetary policy outlook in major financial markets, but other market drivers, such as economic growth and earnings, also came into focus.

Regional growth divergence firmed up over the month. While the US posted an annualized 3.2% growth in Q4 2023, the UK, Japan and Germany entered technical recessions, posting negative growth for two consecutive quarters. While Chinese growth was positive, its property sector woes continued alongside the challenge to turn around negative investor sentiment.

Inflation numbers continued to hold steady or trend lower in January. This was welcome news in the US, the UK and Eurozone. In Japan, while CPI dipped, it was still above the BoJ's 2% target and supportive of potential normalization of its negative policy rate in the spring. China went deeper into deflationary territory.
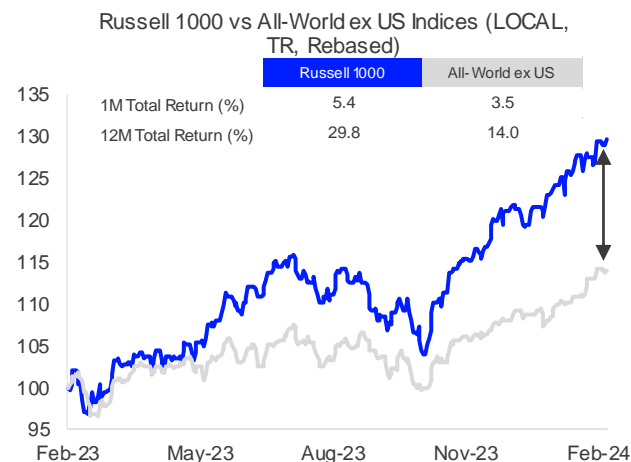
The BoE followed the Fed and ECB and held its policy rate during its February meeting. In the US, the UK and Eurozone, market expectations for the first rate cut of a new easing cycle moved into the middle and second half of 2024, with the size of anticipated cuts moderating further. 10-year government yields rose 29 bps in the US, 33 bps in the UK and 24 bps in Germany, challenging longer-duration assets. In China, authorities eased financial conditions by reducing the reserve requirement ratio for banks and a key mortgage benchmark rate in attempts to boost the property sector. Its 10-year government yield dipped modestly.

Given this macro backdrop, equities gained broadly, led by cyclicals, at the expense of rate-sensitive market segments, such as long-duration bonds and real estate. Equities were helped by strong Q4 2023 earnings in the US, and sustained optimism in AI-related technologies and chipmakers, benefitting related stocks in the US and globally. Chinese equities rebounded on the back of supportive policy measures, buoying Emerging equities overall.

Sustained geopolitical conflicts in Ukraine and the Middle East and shipping disruptions in the Red Sea remained supportive of the US dollar and oil.

US large-caps continued to outperform All-World ex US in Feb on the back of stronger growth and solid earnings.

Russell 1000 vs All-World ex US Indices (LOCAL, TR, Rebased)

	Russell 1000	All- World ex US
1M Total Return (%)	5.4	3.5
12M Total Return (%)	29.8	14.0

US 10-year yields rose 29 bps in Feb, challenging long-duration bonds and rate-sensitive equity sectors.

US Govt Bond Yields (%)

Key Macro Indicators for Select Regions

	GDP (%)		Composite PMI		CPI (%)		CPI Core (%)		Unemployment (%)		Policy Rate (%)		10YR Yield (%)	
	QoQ	Poll			YoY		YoY							
period	23Q4	2024	Feb	Jan	Jan	Dec	Jan	Dec	Jan	Dec	Feb	Chng	Feb	Jan
US	3.2	2.0	51.4	52.0	3.1	3.3	3.9	3.9	3.7	3.7	5.50	HOLD	4.25	3.97
Canada	1.0	0.5		48.3	2.9	3.4	2.5	2.6	5.7	5.8	5.00	HOLD	3.49	3.32
UK	-1.4	0.3	53.3	52.9	4.0	4.0	5.1	5.1	4.0	4.0	5.25	HOLD	4.12	3.80
Germany	-1.1	0.3	46.1	47.0	2.9	3.7	3.4	3.5	5.9	5.9	4.50	HOLD	2.40	2.16
Eurozone	0.2	0.5	48.9	47.9	2.8	2.9	3.3	3.4	6.4	6.5	4.50	HOLD	-	-
Japan	-0.4	0.9	47.2	48.0	2.2	2.6	3.5	3.6	2.4	2.5	-0.10	HOLD	0.71	0.72
China	3.6	4.6		52.5	-0.9	-0.3	0.5	0.6		5.2	3.45	HOLD	2.36	2.44

Important notes:
GDP: QoQ GDP growth rates are annualized. Japan's poll GDP growth is for FY 2024 ending March 2025.
Composite PMI: Feb PMI are flash composite PMI, except for Japan which is flash manufacturing PMI. Jan PMI are final composite PMI, except for Canada and Japan which are final manufacturing PMI.

Source: FTSE Russell and LSEG. Data as of February 29, 2024. Past performance is no guarantee of future results. Please see the end for important legal disclosures.

Asset Class Returns – 1M & 12M (LC, TR %)

Key Observations

Equity performance was broadly positive in February. US and Japanese equities outperformed FTSE All-World, with US small-caps leading the way. In a notable reversal, Chinese equities rebounded to buoy Emerging equities' performance to just shy of the global benchmark's return. Asia Pacific, Europe and the UK lagged. Over 12M, Japanese and US equities held their lead, outperforming FTSE All-World (page 4).
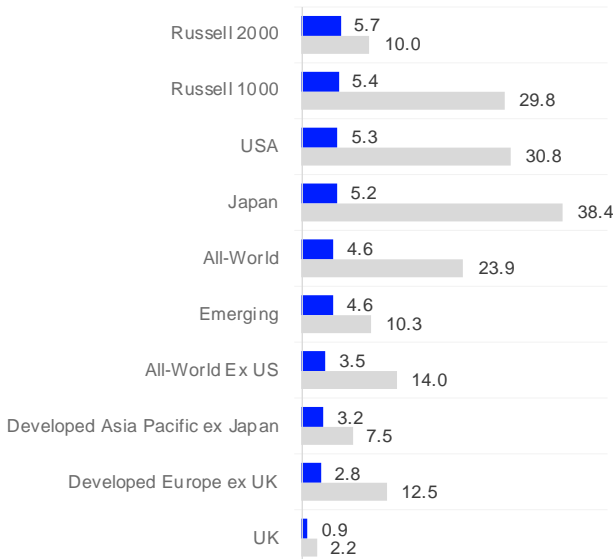
As long yields rose over the month in the US, the UK and Europe, government 7-10yr bonds in the US, the UK, France and Germany underperformed their China and EM counterparts. China and EM 7-10yr government bonds gained, adding to their 12M outperformance. High yield corporates outperformed their investment grade counterparts, led by high yield in EM, followed by those in Europe and the US. Inflation-linked bonds in the UK and US also struggled, with UK 10+yr bonds posting a modest gain and outperforming US and UK 1-5yr bonds as well as the US 10+yr segment, all of which posted losses. The 10+yr segments continue to starkly underperform their 1-5yr counterparts over the 12M period.

