Performance Insights

FOR PROFESSIONAL INVESTORS ONLY

Soft-landing optimism fuels 'everything everywhere' rally in January

Global stocks, bonds and commodity markets catapulted higher in January as hopes for a downshift (or even a pause) in central bank rate-hiking cycles and China's rapid reopening buoyed optimism for an economic soft landing. Easing bond yields and the weaker US dollar drove huge rebounds for many of last year's worst performers (i.e., growth stocks) and sell-offs in defensives.

Global Asset Classes – Easing recession fears drive cross-asset relief rallies
Equity and credit markets built on their Q4 rebounds in January, even as government bonds also rebounded. Oil and copper prices rose amid an improved outlook for global demand. Gold remained in an upswing. (page 3)

Global Equities – Europe and US lead the broad equity recovery
European, US and Asia Pacific equities led the global equity rally, outstripping the gains of the FTSE All-World and markets elsewhere. The Russell 2000 topped the charts, strongly outpacing its large-cap counterpart. (page 4)

Industry Performance – Growth stocks back in favour
Technology, discretionary and financials outperformed more defensive health care, staples and utilities. (page 5)

Alternative Indices – REITs and Environmental Opportunities rebound
REITs staged strong comebacks in the US, UK and Europe in January, but lagged elsewhere. Though mixed overall, Environmental Opportunities did best in Asia Pacific, the UK and Japan. Core Infrastructure and FTSE4Good lagged in most regions. (page 8)
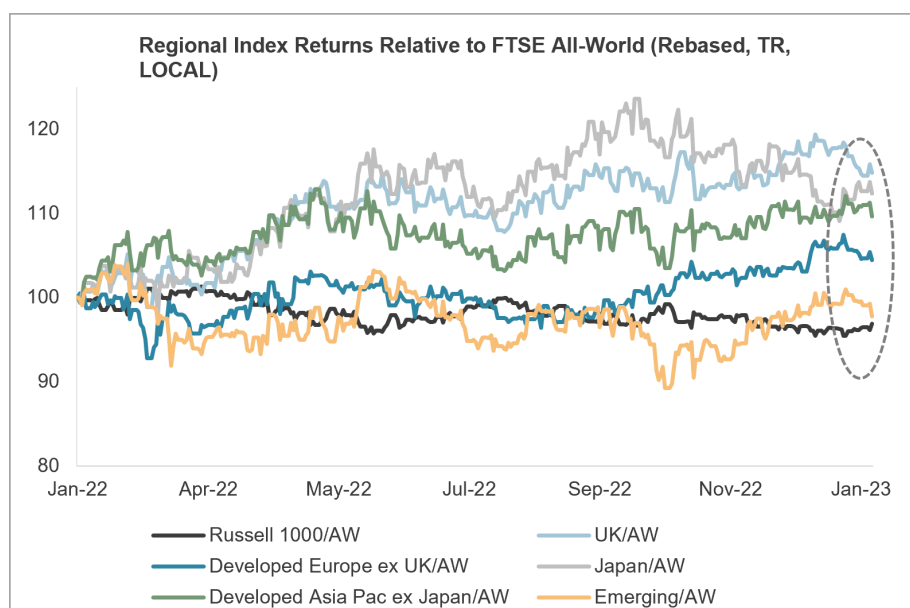
Factor performance – Quality rides the tech revival
The rally in tech-heavy stocks gave Quality a leg up over Value in January, and put a dent in Value outperformance. (page 9)

Foreign Exchange – US dollar continues to lose steam
The US dollar extended its broad retreat, particularly vs high-beta, commodity-sensitive currencies. (page 10)

Appendix - Asset Class Risk/Returns (3-Year and 5-Year Annualised), Correlation, Regional Performance and Country Exposures.

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

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

+6.7% Russell 1000 (TR) Jan 2023	**+9.7%** Russell 2000 (TR) Jan 2023
+9.3% Move in Copper Price Jan 2023	**-25 bps** Move in 10yr US Treasury Yield Jan 2023
+14.8% FTSE USA Discretionary (TR) Jan 2023	**-2.6%** FTSE USA Staples (TR) Jan 2023

Global Market Overview — January 2023

Highlights

Equity and bond markets broadly rallied in January as fading inflation pressures, hopes for a pullback from tight monetary policies and more resilient-than-expected leading economic indicators eased recession fears and resuscitated risk appetite.

The 10-year US Treasury yield continued to edge lower in January as investor expectations coalesced around smaller (or even a pause in) Fed rate hikes in the coming months, underpinned by the Fed's preferred inflation gauge showing further relief on prices. Long government yields elsewhere followed suit (except in Japan). The US yield curve remained inverted, though 10yr/2yr spreads rose from their trough in early December 2022.

Oil, copper and other commodity prices continued to rise as the rapid economic recovery in China improved the outlook for global demand. Gold also moved sharply higher, fuelled by the back-up in real yields and the US dollar, as well as a surge in central-bank purchases.

The US dollar continued its broad retreat, notably versus high-beta, commodity-sensitive currencies such as the Australian dollar, Brazilian real and Mexican peso (see page 10).

Main Market-Moving Events

- US unemployment falls to 3.5% (Dec) vs 3.7% (Nov); 223K jobs added; avg. hourly wage growth 4.6% YoY vs 5.6% peak in March.
- US headline CPI falls to 6.5% YoY (Dec) vs 7.1% (Nov); core falls to 5.7% vs 6.0%.
- Eurozone headline CPI eases to 9.2% YoY (Dec) vs 10.1% (Nov); core rises to 5.2% vs 5.0%.
- UK headline CPI eases modestly to 10.5% YoY (Dec) vs 10.7% (Nov).
- BoJ keeps policy settings unchanged but increases its medium-term inflation forecast.
- January flash PMI output composite improve to 46.6 vs 45.0 (Dec) in the US, re-enters expansionary territory in the Eurozone (50.2 vs 49.3) and Japan (50.8 vs 49.7), but continues to fall in the UK (47.8 vs 49.0). China's official Manufacturing PMI rises to 50.1 vs 47.0 (Dec).
- US hits debt ceiling, prompting the Treasury to implement emergency measures to meet current obligations.
- BoC lifts policy rate 25bps, but provides dovish guidance to hold rate at current 4.5% while it assesses economic impact.
- US GDP grew 2.9% YoY in Q4 vs 3.2% in Q3, stronger than expected, bringing growth to 2.1% for 2022 vs. 5.7% in 2021.
- Japan headline CPI rises to 4.4% (Jan) vs 4.0% (Dec), fastest monthly increase since mid-1981; core rises to 3.0% vs 2.7%.
- Eurozone GDP grew 3.5% in 2022, outpacing the US & China.
- IMF raises global GDP growth forecast for 2023 to 2.9% vs its 2.7% estimate in October.

Russell 1000 vs FTSE All-World ex USA Indexes (LOCAL, TR, Rebased)

