

Russell Investments Real Assets SMA

Portfolio manager

Jordan McCall, CFA

Portfolio manager of sub-advisers (Russell Investments USA)

Patrick Nikodem
Ryan Parker, CFA

Investment objective

Seeks to provide long-term capital growth and income by investing in listed real asset companies.

Investment process

Russell Investments Canada Limited (RICL) selects the sub-advisers to identify the best ideas for alpha stock selection, applies screens, and then optimizes the portfolio utilizing quantitative and/or rules-based processes. RICL's portfolio construction process seeks to achieve the desired level of concentration, appropriate risk management, and exposure to strategic and tactical sources of excess return intended to meet the separately managed accounts investment objective over a full market cycle.

The sub-advisers are unaffiliated with RICL and have non-discretionary asset management assignments pursuant to which they provide a model portfolio to RICL representing their investment recommendations.

Product details

Inception date	11/1/2021
Benchmark	57% FTSE Nareit Equity REITs 43% S&P Global Infrastructure Net
Minimum account size	\$50,000
Target holdings	40

Top 10 holdings

Security	Sector	% Allocation
Welltower Inc	Real Estate	6.24
Prologis Inc	Real Estate	5.57
Simon Property Group Inc	Real Estate	4.71
Aena Sme Sa-Adr	Industrials	4.41
Equinix Inc	Real Estate	4.22
Nextera Energy Inc	Utilities	3.83
Digital Realty Trust Inc	Real Estate	3.61
Duke Energy Corp	Utilities	3.12
Vici Properties Inc	Real Estate	3.06
Public Storage	Real Estate	2.99

Sub-industry weights (%)

	% Allocation
Airport Services	8.60%
Construction & Engineering	1.91%
Data Center REITs	7.83%
Diversified REITs	1.13%
Electric Utilities	11.94%
Environmental & Facilities Services	1.84%
Gas Utilities	3.75%
Health Care REITs	12.32%
Hotel & Resort REITs	1.56%
Independent Power Producers & Energy Traders	2.11%
Industrial REITs	5.57%
Multi-Family Residential REITs	4.26%
Multi-Utilities	7.58%
Office REITs	1.96%
Other Specialized REITs	7.50%
Rail Transportation	4.06%
Retail REITs	7.39%
Self-Storage REITs	4.31%
Single-Family Residential REITs	1.66%
Telecom Tower REITs	2.74%

Portfolio characteristics

	Portfolio	Benchmark ¹
Number of holdings	40	214
Dividend yield ²	3.13%	3.81%
Price-to-Earnings (P/E) ratio	26.11	29.90
Price-to-Cash Flow (P/CF) ratio	18.53	17.26
Weighted Average Market Cap (USD)	\$52.5B	\$48.6B

Data as of September 30, 2025. Please refer to Important information at the end of this document for sources and calculation of this data. Past performance is not indicative of future results.

1. Benchmark – 57% FTSE Nareit Equity REITs Index & 43% S&P Global Infrastructure Net. Indexes are unmanaged and cannot be invested in directly.

2. Reflects the annual rate at which dividends are being paid. It is the weighted average of each stock's annual dividend rate (including any one-time special dividends) divided by the price of the stock as of November 1, 2021. Investment management fees, expenses and taxes are not included in this calculation that would have decreased the yield shown. Dividend yields can change based on the performance of underlying stocks.

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Performance review (%) as of September 30, 2025 (USD)

	Latest Month	Quarterly	Year to date	Annualized				
				1 Year	3 Year	5 Year	10 Year	Since inception*
Real Assets SMA	1.53	3.60	13.34	6.67	15.06	—	—	5.56
Real Assets SMA Benchmark	1.26	4.23	10.62	5.45	13.46	—	—	5.05

*Inception date November 1, 2021. Please refer to Important information at the end of this document for sources and calculation of this data.