Oil continued to reverse some of its steep losses from Q4 2023 to post moderate gains in February. Gold gained modestly, while copper and the Commodity Index ended the month in the red, extending their losses over 12M.
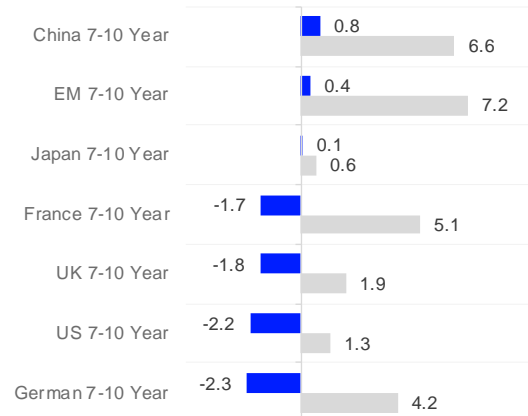
The USD gained broadly versus other currencies in February further reversing its retreat in Q4 2023. The yuan, euro and British pound depreciated modestly versus the USD, while the yen posted steeper losses as it has over the 12M timeframe. Broader FX performance versus the USD over 12M was mixed (page 10).
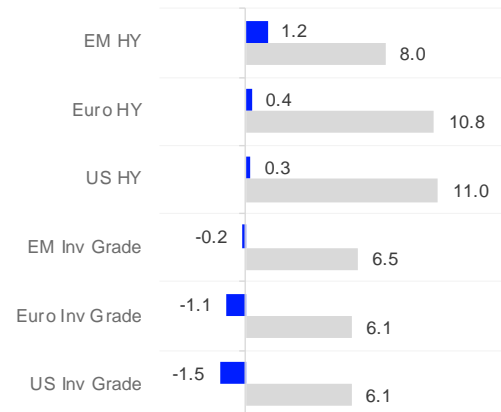
1M LOCAL   **12M LOCAL**

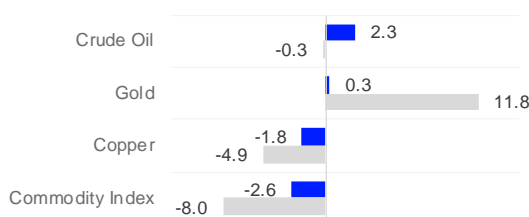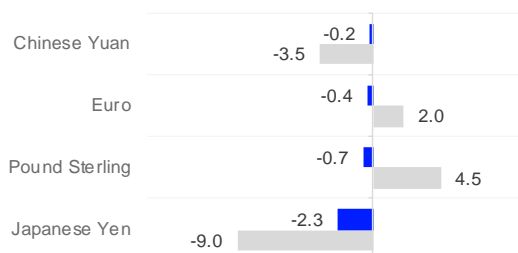## Equities

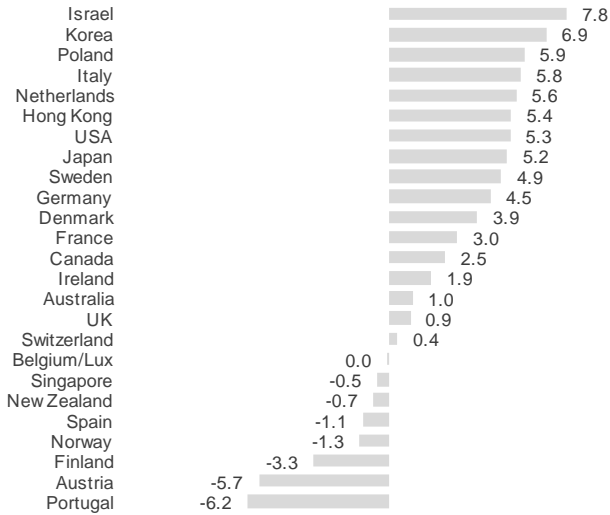|	1M	12M
Russell 2000	5.7	10.0
Russell 1000	5.4	29.8
USA	5.3	30.8
Japan	5.2	38.4
All-World	4.6	23.9
Emerging	4.6	10.3
All-World Ex US	3.5	14.0
Developed Asia Pacific ex Japan	3.2	7.5
Developed Europe ex UK	2.8	12.5
UK	0.9	2.2

Government Bonds

	1M	12M
China 7-10 Year	0.8	6.6
EM 7-10 Year	0.4	7.2
Japan 7-10 Year	0.1	0.6
France 7-10 Year	-1.7	5.1
UK 7-10 Year	-1.8	1.9
US 7-10 Year	-2.2	1.3
German 7-10 Year	-2.3	4.2

Commodities in USD

	1M	12M
Crude Oil	2.3	-0.3
Gold	0.3	11.8
Copper	-1.8	-4.9
Commodity Index	-2.6	-8.0

Corporate Bonds

	1M	12M
EM HY	1.2	8.0
Euro HY	0.4	10.8
US HY	0.3	11.0
EM Inv Grade	-0.2	6.5
Euro Inv Grade	-1.1	6.1
US Inv Grade	-1.5	6.1

FX Moves vs USD

	1M	12M
Chinese Yuan	-0.2	-3.5
Euro	-0.4	2.0
Pound Sterling	-0.7	4.5
Japanese Yen	-2.3	-9.0

Inflation-Linked Bonds

	1M	12M
UK 10+ Year	0.9	-4.7
US 1-5 Year	-0.4	4.3
UK 1-5 Year	-0.8	4.6
US 10+ Year	-2.1	-4.3
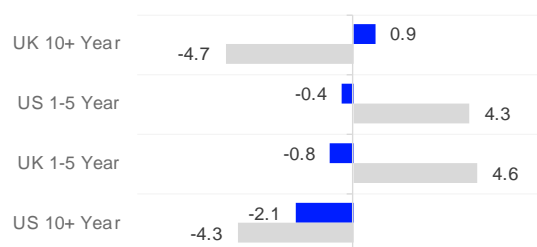
Global Equity Market Returns – 1M & 12M (LC, TR %)

FTSE Regions 1M LOCAL

Region	Value
USA	5.3
Japan	5.2
Developed	4.6
All-World	4.6
Emerging	4.6
Developed Asia Pacific ex Japan	3.2
Developed Europe ex UK	2.8
UK	0.9

FTSE Regions 12M LOCAL

Region	Value
Japan	38.4
USA	30.8
Developed	25.4
All-World	23.9
Developed Europe ex UK	12.5
Emerging	10.3
Developed Asia Pacific ex Japan	7.5
UK	2.2

FTSE Developed 1M LOCAL

Country	Value
Israel	7.8
Korea	6.9
Poland	5.9
Italy	5.8
Netherlands	5.6
Hong Kong	5.4
USA	5.3
Japan	5.2
Sweden	4.9
Germany	4.5
Denmark	3.9
France	3.0
Canada	2.5
Ireland	1.9
Australia	1.0
UK	0.9
Switzerland	0.4
Belgium/Lux	0.0
Singapore	-0.5
New Zealand	-0.7
Spain	-1.1
Norway	-1.3
Finland	-3.3
Austria	-5.7
Portugal	-6.2

FTSE Developed 12M LOCAL

Country	Value
Japan	38.4
Poland	37.0
Denmark	34.1
USA	30.8
Italy	26.5
Netherlands	22.5
Korea	16.0
Israel	15.1
Sweden	14.7
Germany	14.2
Australia	11.7
Canada	11.3
France	10.9
Spain	10.3
Switzerland	4.0
Norway	3.1
Ireland	2.7
UK	2.2
Singapore	2.1
New Zealand	0.0
Austria	-0.6
Belgium/Lux	-1.4
Portugal	-6.3
Finland	-8.9
Hong Kong	-14.8

FTSE Emerging 1M LOCAL

Country	Value
China	8.5
Saudi Arabia	6.6
Taiwan	6.4
Philippines	4.1
Indonesia	3.0
Malaysia	2.7
India	2.6
Thailand	1.8
Brazil	0.9
South Africa	-2.5
Mexico	-2.7
Pakistan	-7.5

FTSE Emerging 12M LOCAL

Country	Value
Pakistan	57.1
India	43.0
Taiwan	27.4
Saudi Arabia	24.9
Brazil	24.4
Malaysia	12.3
Indonesia	11.5
Philippines	11.0
Mexico	8.0
South Africa	-1.1
Thailand	-9.6
China	-14.7

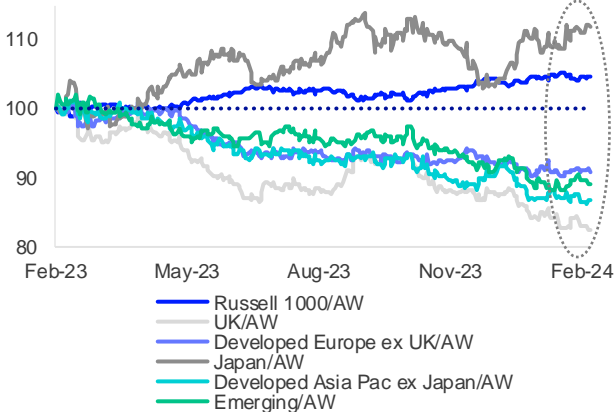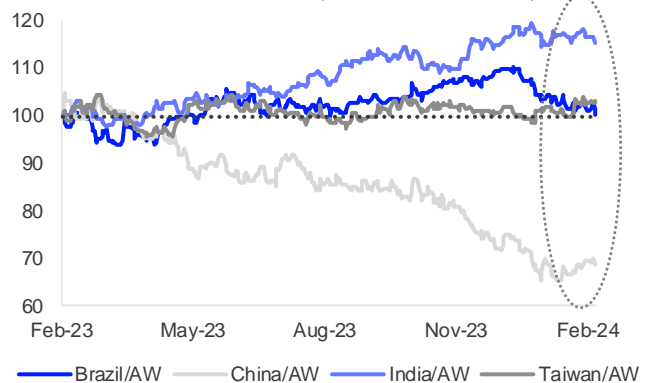**The US and Japan outperformed the global index in Feb, while the UK lagged the most. Over 12M, Japan continued to lead.**

The Emerging index was just shy of the All-World's performance in Feb, buoyed by a notable rebound in Chinese equities.