	Russell 1000	All-World ex US
1M Total Return (%)	6.7	6.3
12M Total Return (%)	-8.5	-0.5
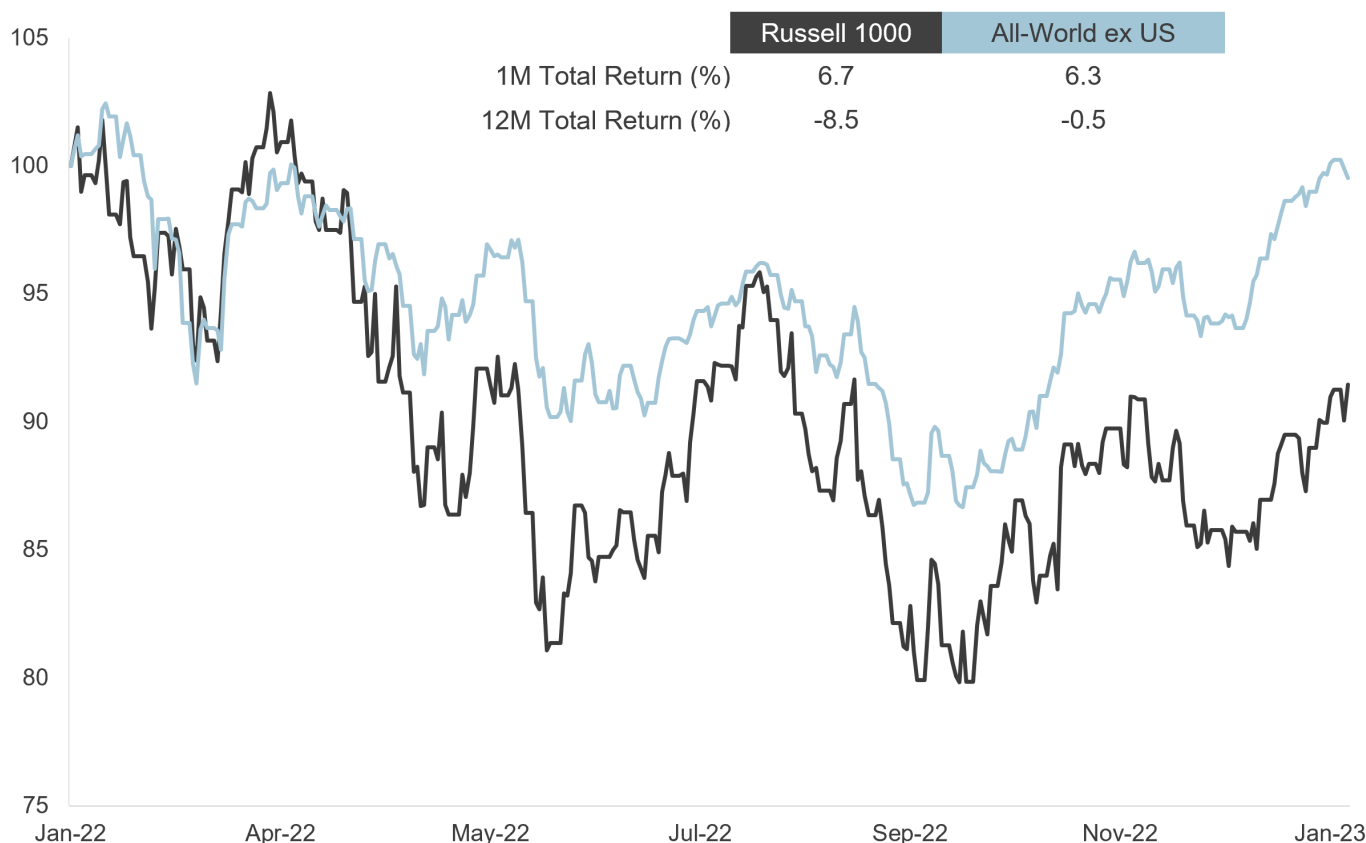
Source: FTSE Russell. Data as of January 31, 2023. Past performance is no guarantee of future results. Please see the end for important legal disclosures.

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

Key Observations – January 2023

Global equity markets started the new year with a bang, extending the global rally that began in Q4 2022. In developed markets, Europe, the US and Asia Pacific ex Japan outpaced the FTSE All-World and gains in Japan and the UK. In the US, small caps topped the charts, strongly outperforming large caps. The Emerging index also made strong strides, bolstered by double-digit rebounds in Mexico, China and Taiwan (see page 4).

Global bonds also broadly rallied in January. US Treasuries and UK gilts led the government bond gains, while JGBs and Chinese sovereigns were flat for the month. High-yield credit generally outpaced investment grade equivalents, except in the US. 10-year UK and US inflation-linked bonds performed best of all, significantly outperforming short-dated equivalents.

Copper, oil and other commodities continued to rise in January as China's rapid reopening bolstered the outlook for global demand. Gold also extended its Q4 rally into the new year, helped by falling real yields and a weaker US dollar.
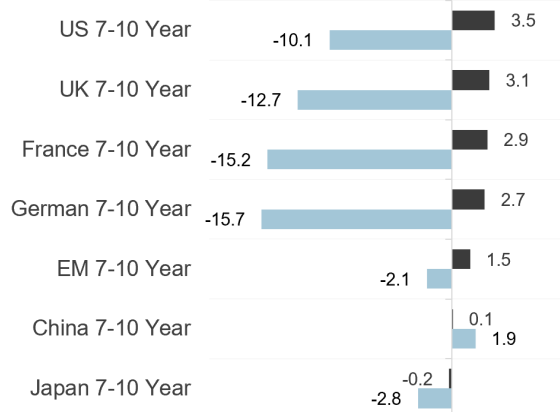
The US dollar continued its broad retreat, particularly versus high-beta, commodity-sensitive currencies such as the Australian dollar, Brazilian real and Mexican peso (also see page 10).
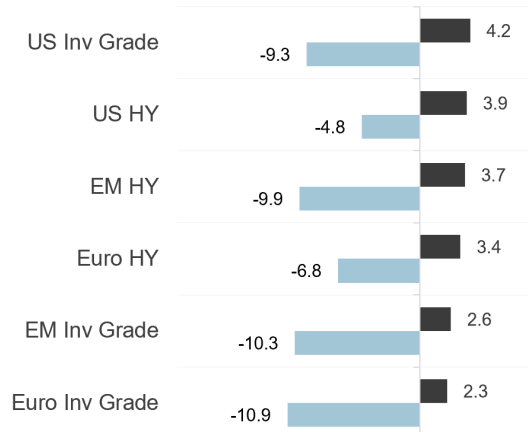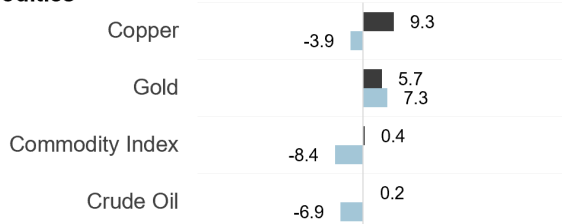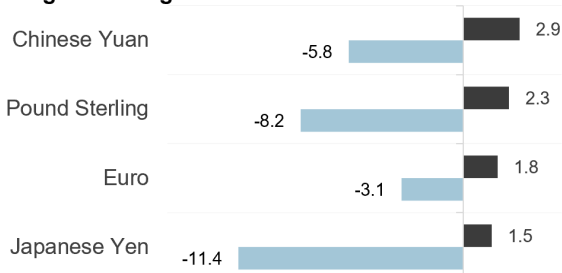
| 1M LOCAL | 12M LOCAL |

Equities
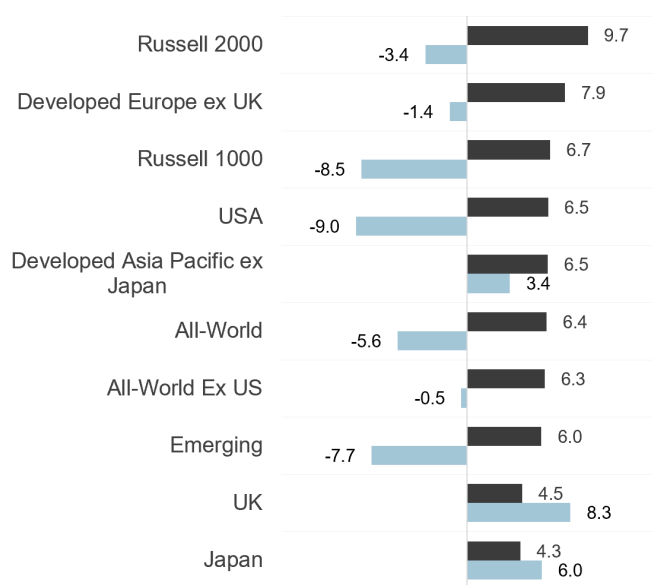
	1M Local	12M Local
Russell 2000	9.7	-3.4
Developed Europe ex UK	7.9	-1.4
Russell 1000	6.7	-8.5
USA	6.5	-9.0
Developed Asia Pacific ex Japan	6.5	3.4
All-World	6.4	-5.6
All-World Ex US	6.3	-0.5
Emerging	6.0	-7.7
UK	4.5	8.3
Japan	4.3	6.0