Sub-advisers and their investment strategies

Sub-adviser	Role	Year assigned
RREEF America LLC	Real-Estate - U.S. Market-Oriented	2021
First Sentier Investors (Australia) IM Ltd.	Infrastructure - Global Market-Oriented	2021

- RREEF America LLC's investment approach includes top-down and bottom-up components. In-depth research of capital markets and property fundamentals within each region to establish target allocations. Security selection process is focused on companies with strong cash flow growth potential and capacity for either sustained dividend increases or reinvestment into the business to grow shareholder equity.
- First Sentier Investors (Australia) IM Ltd. is a pure-play infrastructure manager with a slightly GARP (growth at a reasonable price) approach. They utilize a fundamental bottom-up approach. Their strategy resides in the quality of the security selection process. The process, while aware of risks relative to the benchmark, is largely oriented toward picking stocks the firm believes have strong long-term absolute return prospects. The process overlays a fundamental relative value philosophy with an extensive qualitative risk-evaluation component, yielding a portfolio of high quality, attractively priced companies.

Sub-advisers mentioned are current as of September 30, 2025. Russell Investments has the right to engage or terminate a sub-adviser at any time without notice.

Real Assets Market Commentary & Outlook

Global Infrastructure – Easing U.S.–China tariff tensions over the 90-day pause supported risk assets, but higher Treasury yields in the quarter weighed on yield-sensitive sectors. Airports were among the best performers during the quarter, supported by strong corporate earnings and strong passenger trends heading into the summer season. Toll roads and higher beta ports also experienced strength during the quarter. Utilities lagged due to regulatory uncertainty and investor rotation into growth. Energy infrastructure was the weakest performing sector, pressured by softer commodity sentiment and concerns over drilling activity.

Real Estate - In the U.S., the 10-year Treasury yield declined by 9 basis points to 4.36%. Data centers outperformed, benefiting from renewed leasing activity by hyperscale tenants following earlier headwinds tied to tech and AI sentiment. Office performance was modestly positive, aided by improving utilization rates and stable leasing, with return-to-office mandates bolstering sentiment. The lodging sector posted modest gains, constrained by slower travel activity and elevated costs, which weighed on domestic leisure demand. Retail, including shopping centers and malls, faced headwinds from tariff-related uncertainty affecting costs and consumer pricing.

The combination of resilient income, reliable growth, and secular drivers of demand make for a strong near- to medium-term outlook for real assets. Amid a backdrop of political transitions, limited progress on inflation, and a high degree of overall uncertainty, real assets remain a valuable diversifier in broader portfolios. 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 both should continue to deliver solidly positive earnings growth, even in an environment of economic deceleration or market volatility. Valuations look fair to attractive across infrastructure and real estate.

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Important information

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The Russell Investments Real Assets SMA is based on a Real Estate and Infrastructure strategy, with investment exclusions applied.

The exclusions applied to the sub-advisers include inaccessible foreign companies, illiquid companies and energy companies. The SMA includes a concentrated selection of 40 stocks from RREEF America LLC and First Sentier Investors (Australia) IM Ltd., with various risk control parameters around sector, industry, country, region, single stock, and fundamental risk factors.

Criteria used in the process to remove energy-infrastructure stocks by Global Industry Classification Standards (GICS) for the following sub-industries includes: Oil & Gas Drilling; Oil & Gas Equipment & Services; Integrated Oil & Gas; Oil & Gas Exploration & Production; Oil & Gas Refining & Marketing; Oil & Gas Storage & Transportation; Coal & Consumable Fuels.

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Please remember that all investments carry some level of risk, including the potential loss of principal invested. They do not typically grow at an even rate of return and may experience negative growth. As with any type of portfolio structuring, attempting to reduce risk and increase return could, at certain times, unintentionally reduce returns.

Past performance is not indicative of future results.

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

Indexes are unmanaged and cannot be invested in directly.

The S&P Global Infrastructure Net Index provides liquid and tradable exposure to 75 companies from around the world that represent the listed infrastructure universe. To create diversified exposure across the global listed infrastructure market, the index has balanced weights across three distinct infrastructure clusters: Utilities, Transportation, and Energy.

The FTSE Nareit Equity REITs Index contains all Equity REITs not designated as Timber REITs or Infrastructure REITs.

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