Regional Index Returns Relative to FTSE All-World (Rebased, TR, LOCAL)

- Russell 1000/AW
- UK/AW
- Developed Europe ex UK/AW
- Japan/AW
- Developed Asia Pac ex Japan/AW
- Emerging/AW

Select FTSE Emerging Country Relative Returns vs FTSE All-World Index (Rebased, TR, LOCAL)

- Brazil/AW
- China/AW
- India/AW
- Taiwan/AW

Regional Industry-Weighted Contributions to Returns – 1M (LC, TR %)

Key Observations

- Industry contributions were mostly positive in February led by cyclicals, while defensives lagged or detracted in most regions. Real estate, telecoms and utilities detracted in three out of five regions.

- In the US, technology contributed about 40 percent of the US index's gains, with substantial contributions from discretionary and industrials. Telecoms detracted modestly.

- In the UK, notable contributions from industrials, financials, discretionary and energy were largely offset by a large detraction from materials. In Europe, cyclicals led contributions, with staples and utilities detracting notably.

- In Japan, discretionary, technology and industrials were top three contributors; real estate and utilities detracted modestly. In Asia Pacific, financials led contributions, followed by discretionary and technology; materials and energy detracted.

	US	UK	Dev EU ex UK	Japan	Dev AP ex JP
1M Total Return (%)	5.3	0.9	2.8	5.2	3.2

Chart: 1M Total Return contributions by industry and region (US, UK, Dev EU ex UK, Japan, Dev AP ex JP)

- **Basic Materials**: US 0.08; UK -0.65; Dev EU ex UK 0.07; Japan 0.22; Dev AP ex JP -0.42
- **Consumer Discretionary**: US 1.19; UK 0.19; Dev EU ex UK 1.11; Japan 1.31; Dev AP ex JP 0.95
- **Consumer Staples**: US 0.04; UK -0.16; Dev EU ex UK -0.29; Japan 0.03; Dev AP ex JP 0.04
- **Energy**: US 0.12; UK 0.16; Dev EU ex UK -0.11; Japan 0.04; Dev AP ex JP -0.18
- **Financials**: US 0.46; UK 0.30; Dev EU ex UK 0.52; Japan 0.98; Dev AP ex JP 1.33
- **Health Care**: US 0.41; UK -0.03; Dev EU ex UK 0.22; Japan 0.32; Dev AP ex JP 0.00
- **Industrials**: US 0.71; UK 1.27; Dev EU ex UK 1.15; Japan 1.01; Dev AP ex JP 0.37
- **Real Estate**: US 0.06; UK -0.06; Dev EU ex UK -0.08; Japan -0.03; Dev AP ex JP 0.25
- **Technology**: US 2.30; UK 0.04; Dev EU ex UK 0.54; Japan 1.05; Dev AP ex JP 0.60
- **Telecommunications**: US -0.10; UK -0.01; Dev EU ex UK -0.08; Japan 0.26; Dev AP ex JP 0.16
- **Utilities**: US 0.06; UK -0.13; Dev EU ex UK -0.01; Japan 0.10; Dev AP ex JP (—)

Cyclicals continued their leadership in Feb, with defensives lagging. Rate-sensitive real estate ranked last, on average.

1M Regional Industry Returns (TR, LOCAL)

	US	UK	Dev EU ex UK	Japan	Dev AP ex JP
Basic Materials	4.6	7.5	1.6	4.3	− 3.5
Consumer Disc.	8.5	1.6	8.4	5.6	11.0
Consumer Staples	0.8	− 1.0	− 3.6	0.5	1.1
Energy	3.2	1.3	− 2.9	5.6	− 4.9
Financials	4.4	1.7	2.9	8.3	4.8
Health Care	3.3	− 0.3	1.4	4.2	0.1
Industrials	6.0	8.8	6.4	4.1	3.4
Real Estate	2.4	− 4.4	− 7.5	− 0.8	3.6
Technology	6.7	4.2	5.2	9.1	11.3
Telecoms	− 4.2	− 1.2	− 2.6	6.5	1.3
Utilities	2.5	− 3.2	− 6.4	− 0.8	3.6

Tech dominates in the US; financials are largest in the UK and Asia Pac; and industrials is top in Europe and Japan.
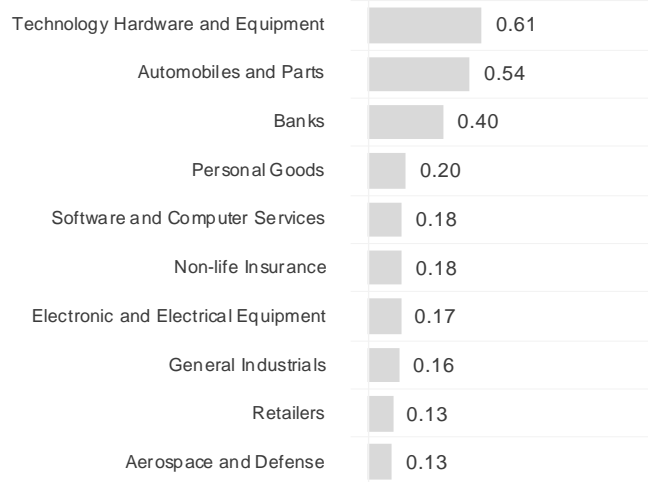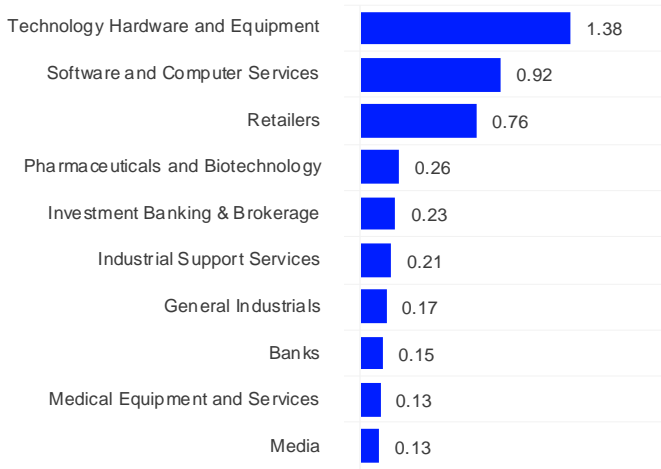
Regional Industry Exposures (%)

	US	UK	Dev EU ex UK	Japan	Dev AP ex JP
Basic Materials	1.6	7.1	4.4	5.1	11.2
Consumer Disc.	14.4	12.0	13.9	23.4	9.2
Consumer Staples	4.6	15.5	7.6	5.9	3.3
Energy	3.8	12.1	3.8	0.8	3.3
Financials	10.3	17.9	17.8	12.2	27.9
Health Care	12.0	12.6	16.0	7.6	6.7
Industrials	11.9	15.6	18.5	24.5	10.9
Real Estate	2.3	1.3	1.0	3.2	6.9
Technology	34.6	1.0	10.7	12.0	5.8
Telecoms	2.1	1.1	2.8	4.0	11.8
Utilities	2.4	3.8	3.5	1.3	2.9