Government Bonds

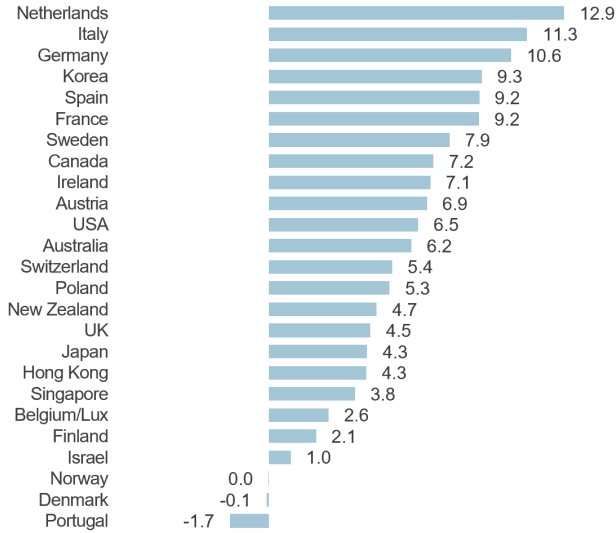|	1M Local	12M Local
US 7-10 Year	3.5	-10.1
UK 7-10 Year	3.1	-12.7
France 7-10 Year	2.9	-15.2
German 7-10 Year	2.7	-15.7
EM 7-10 Year	1.5	-2.1
China 7-10 Year	0.1	1.9
Japan 7-10 Year	-0.2	-2.8

Commodities

	1M Local	12M Local
Copper	9.3	-3.9
Gold	5.7	7.3
Commodity Index	0.4	-8.4
Crude Oil	0.2	-6.9

Corporate Bonds

	1M Local	12M Local
US Inv Grade	4.2	-9.3
US HY	3.9	-4.8
EM HY	3.7	-9.9
Euro HY	3.4	-6.8
EM Inv Grade	2.6	-10.3
Euro Inv Grade	2.3	-10.9

USD Foreign Exchange

	1M Local	12M Local
Chinese Yuan	2.9	-5.8
Pound Sterling	2.3	-8.2
Euro	1.8	-3.1
Japanese Yen	1.5	-11.4

Inflation-Linked Bonds

	1M Local	12M Local
US 10+ Year	6.0	-24.2
UK 10+ Year	5.1	-37.5
US 1-5 Year	0.8	-2.5
UK 1-5 Year	-0.5	2.5
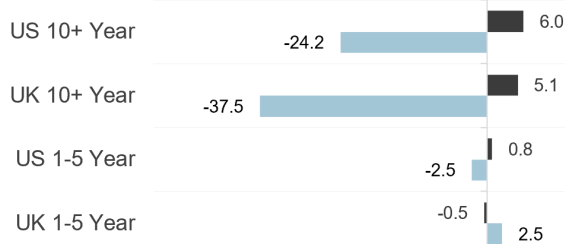
Global Equity Market Returns – 1M & 12M (LC, TR %)

FTSE Regions 1M LOCAL

Region	Return
Developed Europe ex UK	7.9
USA	6.5
Developed Asia Pacific ex Japan	6.5
Developed	6.5
All-World	6.4
Emerging	6.0
UK	4.5
Japan	4.3

FTSE Regions 12M LOCAL

Region	Return
UK	8.3
Japan	6.0
Developed Asia Pacific ex Japan	3.4
Developed Europe ex UK	-1.4
Developed	-5.4
All-World	-5.6
Emerging	-7.7
USA	-9.0

FTSE Developed 1M LOCAL

Country	Return
Netherlands	12.9
Italy	11.3
Germany	10.6
Korea	9.3
Spain	9.2
France	9.2
Sweden	7.9
Canada	7.2
Ireland	7.1
Austria	6.9
USA	6.5
Australia	6.2
Switzerland	5.4
Poland	5.3
New Zealand	4.7
UK	4.5
Japan	4.3
Hong Kong	4.3
Singapore	3.8
Belgium/Lux	2.6
Finland	2.1
Israel	1.0
Norway	0.0
Denmark	-0.1
Portugal	-1.7

FTSE Developed 12M LOCAL

Country	Return
Australia	14.5
Denmark	10.9
Portugal	8.8
Singapore	8.5
UK	8.3
Spain	7.9
Japan	6.0
New Zealand	5.5
France	3.7
Italy	2.4
Norway	1.7
Canada	1.6
Belgium/Lux	-0.1
Finland	-2.6
Hong Kong	-2.9
Netherlands	-3.7
Sweden	-5.0
Germany	-5.5
Switzerland	-6.4
Israel	-6.4
USA	-9.0
Korea	-9.0
Austria	-9.1
Ireland	-12.6
Poland	-13.8

FTSE Emerging 1M LOCAL

Country	Return
Mexico	12.4
China	12.1
Taiwan	10.0
Pakistan	10.0
South Africa	6.9
Philippines	4.0
Brazil	3.3
Saudi Arabia	2.0
Malaysia	-0.5
Indonesia	-0.9
Thailand	-1.1
India	-3.5

FTSE Emerging 12M LOCAL

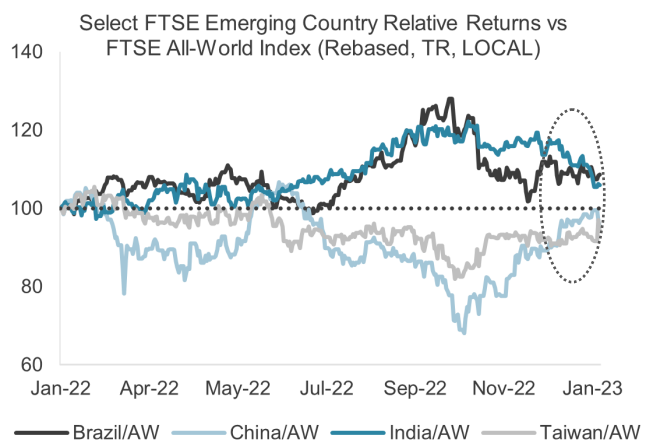| Country	Return
Mexico	12.0
Indonesia	11.8
South Africa	6.8
Thailand	6.5
Malaysia	4.3
Brazil	2.5
India	-0.1
Philippines	-5.2
Pakistan	-5.9
Saudi Arabia	-9.5
China	-10.0
Taiwan	-11.1

Europe, Asia Pac and the US outpaced the global index and markets elsewhere in January, particularly Japan & the UK.

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
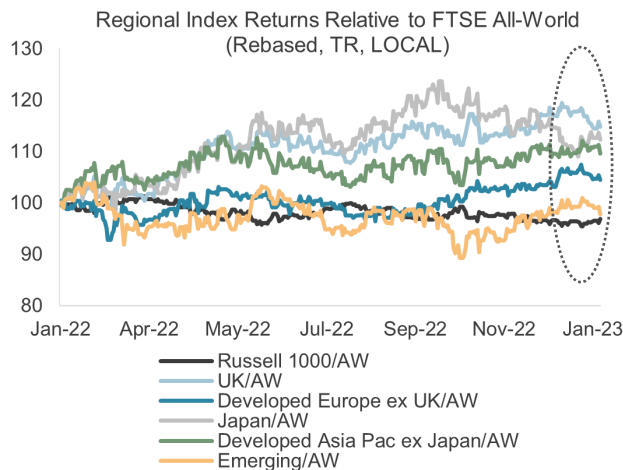
**Amid reopening optimism, China and Taiwan continued to regain ground vs global peers in January, erasing the 12M gap.**

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

Legend: Brazil/AW; China/AW; India/AW; Taiwan/AW

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

Key Observations – January 2023

- Amid broad positive contributions, beaten-down growth-leaning stocks and financials outpaced more defensive peers.
- In the US, technology, discretionary and financials led January gains, offset by losses in health care, staples & utilities.
- In the UK, financials, discretionary & industrials were the top contributors; staples and health care detracted; In Europe, discretionary, financials & industrials were most additive; energy, utilities & real estate were the weakest contributors.
- In Japan, industrials, discretionary and tech were the strongest contributors; real estate, health care & staples detracted.
- In Asia Pacific, technology, financials & materials were the best performers; telecoms, utilities & energy contributed the least.

