

Russell Investments Global Infrastructure Pool provides long-term growth of capital and income, primarily through exposure to companies that are involved in the development, maintenance, servicing or management of infrastructures.

UPDATE AS OF MARCH 31, 2024

QUARTERLY SUMMARY

FROM THE PORTFOLIO MANAGER: KEY MESSAGES	
 MARKET	<ul style="list-style-type: none"> Listed infrastructure ended the first quarter in positive territory, with the S&P Global Infrastructure Index up 3.37%, although the sector trailed relative to Canadian and global equities. Generally stable fundamentals and resilient cash flows were supportive of performance, although rising bond yields posed a headwind through the quarter. Markets are pricing in a soft landing scenario and have rewarded higher growth and more cyclical areas of the infrastructure universe. Energy infrastructure, data centers and waste were among the best performing sectors, while utilities and cellular tower segments, the more defensive and interest rate-sensitive sectors, were weaker.
 POOL	<ul style="list-style-type: none"> The Global Infrastructure Pool returned 3.29% for the quarter and delivered a 1-year return of 3.01%, outperforming the benchmark over both periods. Although the pool has been positioned with a modestly defensive posture, sector allocation had a positive impact on performance due in large part to out-of-index exposures to the waste and rail sectors. During the quarter, Cohen & Steers delivered the strongest outperformance, while First Sentier and Nuveen were flatter relative to the benchmark. All three managers continue to perform in line with expectations and consistent with their roles in the pool.

PERFORMANCE DRIVERS

CONTRIBUTORS	DETRACTORS
<ul style="list-style-type: none"> Stock selection within the transportation infrastructure sector was beneficial. One recent theme in the portfolio has been an underweight to the major Chinese seaport operators, which struggled during the quarter, with selective exposure to better-positioned port companies in Latin America and Southeast Asia. Out-of-index exposure to the waste management and railroad sectors were additive. These sectors rallied during the quarter, supported by strong earnings results among the U.S. waste and freight rail names. 	<ul style="list-style-type: none"> Unfavorable security selection within the electric utilities sector had a negative impact. The primary detractor from performance was an underweight to constellation energy, which rallied on better-than-expected earnings and guidance. Off-benchmark allocation to cellular towers further detracted as higher interest rates remain a headwind for the sector, even as longer-term fundamentals remain very strong.

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OUTLOOK

MARKET	POSITIONING
<p>Several strong drivers of near-term growth in infrastructure demand. Communications infrastructure to benefit from continued growth in mobile data usage and generative AI, while energy infrastructure and utilities are increasingly important with growing demand for domestic renewables and recent growth in exports.</p> <p>Fundamentals generally remain solid, and infrastructure should continue to deliver positive earnings growth through 2024 and 2025, even in an environment of economic deceleration.</p> <p>Valuations look about neutral relative to history (modestly attractive versus equities), and significantly attractive alongside private market transactions.</p>	<p>No major changes to fund positioning.</p> <p>Focus remains on bottom-up stock selection (as opposed to very large regional or sub-sector bets) in the uncertain and policy-driven macro environment.</p> <p>The Pool remains modestly defensively positioned overall, with significant exposure to utilities and communications infrastructure, which are well-positioned to weather a challenging macroeconomic environment. Railroads and gas utilities also remain key overweight positions in the portfolio, while the more cyclically sensitive energy and airports sectors are notable underweight positions.</p>

PERFORMANCE

Performance (%) as of March 31, 2024

	3 mo.	YTD	1 yr.	3 yr.	5 yr.	10 yr.	Since inception
Global Infrastructure Pool (Series F)	3.29	3.29	3.01	7.37	4.87	7.09	9.04

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: January 31, 2013.

FUND CODES (FRC)

	Trust	Class
B (front load)	096	3096
F (fee based)	108	3108

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

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Diversification and strategic asset allocation do not assure a profit or protect against loss in declining markets.

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