Source: FTSE Russell and LSEG. All data as of February 29, 2024. Equity markets data based on: FTSE USA, FTSE UK, FTSE Europe ex UK, FTSE Japan and FTSE Developed Asia Pacific ex Japan indices and Industry Classification Benchmark (ICB®) industry groups. Past performance is no guarantee of future results. Please see the end for important legal disclosures.
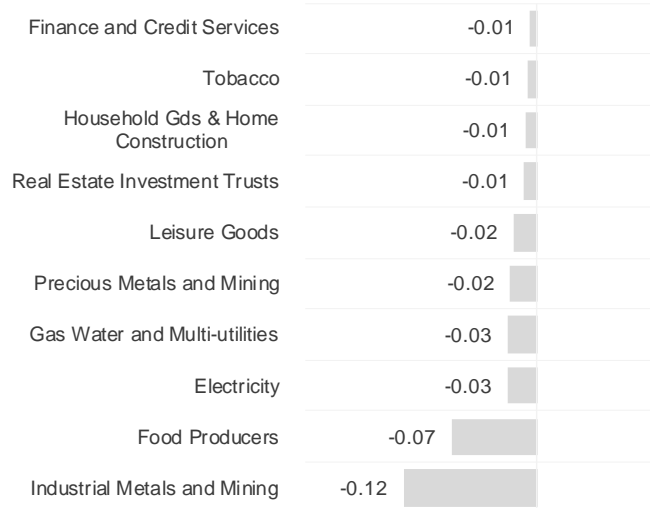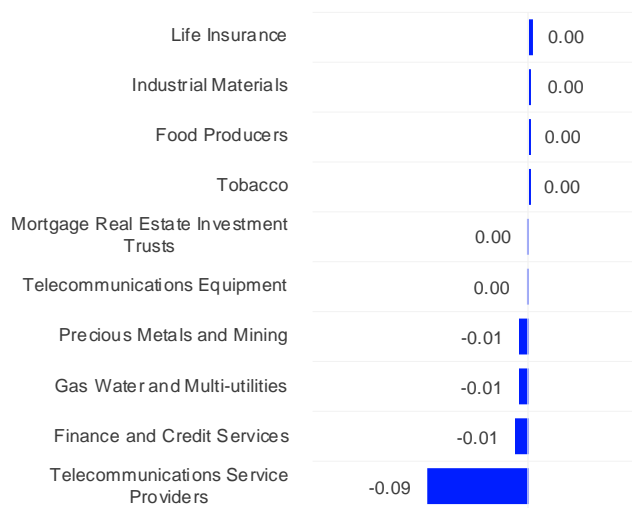
FTSE USA vs AW ex US: Sector-Weighted Return Contributions – 1M (LC, TR %)

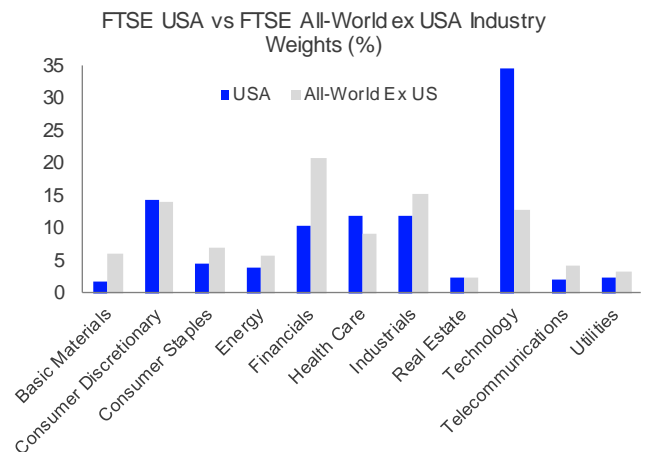| USA	All-World Ex US
5.3	3.5

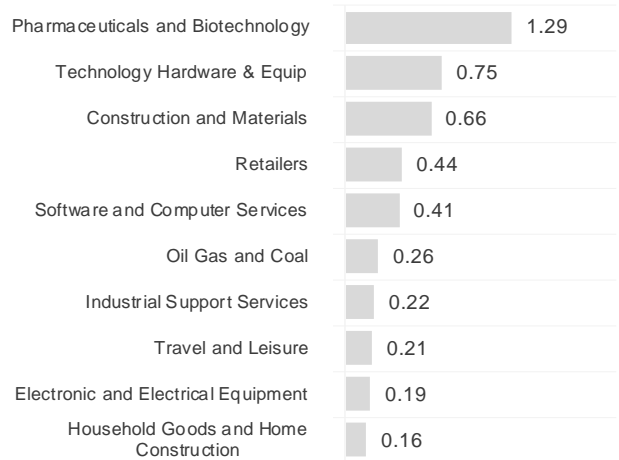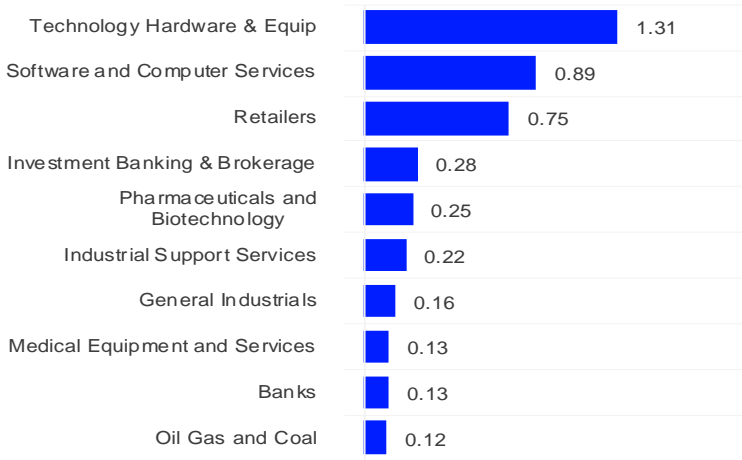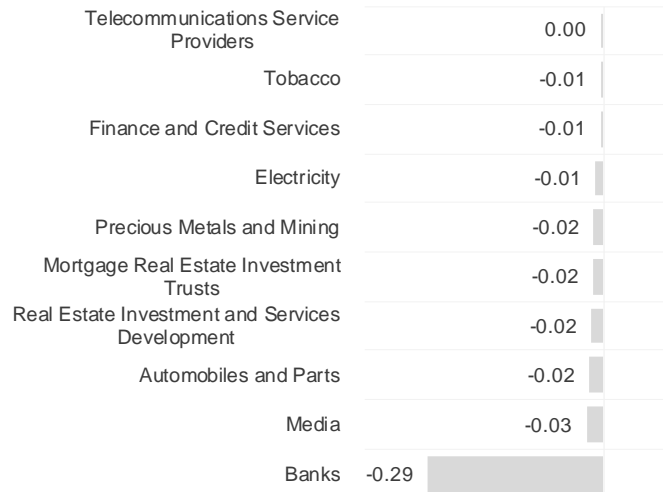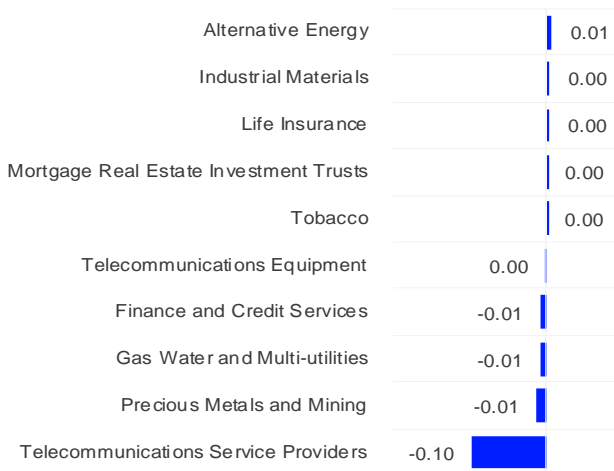## Top 10 Contributors

USA	
Technology Hardware and Equipment	1.38
Software and Computer Services	0.92
Retailers	0.76
Pharmaceuticals and Biotechnology	0.26
Investment Banking & Brokerage	0.23
Industrial Support Services	0.21
General Industrials	0.17
Banks	0.15
Medical Equipment and Services	0.13
Media	0.13

All-World Ex US	
Technology Hardware and Equipment	0.61
Automobiles and Parts	0.54
Banks	0.40
Personal Goods	0.20
Software and Computer Services	0.18
Non-life Insurance	0.18
Electronic and Electrical Equipment	0.17
General Industrials	0.16
Retailers	0.13
Aerospace and Defense	0.13

Bottom 10 Contributors

USA	
Life Insurance	0.00
Industrial Materials	0.00
Food Producers	0.00
Tobacco	0.00
Mortgage Real Estate Investment Trusts	0.00
Telecommunications Equipment	0.00
Precious Metals and Mining	-0.01
Gas Water and Multi-utilities	-0.01
Finance and Credit Services	-0.01
Telecommunications Service Providers	-0.09

All-World Ex US	
Finance and Credit Services	-0.01
Tobacco	-0.01
Household Gds & Home Construction	-0.01
Real Estate Investment Trusts	-0.01
Leisure Goods	-0.02
Precious Metals and Mining	-0.02
Gas Water and Multi-utilities	-0.03
Electricity	-0.03
Food Producers	-0.07
Industrial Metals and Mining	-0.12

The US index beat the non-US index in Feb, led by outperformance in pharma and several cyclical sectors.