	US	UK	Dev EU ex UK	Japan	Dev AP ex JP
1M Total Return (%)	6.5	4.5	7.9	4.3	6.5
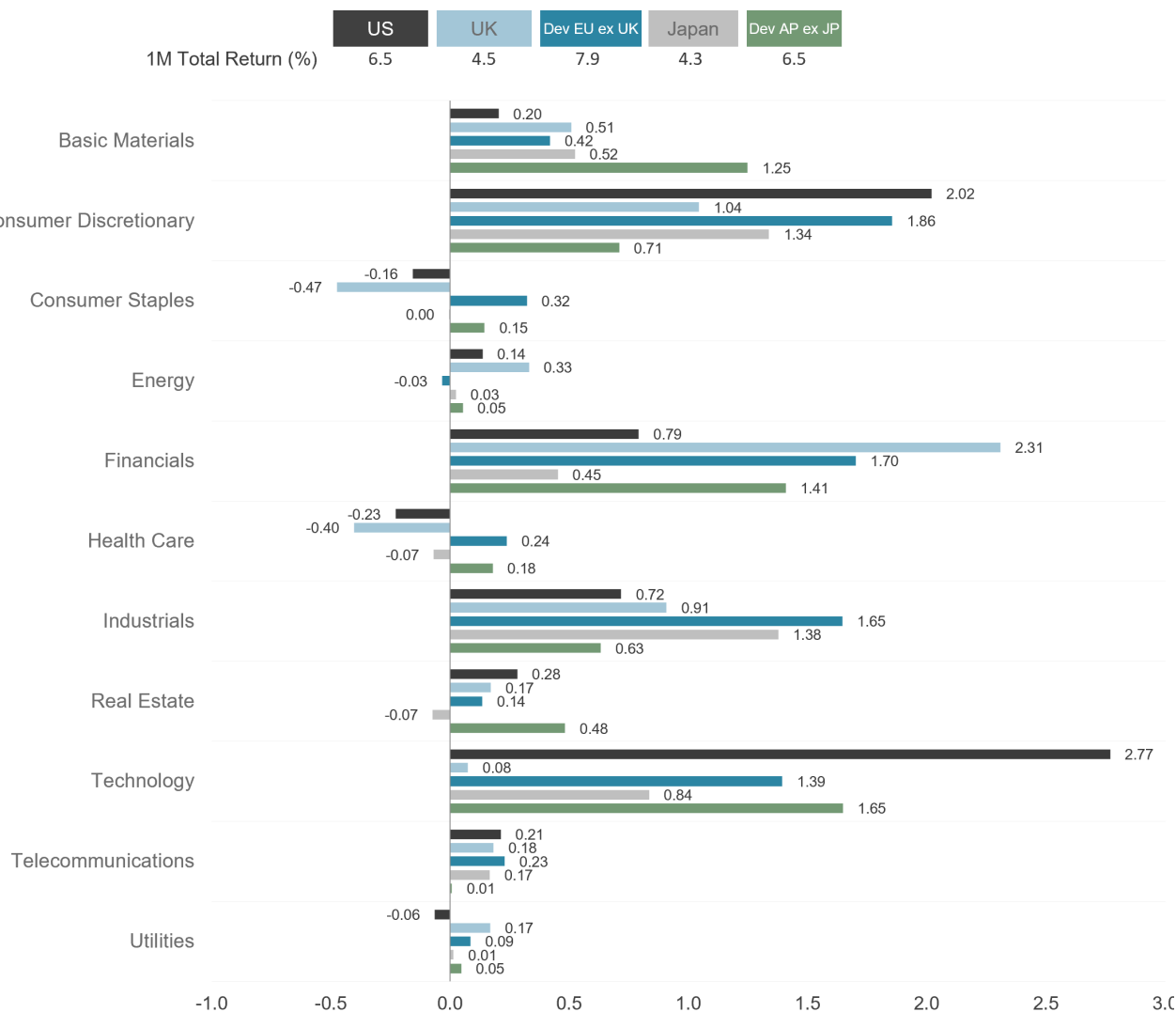
Discretionary, tech & real estate were the biggest gainers in most markets; staples, health care and energy broadly lagged.

1 Month Regional Industry Returns (TR, LOCAL)

	US	UK	Dev EU ex UK	Japan	Dev AP ex JP
Basic Materials	10.4	5.1	8.9	10.4	9.3
Consumer Disc.	14.8	10.1	14.1	5.9	8.2
Consumer Staples	-2.6	-2.7	3.5	-0.1	3.6
Energy	2.6	2.6	-0.7	3.4	1.5
Financials	6.9	13.3	9.8	4.0	4.9
Health Care	-1.6	-3.2	1.5	-0.7	2.8
Industrials	5.7	7.8	9.6	5.5	6.6
Real Estate	9.8	11.9	11.8	-1.9	6.4
Technology	10.8	10.1	15.7	8.3	11.5
Telecoms	8.1	11.6	7.1	3.8	0.6
Utilities	-2.0	4.3	2.1	1.1	1.8

Tech dominates the US; financials lead in the UK, Asia Pac & tied with industrials in Europe; industrials are tops in Japan.

Regional Industry Exposures (%)

	US	UK	Dev EU ex UK	Japan	Dev AP ex JP
Basic Materials	2.0	10.1	4.8	5.2	13.6
Consumer Disc.	14.1	10.6	13.5	22.9	8.6
Consumer Staples	5.8	17.1	9.0	5.6	3.9
Energy	5.1	12.5	4.5	0.7	3.5
Financials	11.5	18.0	17.4	11.5	28.3
Health Care	14.1	12.2	15.9	9.2	6.2
Industrials	12.6	11.8	17.4	25.2	9.5
Real Estate	2.9	1.5	1.2	3.8	7.5
Technology	26.2	0.7	9.2	10.3	14.8
Telecoms	2.7	1.6	3.2	4.3	1.5
Utilities	3.1	3.9	4.0	1.3	2.5

Source: FTSE Russell. All data as of January 31, 2023. 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.
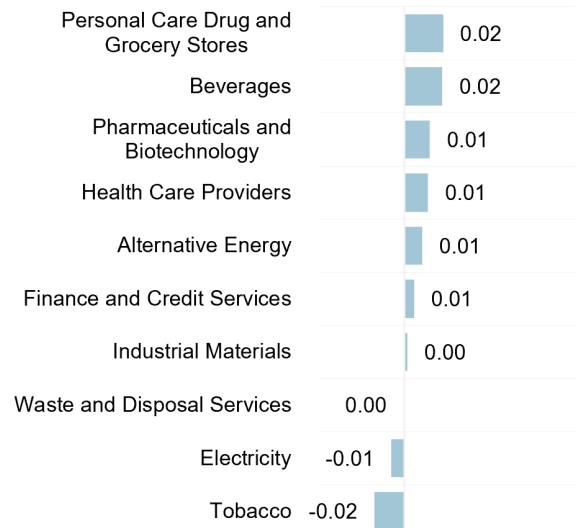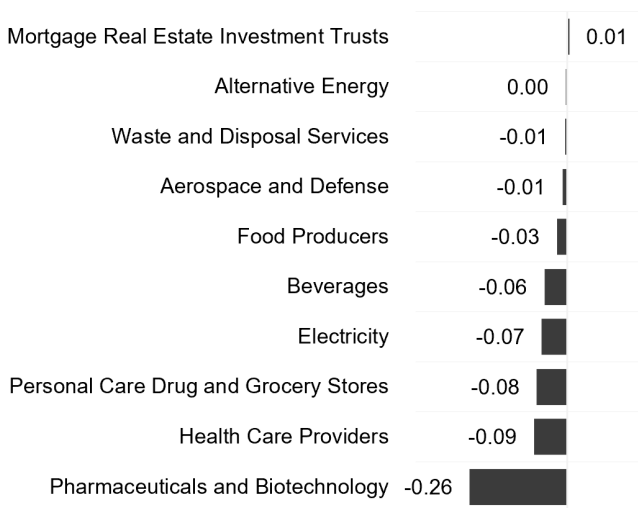
FTSE USA vs AW ex US: Sector-Weighted Return Contributions – 1M (LC, TR %)
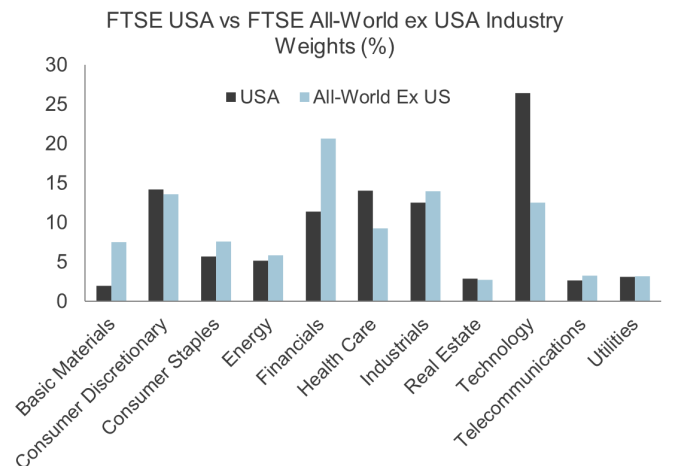
USA	All-World Ex US
6.5	6.3

