REAL ASSETS POOL

Russell Investments

Russell Investments Real Assets Pool provides exposure to a diversified portfolio of asset classes that are directly or indirectly linked to physical assets, or to assets that the investment manager of the fund believes have a tendancy to maintain their real (after inflation) value over time.

UPDATE AS OF MARCH 31, 2024

QUARTERLY SUMMARY

FROM THE PORTFOLIO MANAGER: KEY MESSAGES	
MARKET	• The real asset sector delivered modestly positive performance during the quarter but generally lagged versus the broader equity market. Commodities were the best performing asset classed followed by listed infrastructure and real estate securities, while inflation-linked bonds ended in negative territory. • **Infrastructure:** Energy infrastructure, data centers, and waste were among the best performing sectors, while the more interest rate-sensitive utilities and cellular tower segments were weaker. • **Real Estate:** U.S. real estate led the globe, with strength in malls and technology Real Estate Investment Trusts (REITs). Real estate securities in Hong Kong and Singapore were among the weaker performers during the period.
POOL	• The fund marginally underperformed its benchmark[1] during the quarter. The Global Real Estate Pool and Global Infrastructure Pool both finished ahead of their respective indexes while inflation-linked bond exposure negatively impacted results. • From a sub-sector perspective, exposure to transportation infrastructure and U.S. specialty REITs was beneficial, while an underweight to industrial REITs and security selection among regulated utilities detracted from performance.

[1]Real Assets Benchmark is a blended index of 15% S&P Global Natural Resources Index, 9.5% Bloomberg Commodity Index, 38% S&P Global Listed Infrastructure Index Net, and 37.5% FTSE EPRA Nareit Developed Index Net.

PERFORMANCE DRIVERS

CONTRIBUTORS

- **Real Estate:** Favorable stock selection in the U.S. had a positive impact. The specialty sector was the largest contributor, driven by excitement surrounding Iron Mountain's data center business.
- **Infrastructure:** Stock selection within transportation infrastructure and out-of-index exposure to waste and rail were beneficial. An underweight to Chinese seaport operators was a notable contributor.

DETRACTORS

- **Real Estate:** Negative security selection coupled with an underweight position to the U.S. industrial sector marginally detracted from performance.
- **Inflation linked bonds**: During the quarter, inflation linked bonds had negative absolute returns.
- **Infrastructure:** 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.

OUTLOOK

MARKET	POSITIONING
The combination of resilient income, reliable growth, and a pause in the U.S. Federal Reserve's (the Fed) tightening cycle make for a strong near-to medium-term outlook for real assets. Strong secular drivers of growth in digital infrastructure, and non-core real estate sectors. Energy shortages and geopolitical tensions support demand for domestic renewables and exports. Fundamentals generally remain solid, and REITs and infrastructure should both continue to deliver solidly positive earnings growth, even in an environment of economic deceleration. Valuations look about neutral relative to history (modestly attractive versus equities) and significantly attractive alongside private market transactions.	The portfolio is slightly underweight the Global Infrastructure Pool, and overweight to the Russell Investments Global Real Estate Pool. The fund's allocation to Inflation-Linked Bonds and the Invesco DB Commodities Index Tracker Fund are in line with strategic targets. **Infrastructure:** No major changes to fund positioning - maintaining significant out-of-index exposure to communications and railroads. 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. Overweight electric and gas utilities, with a notable underweight to multi-utilities. **Real Estate:** Relatively small top-down sector and regional active bets, with more of an emphasis on bottom-up stock selection. Overweight to U.S. data enters and North America, underweight to Continental Europe and U.S. lodging.

PERFORMANCE

Performance (%) as of March 31, 2024

	3 mo.	YTD	1 yr.	3 yr.	5 yr.	10 yr.	Since inception
Real Assets Pool (Series F)	2.28	2.28	4.63	4.23	2.97	5.06	5.40

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: May 22, 2013.

FUND CODES (FRC)

	Trust	Trust USD
B (front load)	138	139
F (fee based)	142	143
O	144	N/A

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

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