FTSE USA Sector Returns Relative to FTSE All-World ex USA Sector Returns (Rebased, TR, LOCAL)

- USA/AW ex USA Software and Computer Services
- USA/AW ex USA Pharmaceuticals and Biotechnology
- USA/AW ex USA Investment Banking and Brokerage Services
- USA/AW ex USA Retailers

The US is tilted more to tech, health care & discretionary than peers, and less to financials, materials & industrials.

FTSE USA vs FTSE All-World ex USA Industry Weights (%)

Russell 1000 vs 2000: Sector-Weighted Return Contributions – 1M (LC, TR %)

Russell 1000	Russell 2000
5.4	5.7

Top 10 Contributors

Russell 1000

Sector	Value
Technology Hardware & Equip	1.31
Software and Computer Services	0.89
Retailers	0.75
Investment Banking & Brokerage	0.28
Pharmaceuticals and Biotechnology	0.25
Industrial Support Services	0.22
General Industrials	0.16
Medical Equipment and Services	0.13
Banks	0.13
Oil Gas and Coal	0.12

Russell 2000

Sector	Value
Pharmaceuticals and Biotechnology	1.29
Technology Hardware & Equip	0.75
Construction and Materials	0.66
Retailers	0.44
Software and Computer Services	0.41
Oil Gas and Coal	0.26
Industrial Support Services	0.22
Travel and Leisure	0.21
Electronic and Electrical Equipment	0.19
Household Goods and Home Construction	0.16

Bottom 10 Contributors

Russell 1000

Sector	Value
Alternative Energy	0.01
Industrial Materials	0.00
Life Insurance	0.00
Mortgage Real Estate Investment Trusts	0.00
Tobacco	0.00
Telecommunications Equipment	0.00
Finance and Credit Services	-0.01
Gas Water and Multi-utilities	-0.01
Precious Metals and Mining	-0.01
Telecommunications Service Providers	-0.10

Russell 2000

Sector	Value
Telecommunications Service Providers	0.00
Tobacco	-0.01
Finance and Credit Services	-0.01
Electricity	-0.01
Precious Metals and Mining	-0.02
Mortgage Real Estate Investment Trusts	-0.02
Real Estate Investment and Services Development	-0.02
Automobiles and Parts	-0.02
Media	-0.03
Banks	-0.29

Russell 2000 outperformed Russell 1000 in Feb, helped by a bias for small-caps in pharma, personal goods and travel & leisure.

Russell 1000 Sectors Relative Returns vs Russell 2000 Sectors (TR, Rebased, LOCAL)

— Russell 1000/Russell 2000 Pharmaceuticals and Biotechnology
— Russell 1000/Russell 2000 Personal Goods
— Russell 1000/Russell 2000 Travel and Leisure

Russell 1000 is more tilted to tech, staples & discretionary than Russell 2000, less so to industrials, financials & health care.

Russell 1000 vs Russell 2000 Industry Weights (%)

Alternative Indices – REITs, FTSE4Good, Environmental Opportunities, Infrastructure (USD)

Benchmark (All Cap) Returns %- 1M USD

US	UK	Dev EU ex UK	Japan	Dev AP ex JP	EM
5.4	0.0	1.9	2.6	2.5	4.1

Benchmark (All Cap) Returns %- 12M USD

US	UK	Dev EU ex UK	Japan	Dev AP ex JP	EM
29.1	6.3	14.6	25.0	5.5	9.8

FTSE EPRA Nareit Global Real Estate – 1M USD (Relative)

EPRA Nareit Emerging	-2.01
EPRA Nareit Dev Asia Pacific ex Japan	-3.45
EPRA Nareit USA	-3.50
EPRA Nareit Japan	-6.16
EPRA Nareit UK	-7.21
EPRA Nareit Developed Europe ex UK	-10.18

FTSE EPRA Nareit Global Real Estate – 12M USD (Relative)

EPRA Nareit UK	-8.30
EPRA Nareit Developed Europe ex UK	-12.07
EPRA Nareit Emerging	-13.15
EPRA Nareit Dev Asia Pacific ex Japan	-16.91
EPRA Nareit Japan	-18.40
EPRA Nareit USA	-18.77

FTSE Core Infrastructure – 1M USD (Relative)

Emerging Core Infra	-0.97
Global Core Infra	-3.26
Developed Core Infra	-3.47

FTSE Core Infrastructure – 12M USD (Relative)

Emerging Core Infra	5.89
Global Core Infra	-15.07
Developed Core Infra	-16.91

FTSE4Good – 1M USD (Relative)

FTSE4Good Japan	2.00
FTSE4Good Developed Asia	0.21
FTSE4Good UK	-0.16
FTSE4Good US	-0.80
FTSE4Good Europe	-0.91

FTSE4Good – 12M USD (Relative)

FTSE4Good Developed Asia	12.40
FTSE4Good Japan	3.25
FTSE4Good US	2.12
FTSE4Good UK	-0.22
FTSE4Good Europe	-1.87

FTSE Environmental Opportunities – 1M USD (Relative)

Env Opps Japan	5.79
Env Opps Asia Pac ex Japan	3.38
Env Opps Energy Efficiency	1.10
Env Opps Europe	0.94
Env Opps Water Technology	0.81
EO Waste & Pollution Control Technology	0.69
Env Opps US	0.27
Env Opps UK	-0.68
EO Renewable & Alternative Energy	-3.18

FTSE Environmental Opportunities – 12M USD (Relative)

Env Opps Energy Efficiency	21.49
Env Opps Japan	10.69
Env Opps Asia Pac ex Japan	10.30
Env Opps UK	3.99
Env Opps US	3.76
Env Opps Europe	0.78
Env Opps Water Technology	-6.04
EO Waste & Pollution Control Technology	-13.87
EO Renewable & Alternative Energy	-20.66

Regional FTSE EPRA Nareit Index Relative Performance vs Home Market (Rebased, TR, USD)

- EPRA Nareit USA/USA
- EPRA Nareit UK/UK
- EPRA Nareit Dev Europe ex UK/Dev Europe ex UK
- EPRA Nareit Japan/Japan
- EPRA Nareit Dev Asia Pac ex Japan/Dev Asia Pac ex Japan
- EPRA Nareit Emerging/Emerging

Regional FTSE Environmental Opportunities Index Relative Performance vs Home Market (Rebased, TR, USD)

- Env Opps USA/USA
- Env Opps UK/UK
- Env Opps Europe/Europe ex UK
- Env Opps Japan/Japan
- Env Opps Asia Pac ex Japan/Asia Pac ex Japan

Regional Factor Indicator Relative Returns – 1M & 12M (Local Currency, TR %)

Legend: US | UK | EU ex UK | Japan | AP ex JP | EM

February 2024

Chart categories: Value, (Small) Size, Momentum, Quality, Low Volatility, Dividend Yield

12 Months

Chart categories: Value, (Small) Size, Momentum, Quality, Low Volatility, Dividend Yield

---

Momentum continued to outperform in Feb, indicating the persistence of trends over the last 12 months.

Regional Momentum Factor Returns Relative to Home Market (TR, Rebased)

Quality outperformed in 4 of 6 regions in Feb, extending its outperformance over the last 12 months.