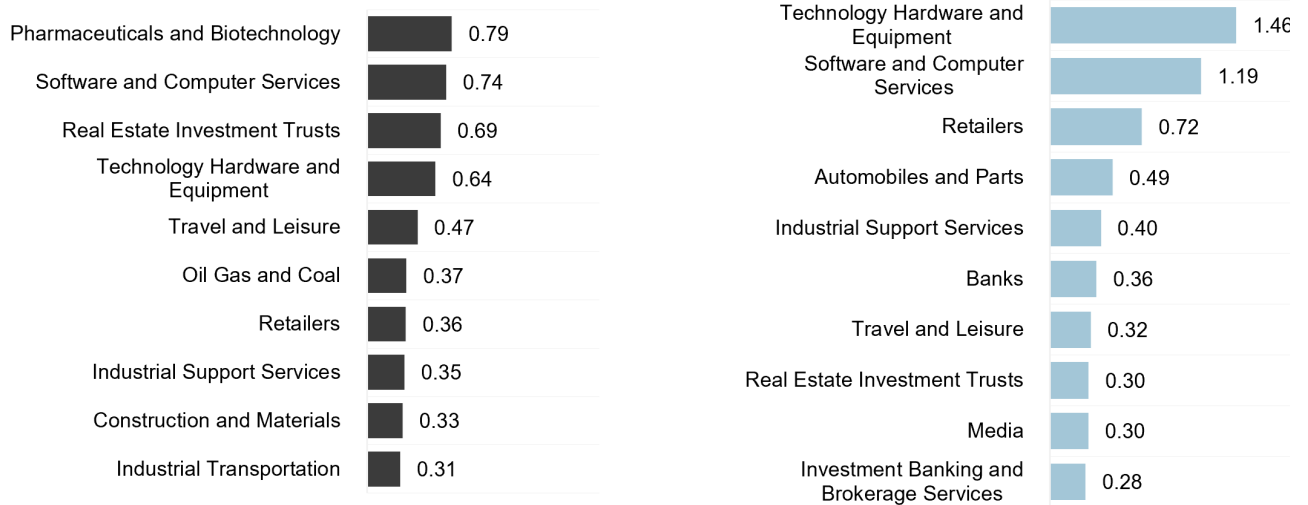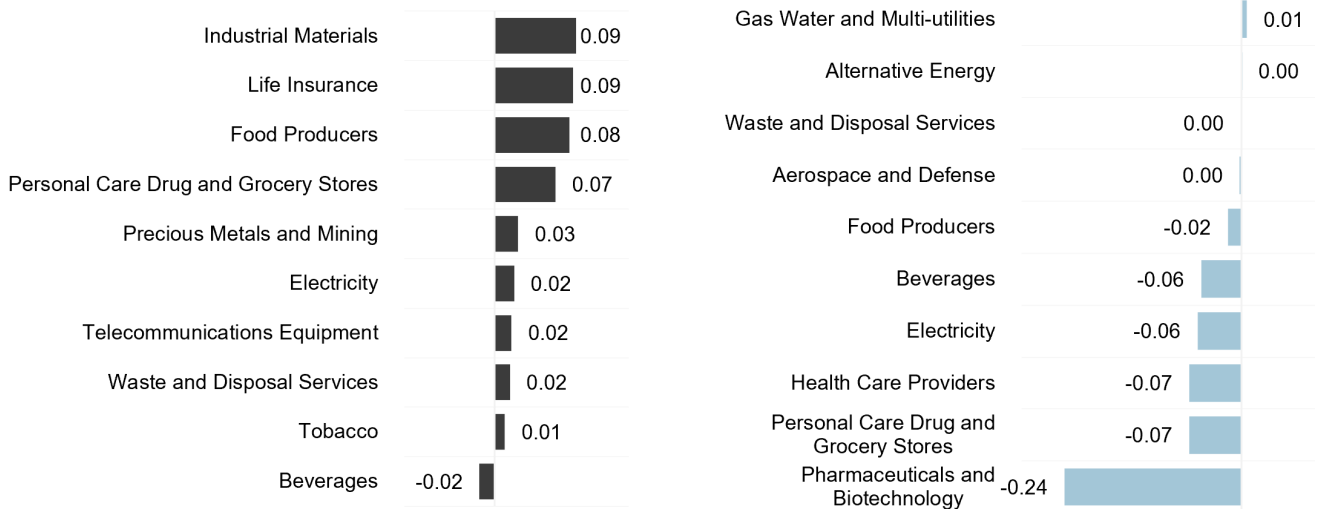## Top 10 Contributors

USA

Sector	Value
Technology Hardware and Equipment	1.55
Software and Computer Services	1.23
Retailers	0.71
Automobiles and Parts	0.52
Industrial Support Services	0.41
Banks	0.36
Media	0.30
Travel and Leisure	0.27
Real Estate Investment Trusts	0.27
Investment Banking and Brokerage Services	0.25

All-World Ex US

Sector	Value
Technology Hardware and Equipment	0.89
Banks	0.85
Software and Computer Services	0.65
Personal Goods	0.40
Automobiles and Parts	0.31
Retailers	0.30
Industrial Metals and Mining	0.29
Construction and Materials	0.22
Chemicals	0.22
Electronic and Electrical Equipment	0.21

Bottom 10 Contributors

USA

Sector	Value
Mortgage Real Estate Investment Trusts	0.01
Alternative Energy	0.00
Waste and Disposal Services	-0.01
Aerospace and Defense	-0.01
Food Producers	-0.03
Beverages	-0.06
Electricity	-0.07
Personal Care Drug and Grocery Stores	-0.08
Health Care Providers	-0.09
Pharmaceuticals and Biotechnology	-0.26

All-World Ex US

Sector	Value
Personal Care Drug and Grocery Stores	0.02
Beverages	0.02
Pharmaceuticals and Biotechnology	0.01
Health Care Providers	0.01
Alternative Energy	0.01
Finance and Credit Services	0.01
Industrial Materials	0.00
Waste and Disposal Services	0.00
Electricity	-0.01
Tobacco	-0.02

The US modestly outperformed non-US index in January, led mostly by technology hardware, software and retailers.

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 Retailers
- USA/AW ex USA Industrial Support Services
- USA/AW ex USA Technology Hardware and Equipment

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

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

- USA
- All-World Ex US

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

Russell 2000	Russell 1000
9.7	6.7

Top 10 Contributors

Russell 2000		Russell 1000	
Pharmaceuticals and Biotechnology	0.79	Technology Hardware and Equipment	1.46
Software and Computer Services	0.74	Software and Computer Services	1.19
Real Estate Investment Trusts	0.69	Retailers	0.72
Technology Hardware and Equipment	0.64	Automobiles and Parts	0.49
Travel and Leisure	0.47	Industrial Support Services	0.40
Oil Gas and Coal	0.37	Banks	0.36
Retailers	0.36	Travel and Leisure	0.32
Industrial Support Services	0.35	Real Estate Investment Trusts	0.30
Construction and Materials	0.33	Media	0.30
Industrial Transportation	0.31	Investment Banking and Brokerage Services	0.28

Bottom 10 Contributors

Russell 2000		Russell 1000	
Industrial Materials	0.09	Gas Water and Multi-utilities	0.01
Life Insurance	0.09	Alternative Energy	0.00
Food Producers	0.08	Waste and Disposal Services	0.00
Personal Care Drug and Grocery Stores	0.07	Aerospace and Defense	0.00
Precious Metals and Mining	0.03	Food Producers	-0.02
Electricity	0.02	Beverages	-0.06
Telecommunications Equipment	0.02	Electricity	-0.06
Waste and Disposal Services	0.02	Health Care Providers	-0.07
Tobacco	0.01	Personal Care Drug and Grocery Stores	-0.07
Beverages	-0.02	Pharmaceuticals and Biotechnology	-0.24

The Russell 2000 reclaimed the lead vs its large-cap counterpart in January, led mostly by sectors within health care and REITs.