Regional Quality Factor Returns Relative to Home Market (TR, Rebased)

Foreign Exchange Returns %

FX Moves vs USD– 1M

Currency	Value
Mexican Peso	0.6
Korean Won	0.2
Indian Rupee	0.2
Chinese Yuan	-0.2
Euro	-0.4
Brazilian Real	-0.6
Singapore Dollar	-0.6
Pound Sterling	-0.7
New Zealand Dollar	-1.0
Norwegian Krone	-1.3
Canadian Dollar	-1.5
Australian Dollar	-1.5
Japanese Yen	-2.3
Swiss Franc	-2.6
S.African Rand	-3.0

FX Moves vs USD– 3M

Currency	Value
Mexican Peso	1.8
Norwegian Krone	1.7
Indian Rupee	0.6
Canadian Dollar	0.0
Pound Sterling	-0.1
Brazilian Real	-0.7
Singapore Dollar	-0.7
Euro	-0.8
Chinese Yuan	-0.9
S.African Rand	-1.2
Japanese Yen	-1.2
Swiss Franc	-1.2
New Zealand Dollar	-1.4
Australian Dollar	-1.8
Korean Won	-3.1

FX Moves vs USD– YTD

Currency	Value
Indian Rupee	0.4
Pound Sterling	-0.8
Mexican Peso	-0.8
Chinese Yuan	-1.4
Singapore Dollar	-1.9
Euro	-2.0
Brazilian Real	-2.2
Canadian Dollar	-2.8
Korean Won	-3.3
New Zealand Dollar	-3.8
Norwegian Krone	-4.2
Swiss Franc	-4.4
Australian Dollar	-4.6
S.African Rand	-4.7
Japanese Yen	-5.8

FX Moves vs USD– 12M

Currency	Value
Mexican Peso	7.4
Swiss Franc	6.4
Brazilian Real	5.1
Pound Sterling	4.5
Euro	2.0
Canadian Dollar	0.4
Singapore Dollar	0.1
Indian Rupee	-0.3
Korean Won	-0.6
New Zealand Dollar	-1.7
Norwegian Krone	-2.4
Australian Dollar	-3.4
Chinese Yuan	-3.5
S.African Rand	-4.3
Japanese Yen	-9.0

USD appreciated broadly in Feb, while 12M FX moves vs USD were mixed. JPY retreated steeply vs USD in Feb and over 12M.

FX Moves vs USD (Rebased)

Mexican peso gained, while S. African rand & Brazilian real lost vs the USD in Feb. Over 12M, EM FX performance vs USD was mixed.
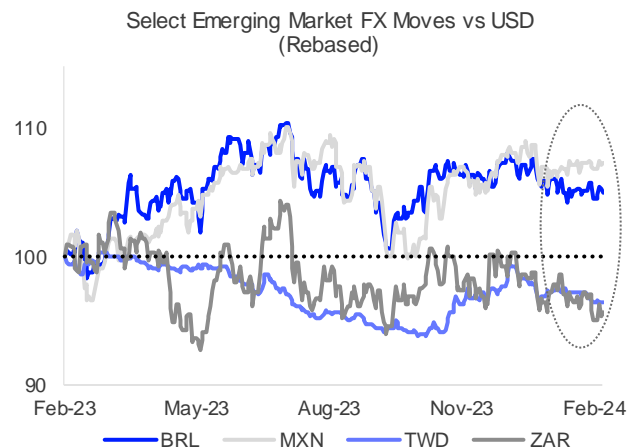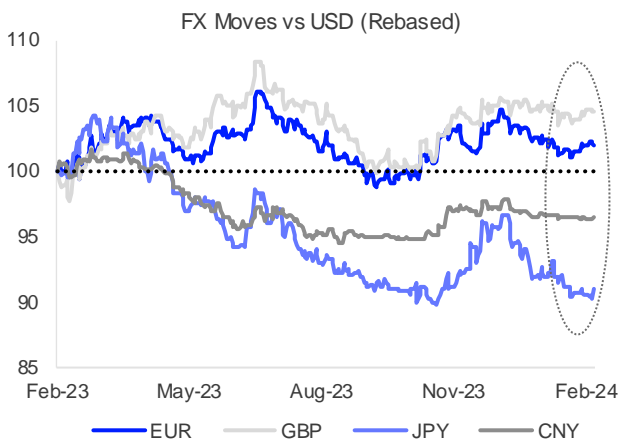
Select Emerging Market FX Moves vs USD (Rebased)

Asset Class Risk/Return – 1-Year and 5-Year (Local Currency*)
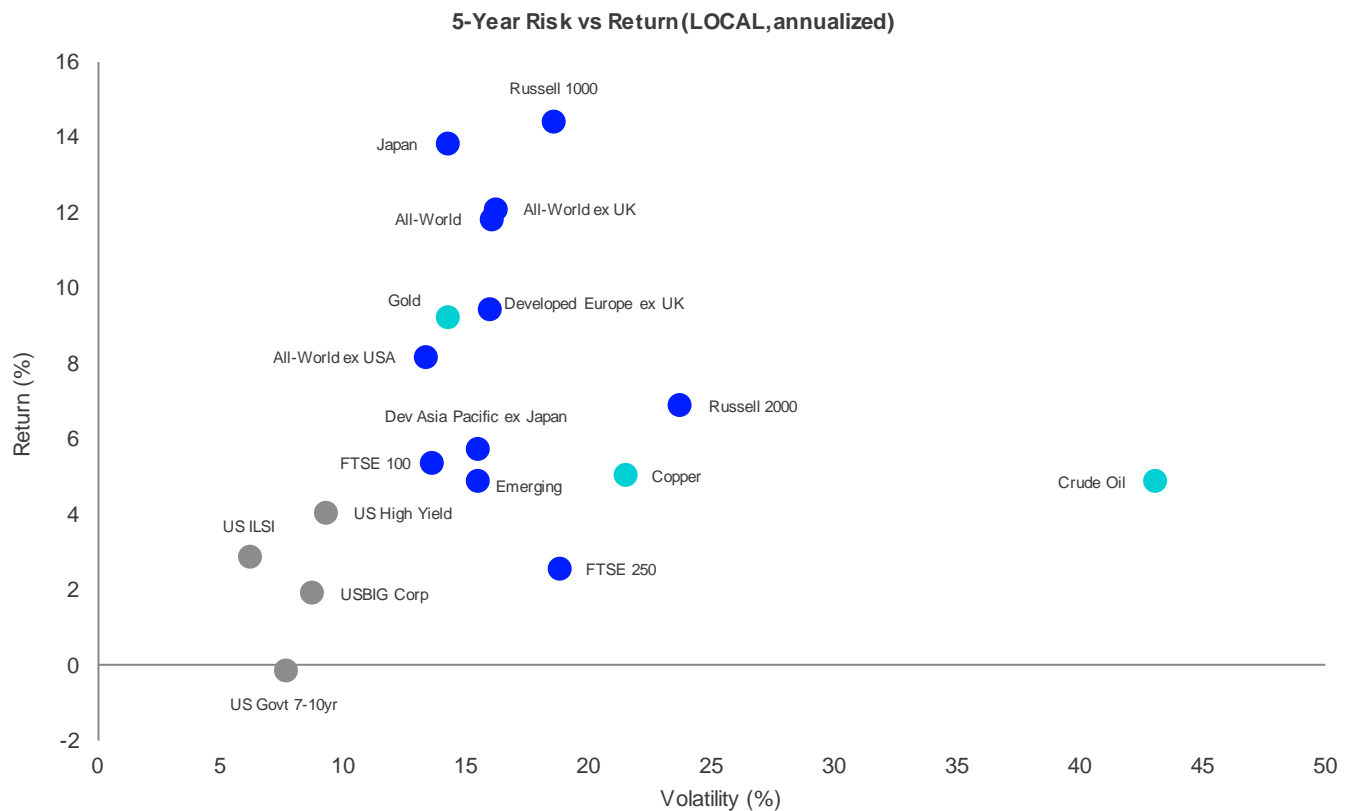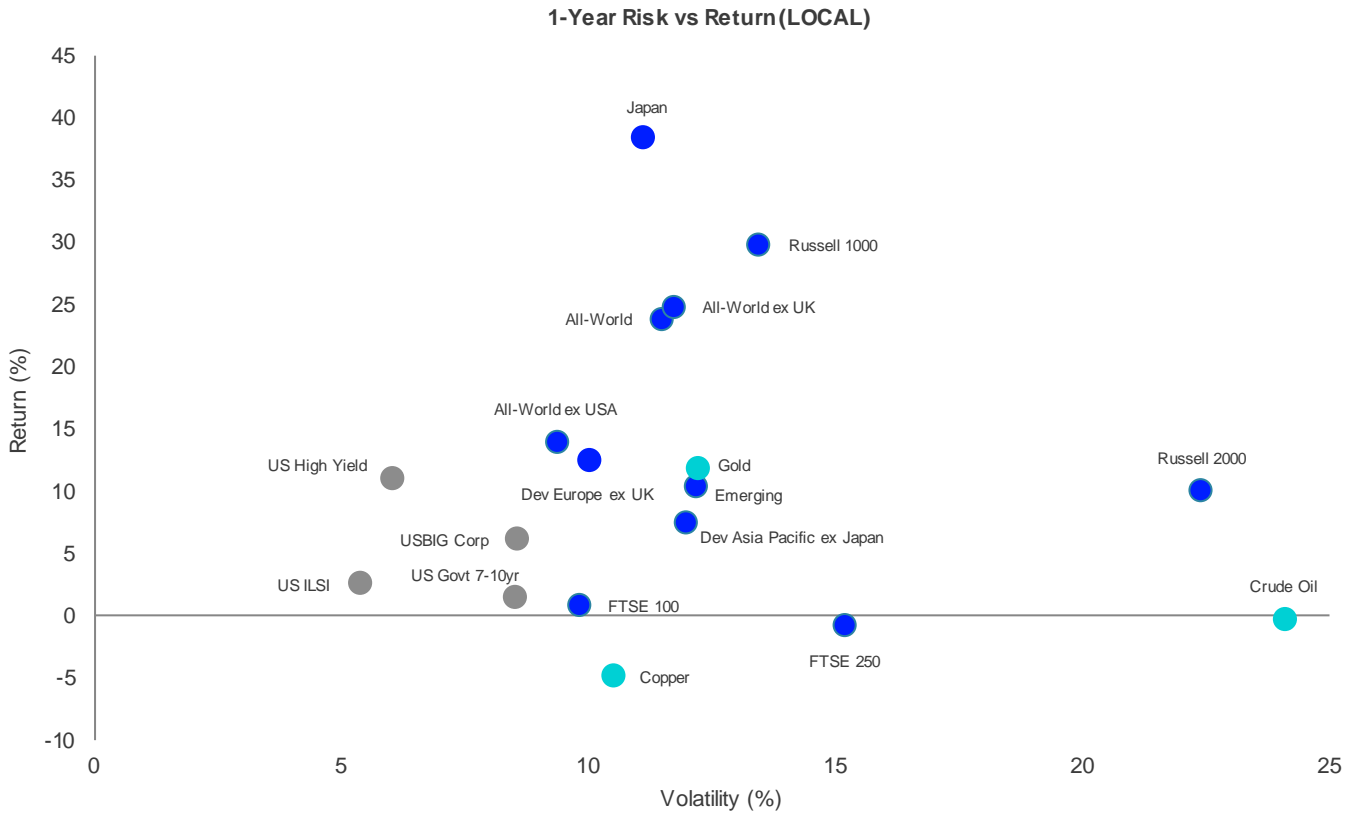
1-Year Risk vs Return(LOCAL)