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

- Russell 1000/Russell 2000 Construction and Materials
- Russell 1000/Russell 2000 Health Care Providers
- Russell 1000/Russell 2000 Pharmaceuticals and Biotechnology
- Russell 1000/Russell 2000 Real Estate Investment Trusts

Russell 2000 is tilted more to health care, financials & REITs than Russell 2000 and less so to tech, discretionary and staples.
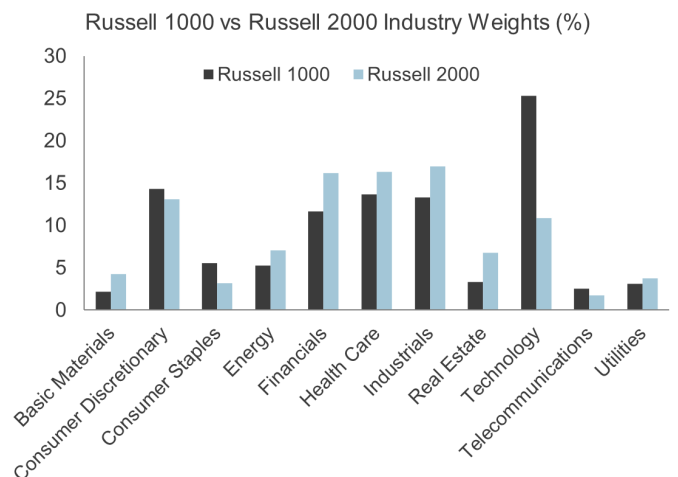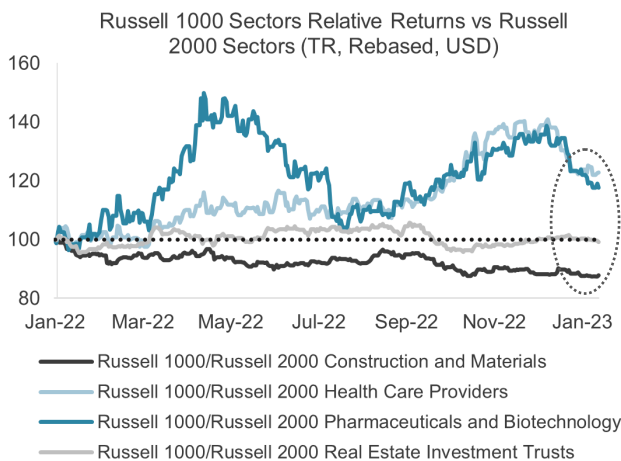
Russell 1000 vs Russell 2000 Industry Weights (%)

- Russell 1000
- Russell 2000

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

Benchmark (All Cap) Returns % - 1M

US	UK	Dev EU ex UK	Japan	Dev AP ex JP	EM
6.9	7.0	9.3	5.7	9.4	6.9

1M

Benchmark (All Cap) Returns % - 12M

US	UK	Dev EU ex UK	Japan	Dev AP ex JP	EM
-8.3	-2.4	-4.6	-5.7	1.4	-10.7

12M

FTSE EPRA Nareit Global Real Estate Index Series (Relative to Market)

1M

Index	Value
EPRA Nareit USA	3.5
EPRA Nareit UK	2.7
EPRA Nareit Developed Europe ex UK	1.8
EPRA Nareit Developed Asia Pacific ex Japan	-2.1
EPRA Nareit Emerging	-2.5
EPRA Nareit Japan	-5.6

12M

Index	Value
EPRA Nareit Developed Asia Pacific ex Japan	1.8
EPRA Nareit Emerging	-2.2
EPRA Nareit USA	-2.7
EPRA Nareit Japan	-7.1
EPRA Nareit Developed Europe ex UK	-28.0
EPRA Nareit UK	-28.6

FTSE Core Infrastructure Index Series (Relative to Market)

1M

Index	Value
Emerging Core Infra	-4.7
Global Core Infra	-5.5
Developed Core Infra	-5.6

12M

Index	Value
Emerging Core Infra	7.3
Global Core Infra	6.4
Developed Core Infra	6.2

FTSE4Good Index Series (Relative to Market)

1M

Index	Value
FTSE4Good UK	0.6
FTSE4Good Japan	0.3
FTSE4Good US	-0.1
FTSE4Good Europe	-0.2
FTSE4Good Developed Asia	-2.1

12M

Index	Value
FTSE4Good Europe	4.0
FTSE4Good UK	0.5
FTSE4Good Japan	0.0
FTSE4Good US	-0.9
FTSE4Good Developed Asia	-2.8

FTSE Environmental Opportunities Index Series (Relative to Market)
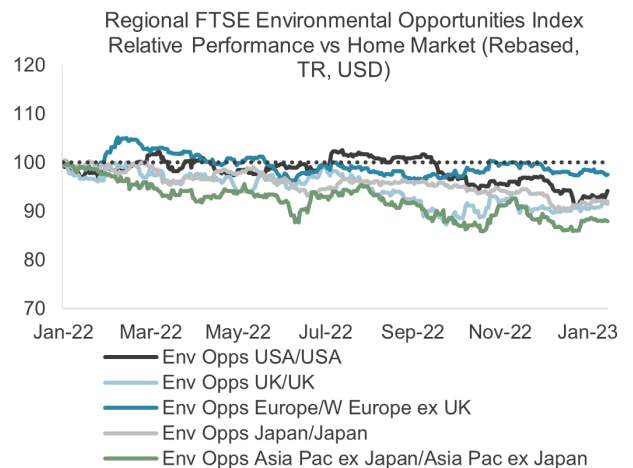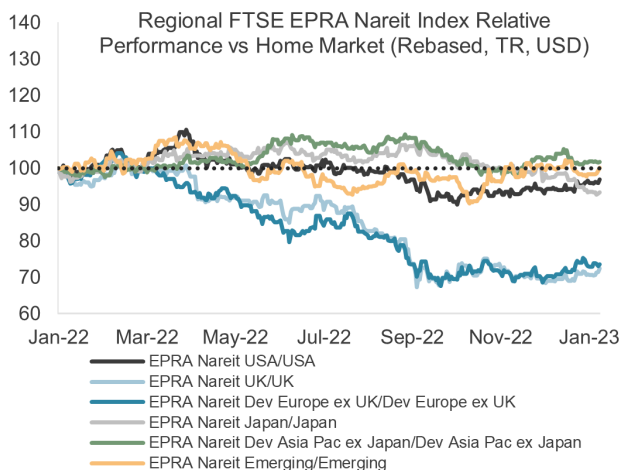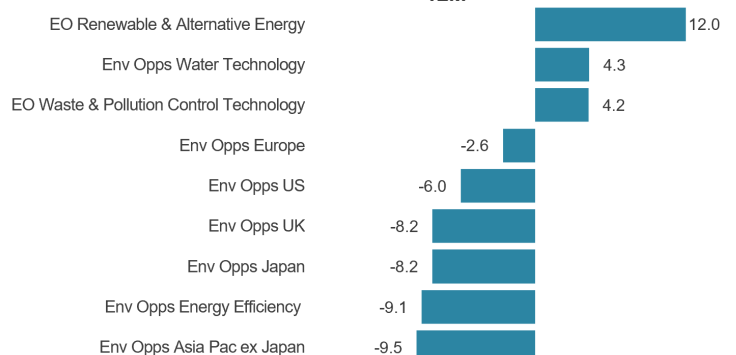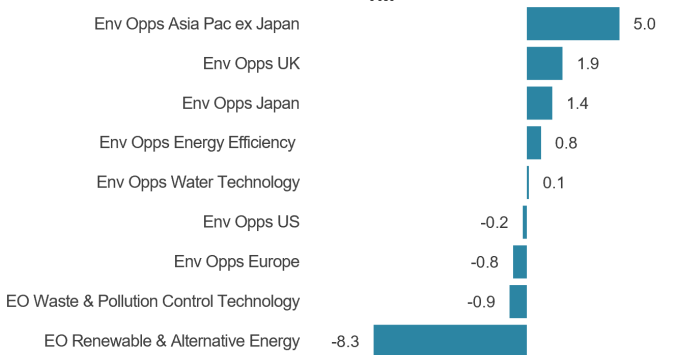
1M