5-Year Risk vs Return(LOCAL,annualized)

Correlations

Regional Equity Market Correlations with Russell 1000 Index (LOCAL, Monthly Returns, Rolling 24M)

*Developed Europe ex UK uses data from Europe ex UK before May 2000
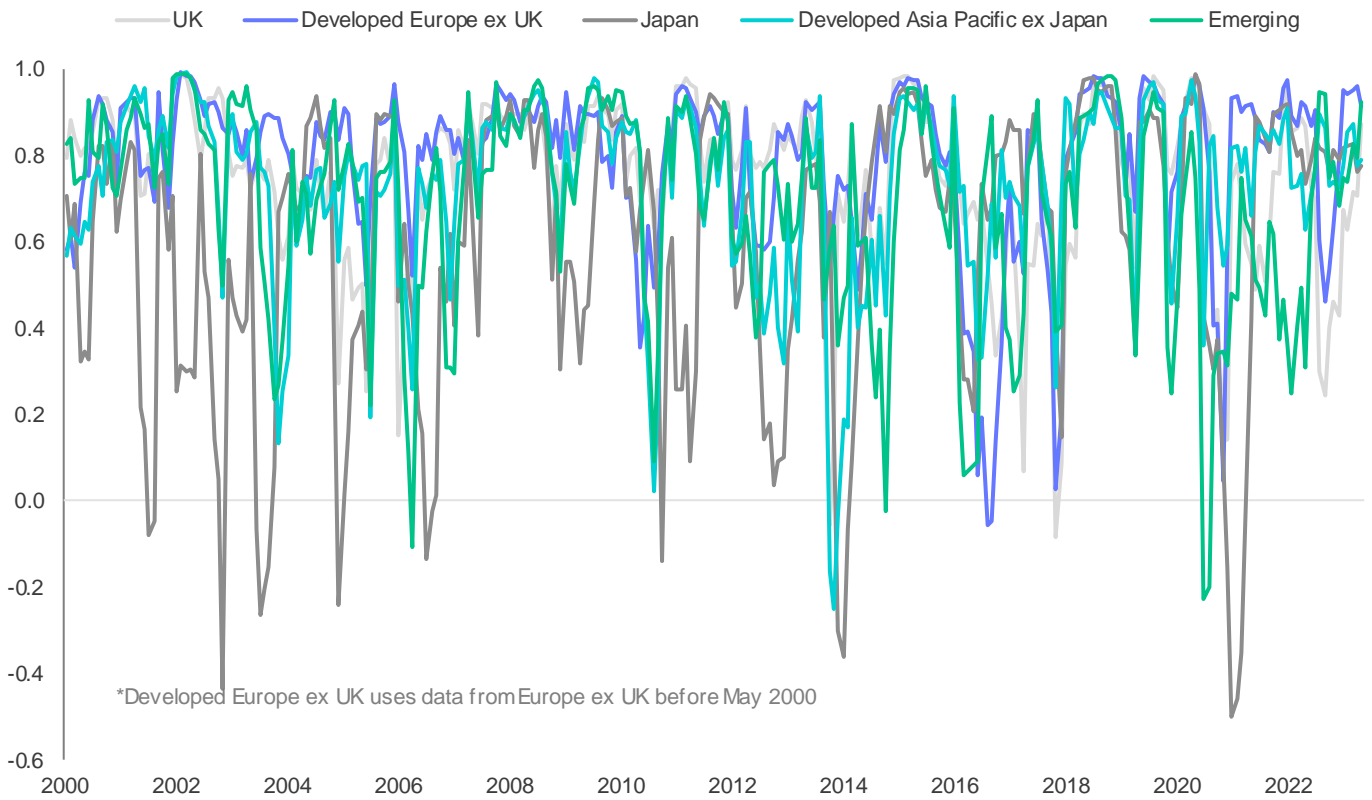
Three-Year Correlation Matrix (LC)

Name	Russell 1000	Russell 2000	All-World	All-World ex USA	UK	Developed Europe ex UK	Japan	Developed Asia Pacific ex Japan	Emerging	US Govt 7-10yr	US ILSI	US High Yield	USBIG Corp	Gold
Russell 1000	-	0.87	0.99	0.88	0.63	0.89	0.63	0.81	0.60	0.59	0.76	0.86	0.72	0.25
Russell 2000	0.87	-	0.87	0.82	0.63	0.77	0.59	0.81	0.58	0.47	0.60	0.82	0.61	0.08
All-World	0.99	0.87	-	0.94	0.69	0.92	0.67	0.86	0.67	0.60	0.75	0.87	0.74	0.27
All-World ex USA	0.88	0.82	0.94	-	0.81	0.92	0.69	0.93	0.81	0.55	0.66	0.81	0.71	0.28
UK	0.63	0.63	0.69	0.81	-	0.78	0.38	0.79	0.59	0.36	0.52	0.65	0.48	0.15
Developed Europe ex UK	0.89	0.77	0.92	0.92	0.78	-	0.61	0.82	0.56	0.53	0.70	0.83	0.65	0.22
Japan	0.63	0.59	0.67	0.69	0.38	0.61	-	0.54	0.41	0.17	0.33	0.55	0.33	-0.08
Developed Asia Pacific ex Japan	0.81	0.81	0.86	0.93	0.79	0.82	0.54	-	0.77	0.57	0.68	0.79	0.71	0.38
Emerging	0.60	0.58	0.67	0.81	0.59	0.56	0.41	0.77	-	0.52	0.45	0.52	0.66	0.39
US Govt 7-10yr	0.59	0.47	0.60	0.55	0.36	0.53	0.17	0.57	0.52	-	0.85	0.67	0.95	0.49
US ILSI	0.76	0.60	0.75	0.66	0.52	0.70	0.33	0.68	0.45	0.85	-	0.80	0.84	0.47
US High Yield	0.86	0.82	0.87	0.81	0.65	0.83	0.55	0.79	0.52	0.67	0.80	-	0.79	0.22
USBIG Corp	0.72	0.61	0.74	0.71	0.48	0.65	0.33	0.71	0.66	0.95	0.84	0.79	-	0.43
Gold	0.25	0.08	0.27	0.28	0.15	0.22	-0.08	0.38	0.39	0.49	0.47	0.22	0.43	-