Index	Value
Env Opps Asia Pac ex Japan	5.0
Env Opps UK	1.9
Env Opps Japan	1.4
Env Opps Energy Efficiency	0.8
Env Opps Water Technology	0.1
Env Opps US	-0.2
Env Opps Europe	-0.8
EO Waste & Pollution Control Technology	-0.9
EO Renewable & Alternative Energy	-8.3

12M

Index	Value
EO Renewable & Alternative Energy	12.0
Env Opps Water Technology	4.3
EO Waste & Pollution Control Technology	4.2
Env Opps Europe	-2.6
Env Opps US	-6.0
Env Opps UK	-8.2
Env Opps Japan	-8.2
Env Opps Energy Efficiency	-9.1
Env Opps Asia Pac ex Japan	-9.5

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

Regional Factor Indicator Relative Returns – 1M vs 12M (LC, TR %)

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

One Month

Chart with categories: Value, (Small) Size, Momemtum, Quality, Low Volatility, Dividend Yield. Y-axis from -4 to 6.

12 Months

Chart with categories: Value, (Small) Size, Momentum, Quality, Low Volatility, Dividend Yield. Y-axis from -20 to 20.

The global Value rotation stalled last month (except the UK) as growth stocks regained favour, but held its strong 12M lead.

Quality gained traction in most markets in January, helped by its big tilt to rallying technology stocks.

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

Y-axis from 96 to 108. X-axis from Jan-22 to Jan-23.

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

Y-axis from 94 to 106. X-axis from Jan-22 to Jan-23.

Foreign Exchange Returns %

FX Moves vs USD - 1M

Currency	%
Australian Dollar	3.9
Brazilian Real	3.7
Mexican Peso	3.7
Chinese Yuan	2.9
Korean Won	2.7
Pound Sterling	2.3
New Zealand Dollar	2.2
Singapore Dollar	2.0
Euro	1.8
Canadian Dollar	1.5
Japanese Yen	1.5
Indian Rupee	1.0
Swiss Franc	0.7
Swedish Krona	-0.5
Norwegian Krone	-1.4
S.African Rand	-2.4

FX Moves vs USD - 3M

Currency	%
Korean Won	15.6
Japanese Yen	14.3
New Zealand Dollar	11.2
Australian Dollar	10.2
Euro	9.9
Swiss Franc	8.9
Chinese Yuan	8.0
Singapore Dollar	7.7
Pound Sterling	6.9
Mexican Peso	5.6
Swedish Krona	5.5
S.African Rand	5.5
Norwegian Krone	4.1
Brazilian Real	3.1
Canadian Dollar	2.2
Indian Rupee	1.0

FX Moves vs USD - YTD

Currency	%
Australian Dollar	3.9
Brazilian Real	3.7
Mexican Peso	3.7
Chinese Yuan	2.9
Korean Won	2.7
Pound Sterling	2.3
New Zealand Dollar	2.2
Singapore Dollar	2.0
Euro	1.8
Canadian Dollar	1.5
Japanese Yen	1.5
Indian Rupee	1.0
Swiss Franc	0.7
Swedish Krona	-0.5
Norwegian Krone	-1.4
S.African Rand	-2.4

FX Moves vs USD - 12M

Currency	%
Mexican Peso	9.8
Brazilian Real	4.3
Singapore Dollar	2.9
Swiss Franc	1.3
Australian Dollar	0.0
New Zealand Dollar	-1.6
Korean Won	-2.1
Euro	-3.1
Canadian Dollar	-4.7
Chinese Yuan	-5.8
Pound Sterling	-8.2
Indian Rupee	-8.9
Norwegian Krone	-10.7
Swedish Krona	-10.8
S.African Rand	-11.2
Japanese Yen	-11.4

The US dollar continued its broad retreat in January, particularly vs the yuan and sterling, paring its 12M gains.

FX Moves vs USD (Rebased)

Legend: EUR, GBP, JPY, CNY

The commodity-sensitive Mexican peso and Brazilian real extended their rallies vs USD in January, but the SA rand fell.

Select Emerging Market FX Moves vs USD (Rebased)

Legend: BRL, MXN, ZAR, CNY

Source: FTSE Russell and Refinitiv. All data as of January 31, 2023. Past performance is no guarantee of future results. Please see the end for important legal disclosures.

Asset Class Risk/Return – 3-Year and 5-Year Annualised (LC)

3-Year Risk vs Return

5-Year Risk vs Return

Correlations

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

Legend: UK — Developed Europe ex UK — Japan — Developed Asia Pacific ex Japan — Emerging

*Developed Europe ex UK uses data from Europe ex UK before May 2000
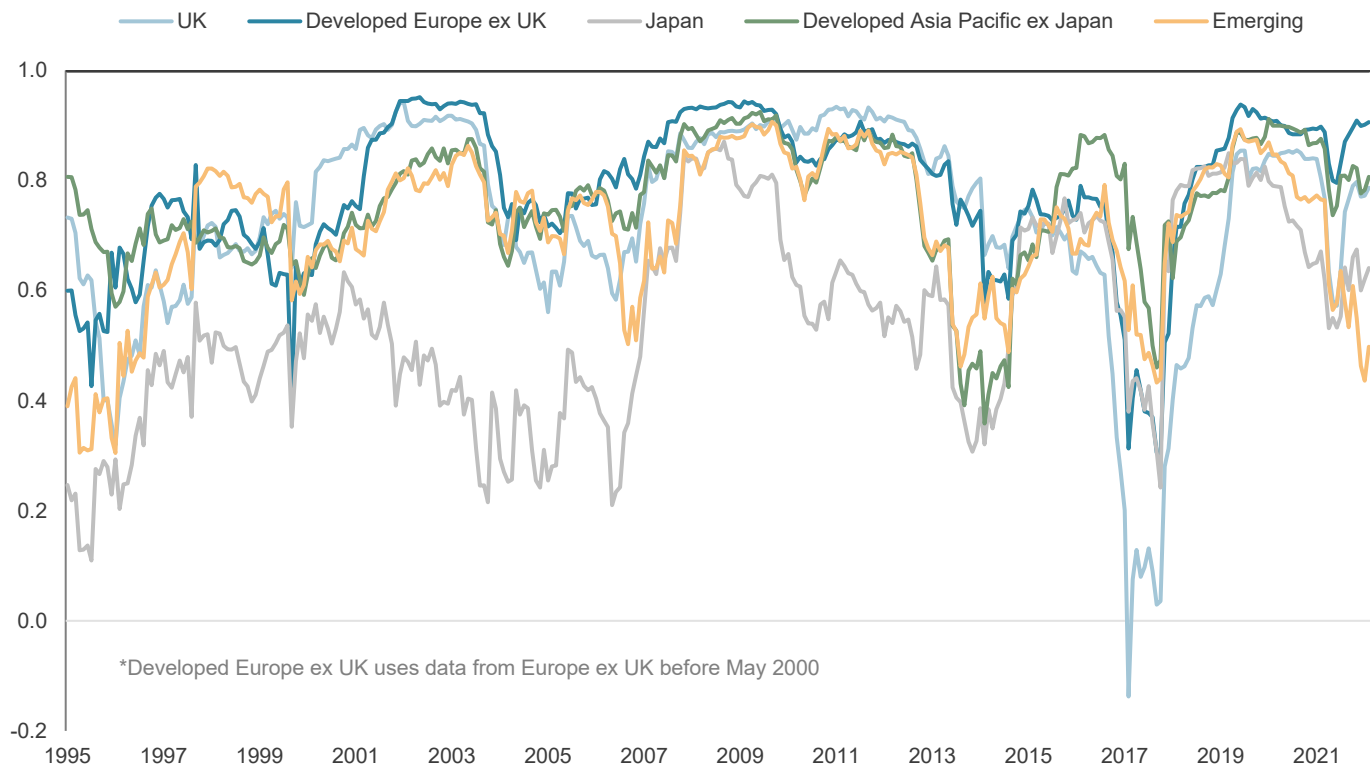
Three-Year Asset Class Correlation Matrix

Name	Russell 1000	Russell 2000	All-World	All-World ex USA	UK	Developed Europe ex	Japan	Developed Asia Pacific	Emerging	US Govt 7-10yr	US ILSI	US High Yield	USBIG Corp	Gold
Russell 1000	-	0.91	0.99	0.90	0.78	0.90	0.72	0.86	0.68	0.24	0.70	0.85	0.71	0.28
Russell 2000	0.91	-	0.93	0.90	0.78	0.85	0.77	0.90	0.72	0.09	0.57	0.87	0.65	0.15
All-World	0.99	0.93	-	0.95	0.84	0.94	0.77	0.91	0.74	0.20	0.67	0.86	0.71	0.27
All-World ex USA	0.90	0.90	0.95	-	0.92	0.95	0.81	0.96	0.82	0.10	0.56	0.83	0.68	0.22
UK	0.78	0.78	0.84	0.92	-	0.91	0.78	0.86	0.65	-0.05	0.38	0.70	0.49	0.09
Developed Europe	0.90	0.85	0.94	0.95	0.91	-	0.78	0.87	0.64	0.16	0.59	0.80	0.64	0.15
Japan	0.72	0.77	0.77	0.81	0.78	0.78	-	0.72	0.47	-0.08	0.30	0.59	0.32	-0.08
Developed Asia	0.86	0.90	0.91	0.96	0.86	0.87	0.72	-	0.83	0.11	0.59	0.82	0.70	0.30
Emerging	0.68	0.72	0.74	0.82	0.65	0.64	0.47	0.83	-	0.14	0.48	0.68	0.72	0.41
US Govt 7-10yr	0.24	0.09	0.20	0.10	-0.05	0.16	-0.08	0.11	0.14	-	0.72	0.20	0.62	0.38
US ILSI	0.70	0.57	0.67	0.56	0.38	0.59	0.30	0.59	0.48	0.72	-	0.68	0.80	0.49
US High Yield	0.85	0.87	0.86	0.83	0.70	0.80	0.59	0.82	0.68	0.20	0.68	-	0.78	0.28
USBIG Corp	0.71	0.65	0.71	0.68	0.49	0.64	0.32	0.70	0.72	0.62	0.80	0.78	-	0.45
Gold	0.28	0.15	0.27	0.22	0.09	0.15	-0.08	0.30	0.41	0.38	0.49	0.28	0.45	-

Appendix

	Wgt (%)	Mkt Cap (USD bn)	1M LOCAL	1M USD	1M GBP	YTD LOCAL	YTD USD	YTD GBP	12M LOCAL	12M USD	12M GBP
All-World	100.0	60,806	6.4	7.1	4.6	6.4	7.1	4.6	-5.6	-7.4	0.9
Developed	89.5	54,396	6.5	7.1	4.7	6.5	7.1	4.7	-5.4	-7.0	1.3
USA	58.8	35,561	6.5	6.5	4.1	6.5	6.5	4.1	-9.0	-9.0	-0.8
Developed Europe ex UK	12.4	7,702	7.9	9.3	6.8	7.9	9.3	6.8	-1.4	-4.2	4.4
Emerging	10.5	6,410	6.0	7.0	4.5	6.0	7.0	4.5	-7.7	-10.7	-2.7
Japan	6.4	3,829	4.3	5.8	3.4	4.3	5.8	3.4	6.0	-6.1	2.4
Developed Asia Pacific ex Japan	4.9	3,031	6.5	9.3	6.8	6.5	9.3	6.8	3.4	2.9	12.1
UK	4.2	2,513	4.5	6.9	4.5	4.5	6.9	4.5	8.3	-0.6	8.3

Developed - Top 20 by % weight (TR)

	Wgt (%)	Mkt Cap (USD bn)	1M LOCAL	1M USD	1M GBP	YTD LOCAL	YTD USD	YTD GBP	12M LOCAL	12M USD	12M GBP
Developed	100.0	54,396	6.5	7.1	4.7	6.5	7.1	4.7	-5.4	-7.0	1.3
USA	65.7	35,561	6.5	6.5	4.1	6.5	6.5	4.1	-9.0	-9.0	-0.8
Japan	7.1	3,829	4.3	5.8	3.4	4.3	5.8	3.4	6.0	-6.1	2.4
UK	4.6	2,513	4.5	6.9	4.5	4.5	6.9	4.5	8.3	-0.6	8.3
France	3.2	1,794	9.2	11.1	8.6	9.2	11.1	8.6	3.7	0.5	9.5
Canada	3.0	1,650	7.2	8.9	6.4	7.2	8.9	6.4	1.6	-3.2	5.5
Switzerland	2.8	1,511	5.4	6.1	3.7	5.4	6.1	3.7	-6.4	-5.1	3.4
Australia	2.5	1,401	6.2	10.4	7.9	6.2	10.4	7.9	14.5	14.5	24.8
Germany	2.3	1,330	10.6	12.6	10.0	10.6	12.6	10.0	-5.5	-8.4	-0.2
Korea	1.5	838	9.3	12.2	9.7	9.3	12.2	9.7	-9.0	-11.0	-3.0
Netherlands	1.2	727	12.9	14.9	12.3	12.9	14.9	12.3	-3.7	-6.7	1.7
Hong Kong	1.0	504	4.3	3.8	1.4	4.3	3.8	1.4	-2.9	-3.4	5.3
Sweden	0.9	484	7.9	7.4	4.9	7.9	7.4	4.9	-5.0	-15.3	-7.7
Denmark	0.8	424	-0.1	1.6	-0.7	-0.1	1.6	-0.7	10.9	7.5	17.1
Spain	0.7	392	9.2	11.1	8.6	9.2	11.1	8.6	7.9	4.6	14.0
Italy	0.7	398	11.3	13.3	10.7	11.3	13.3	10.7	2.4	-0.8	8.1
Singapore	0.4	231	3.8	5.9	3.5	3.8	5.9	3.5	8.5	11.6	21.7
Finland	0.4	208	2.1	3.9	1.5	2.1	3.9	1.5	-2.6	-5.6	2.9
Belgium/Lux	0.3	160	2.6	4.4	2.0	2.6	4.4	2.0	-0.1	-3.2	5.5
Israel	0.2	111	1.0	3.1	0.7	1.0	3.1	0.7	-6.4	-13.9	-6.2
Norway	0.2	123	0.0	-1.4	-3.6	0.0	-1.4	-3.6	1.7	-9.2	-1.1

Emerging - Top 10 by % weight (TR)

	Wgt (%)	Mkt Cap (USD bn)	1M LOCAL	1M USD	1M GBP	YTD LOCAL	YTD USD	YTD GBP	12M LOCAL	12M USD	12M GBP
Emerging	100.0	6,410	6.0	7.0	4.5	6.0	7.0	4.5	-7.7	-10.7	-2.7
China	35.0	2,344	12.1	11.6	9.0	12.1	11.6	9.0	-10.0	-10.5	-2.4
India	17.2	1,004	-3.5	-2.5	-4.8	-3.5	-2.5	-4.8	-0.1	-9.0	-0.8
Taiwan	15.1	1,018	10.0	12.6	10.0	10.0	12.6	10.0	-11.1	-17.7	-10.3
Brazil	6.2	394	3.3	7.1	4.6	3.3	7.1	4.6	2.5	6.9	16.5
Saudi Arabia	4.7	287	2.0	2.2	-0.2	2.0	2.2	-0.2	-9.5	-9.5	-1.4
South Africa	4.2	263	6.9	4.4	2.0	6.9	4.4	2.0	6.8	-5.2	3.3
Thailand	2.8	176	-1.1	3.8	1.4	-1.1	3.8	1.4	6.5	7.4	17.1
Mexico	2.8	193	12.4	16.5	13.9	12.4	16.5	13.9	12.0	23.0	34.0
Indonesia	2.1	131	-0.9	2.9	0.6	-0.9	2.9	0.6	11.8	7.2	16.9
Malaysia	1.9	116	-0.5	2.8	0.4	-0.5	2.8	0.4	4.3	2.3	11.5