Appendix

	Wgt (%)	Mkt Cap	1M				3M				12M			
		(USD bn)	LOCAL	USD	GBP	EUR	LOCAL	USD	GBP	EUR	LOCAL	USD	GBP	EUR
All-World	100.0	70,973	4.6	4.2	4.9	4.6	10.2	9.9	10.0	10.8	23.9	23.6	18.3	21.1
Developed	90.6	64,317	4.6	4.2	4.9	4.6	10.8	10.5	10.6	11.5	25.4	25.2	19.9	22.7
USA	62.2	44,131	5.3	5.3	6.0	5.7	12.0	12.0	12.1	12.9	30.8	30.8	25.1	28.1
Developed Europe ex UK	11.9	8,463	2.8	2.0	2.7	2.4	8.1	7.3	7.4	8.2	12.5	15.6	10.7	13.3
Emerging	9.4	6,656	4.6	4.2	4.9	4.6	4.6	4.1	4.2	5.0	10.3	9.2	4.5	7.0
Japan	6.4	4,538	5.2	2.7	3.4	3.1	13.1	11.7	11.8	12.6	38.4	26.0	20.5	23.4
Developed Asia Pacific ex Japan	4.1	2,883	3.2	2.5	3.2	2.9	6.8	4.8	4.8	5.6	7.5	5.6	1.0	3.5
UK	3.5	2,510	0.9	0.3	0.9	0.6	3.9	3.8	3.9	4.6	2.2	6.8	2.2	4.7

Developed - Top 20 by % weight (TR)

			1M				3M				12M			
			LOCAL	USD	GBP	EUR	LOCAL	USD	GBP	EUR	LOCAL	USD	GBP	EUR
Developed	100.0	64,317	4.6	4.2	4.9	4.6	10.8	10.5	10.6	11.5	25.4	25.2	19.9	22.7
USA	68.6	44,131	5.3	5.3	6.0	5.7	12.0	12.0	12.1	12.9	30.8	30.8	25.1	28.1
Japan	7.1	4,538	5.2	2.7	3.4	3.1	13.1	11.7	11.8	12.6	38.4	26.0	20.5	23.4
UK	3.9	2,510	0.9	0.3	0.9	0.6	3.9	3.8	3.9	4.6	2.2	6.8	2.2	4.7
France	3.0	1,961	3.0	2.6	3.3	3.0	8.2	7.3	7.4	8.2	10.9	13.2	8.3	10.9
Canada	2.6	1,679	2.5	1.0	1.6	1.3	7.4	7.4	7.5	8.3	11.3	11.8	7.0	9.5
Switzerland	2.4	1,570	0.4	-2.2	-1.5	-1.8	4.2	2.9	3.0	3.8	4.0	10.7	5.9	8.5
Germany	2.2	1,446	4.5	4.1	4.8	4.5	8.6	7.7	7.7	8.6	14.2	16.5	11.5	14.2
Australia	2.1	1,332	1.0	-0.5	0.2	-0.1	10.0	8.0	8.1	8.9	11.7	7.8	3.2	5.7
Korea	1.4	907	6.9	7.1	7.9	7.5	6.8	3.4	3.5	4.3	16.0	15.3	10.3	13.0
Netherlands	1.3	835	5.6	5.2	5.9	5.6	19.9	18.9	19.0	19.9	22.5	25.0	19.6	22.5
Denmark	0.9	569	3.9	3.5	4.2	3.9	13.7	12.8	12.9	13.7	34.1	36.7	30.8	33.9
Sweden	0.9	564	4.9	4.8	5.5	5.2	11.2	12.6	12.7	13.6	14.7	15.6	10.6	13.3
Italy	0.7	479	5.8	5.4	6.1	5.8	10.6	9.7	9.8	10.6	26.5	29.0	23.5	26.5
Spain	0.7	433	-1.1	-1.5	-0.9	-1.1	-0.6	-1.4	-1.3	-0.6	10.3	12.6	7.8	10.3
Hong Kong	0.6	379	5.4	5.2	5.9	5.6	-0.2	-0.5	-0.4	0.4	-14.8	-14.6	-18.2	-16.3
Singapore	0.3	212	-0.5	-1.1	-0.5	-0.7	1.9	1.2	1.2	2.0	2.1	2.2	-2.2	0.1
Finland	0.3	174	-3.3	-3.6	-3.0	-3.3	1.1	0.2	0.3	1.1	-8.9	-7.1	-11.1	-8.9
Belgium/Lux	0.2	155	0.0	-0.4	0.3	0.0	1.3	0.5	0.5	1.3	-1.4	0.6	-3.7	-1.4
Israel	0.2	113	7.8	9.8	10.5	10.2	12.2	17.0	17.1	18.0	15.1	17.8	12.7	15.4
Norway	0.2	109	-1.3	-2.6	-1.9	-2.2	-4.8	-3.2	-3.1	-2.4	3.1	0.6	-3.7	-1.4

Emerging - Top 10 by % weight (TR)

			1M				3M				12M			
			LOCAL	USD	GBP	EUR	LOCAL	USD	GBP	EUR	LOCAL	USD	GBP	EUR
Emerging	100.0	6,656	4.6	4.2	4.9	4.6	4.6	4.1	4.2	5.0	10.3	9.2	4.5	7.0
China	28.3	1,885	8.5	8.3	9.1	8.8	-5.0	-5.2	-5.1	-4.4	-14.7	-14.5	-18.1	-16.2
India	21.6	1,439	2.6	2.7	3.4	3.1	13.7	14.4	14.4	15.3	43.0	42.6	36.4	39.7
Taiwan	18.2	1,215	6.4	5.3	6.0	5.7	10.9	9.6	9.6	10.5	27.4	22.8	17.6	20.4
Brazil	6.5	431	0.9	0.4	1.0	0.7	2.3	1.6	1.7	2.4	24.4	30.7	25.1	28.1
Saudi Arabia	4.9	324	6.6	6.6	7.3	7.0	12.7	12.7	12.8	13.6	24.9	24.9	19.6	22.4
Mexico	3.2	214	-2.7	-2.1	-1.4	-1.7	3.0	4.8	4.9	5.7	8.0	16.0	11.0	13.7
South Africa	3.1	205	-2.5	-5.5	-4.8	-5.1	-3.3	-4.5	-4.4	-3.7	-1.1	-5.4	-9.4	-7.2
Indonesia	2.2	148	3.0	3.4	4.1	3.8	7.5	6.1	6.1	6.9	11.5	8.2	3.6	6.1
Thailand	2.1	138	1.8	0.7	1.4	1.1	-0.3	-2.2	-2.1	-1.4	-9.6	-10.9	-14.8	-12.7
UAE	1.8	121	-2.2	-2.2	-1.6	-1.9	-2.6	-2.6	-2.5	-1.8	-2.1	-2.1	-6.3	-4.0

ABOUT FTSE RUSSELL
FTSE Russell is a leading global provider of index and benchmark solutions, spanning diverse asset classes and investment objectives. As a trusted investment partner, we help investors make better-informed investment decisions, manage risk, and seize opportunities.

Market participants look to us for our expertise in developing and managing global index solutions across asset classes. Asset owners, asset managers, ETF providers and investment banks choose FTSE Russell solutions to benchmark their investment performance and create investment funds, ETFs, structured products, and index-based derivatives. Our clients use our solutions for asset allocation, investment strategy analysis and risk management, and value us for our robust governance process and operational integrity.

For over 35 years we have been at the forefront of driving change for the investor, always innovating to shape the next generation of benchmarks and investment solutions that open up new opportunities for the global investment community.

CONTACT US
To learn more, visit lseg.com/ftse-russell; email info@ftserussell.com; or call your regional Client Service team office:
EMEA +44 (0) 20 7866 1810
North America +1 877 503 6437

Asia-Pacific
Hong Kong +852 2164 3333
Tokyo +81 3 6441 1430
Sydney +61 (0) 2 7228 5659