

31 May 2024

# Real Assets Fund



**Portfolio Manager**  
Tom Sallis

Russell Investments' Multi-Asset Strategies Team comprises over 23 experienced professionals, including portfolio managers, researchers, portfolio analysts, and strategists in Russell Investments offices around the globe.

This team focuses on total client outcomes, including all major asset classes in their solutions. They identify areas of the market offering attractive valuations and growth potential with a reasonable level of risk and research strategies and managers to exploit these pockets of value.

## Fund facts

### Inception date

30 November 2009

### Sector

IMA Specialist

### Benchmark

UK Retail Price Index

### SEDOL

B4KQS12

### Ongoing Charge

1.22% (31/05/20)

### Minimum investment

£1,000 initial, £500 subsequent

### Currency

GBP

### Distribution date

28 February

The Real Assets Fund combines a range of investments that are indirectly linked to physical (real) assets. Real assets include commodities (metals, oil, agricultural produce, property companies and infrastructure companies e.g. toll roads, power networks). We manage total risk using UK inflation-linked bonds and cash. Capital invested in the Fund is at risk and there is no guarantee that the investment objective will be met. The Fund may use currency hedging techniques to reduce exposure to currencies other than Sterling. The fund utilises both active management and passive strategies in its implementation.

## Suggested use

Using only equities in a portfolio can be a riskier approach than constructing a portfolio which includes both equities and non-equities. Including real assets will help diversify some of the risk from other parts of the portfolio but this fund is not appropriate for stand-alone investment.

## What happened this month?

The Fund delivered a positive return in May. Falling inflation, renewed optimism over potential rate cuts by major central banks, and positive economic data from the UK and Europe, boosted both equity and fixed income markets. The anticipation of rate cuts and easing inflation signs were also favourable for real assets. The Fund's allocation to our listed infrastructure exposure fared better than global equities as defensive stocks did well over the period and its energy-related exposure was beneficial given the increased demand for electricity from the build out in AI data centres. Our exposure to broader commodities was positive, driven mainly by higher gold prices. However, oil prices gave up gains from the previous month due to easing tensions in the Middle East after a volatile April. Our small exposure to US short-dated inflation linked bonds added diversification, benefiting from its attractive carry.

## Cumulative performance to 31 May 2024 (%)

## Discrete 12 month performance (%)

	1M	3M	1 Yr	3 Yrs	5 Yrs	Since Inception	31/03/19 31/03/20	31/03/20 31/03/21	31/03/21 31/03/22	31/03/22 31/03/23	31/03/23 31/03/24
Fund (Class C Acc)	1.9	3.9	6.9	8.3	14.8	57.6	-16.6	20.5	20.2	-9.6	3.7
Benchmark	0.5	1.9	3.3	29.7	35.5	79.5	2.5	1.4	9.7	13.8	4.5

Past performance is not a guide to future performance.

Source: Russell Investments as at May 31, 2024. All returns are cumulative, in GBP, net of C Class Fees. The fund is priced at market open (7am) so Fund prices have been moved a day later with benchmarks which price at market close (7pm).

The UK Retail Price Index is the target benchmark against which the performance of the Fund has been set. The benchmark was chosen because the Fund will invest in investments that are inflation-linked.

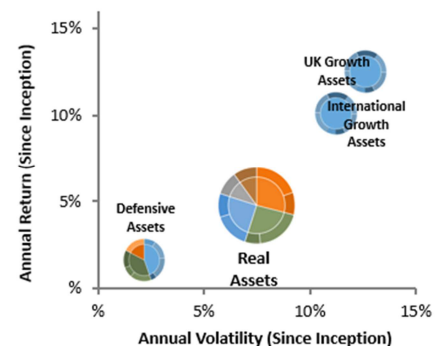
## Portfolio statistics

	Fund
Number of Managers	6
Number of Holdings	286
Volatility (since inception)*	9.4%
Highest One-Year Return	25.3%
Lowest One-Year Return	-16.6%
Positive One-Year Returns	63.4%
Current Yield	1.21%
Fund Size	£29.59M

Source: Russell Investments

\*Volatility describes the extent to which the fund return has fluctuated over time.

## Real Assets Complete a Portfolio †



Source: Russell Investments. Performance and Risk of the UK Growth Asset Fund, International Growth Assets Fund, Defensive Assets Fund and Real Assets Fund shown from 1/2/2010 to last quarter end. Data in GBP net of C class fees.

† Real assets bridge the gap in terms of risk and return between defensive assets and growth assets, meaning a portfolio with improved diversification.

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## Real Assets Fund (continued)

### Portfolio structure

Portion of fund	Allocation to fund portion	Monthly return of fund portion	Managers allocated to each portion, and their weight in the total fund			
<b>Commodities</b>	<b>18.2%</b>					
Commodities	16.8%	0.2%	ETFs Long Dated 16.8%			
Commodities	1.4%	-5.0%	iShares Gold 1.4%			
<b>Infrastructure</b>	<b>36.0%</b>					
Infrastructure	17.8%	3.6%	Nuveen 6.5%	C&S 2.7%	First Sentier Investors 6.6%	Russell Investments 2.0%
Infrastructure (Passive)	18.2%	4.4%	Deutsche Bank 18.2%			
<b>Real Estate</b>	<b>16.9%</b>					
Real Estate	0.0%	0.0%	Cohen & Steers 6.7%	RREEF America LLC 8.5%	Russell Investments 1.7%	
Real Estate (Passive)	17.2%	2.4%	iShares 17.2%			
<b>Cash</b>	<b>11.7%</b>					
	11.7%	0.5%	Russell Investments 11.7%			

Russell Investments may trade a portion of the Fund's assets based on a model portfolio provided by the investment advisor. By employing this emulated portfolio approach, the Fund leverages off the implementation capabilities of Russell Investments in order to manage the funds in an efficient manner.

Source: Russell Investments, Morningstar. Figures may not sum correctly due to rounding.

Any reference to specific money managers should not be taken as a recommendation. Money managers are subject to change.

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## Real Assets Fund (continued)

### Infrastructure by Region

	Fund
North America	53.2%
EMEA Ex United Kingdom	21.2%
Emerging	10.4%
Asia/Pacific Ex Japan	10.0%
United Kingdom	3.2%
Japan	2.0%

Source: Factset

### Real Estate by Region

	Fund
North America	65.4%
Asia/Pacific Ex Japan	11.3%
Japan	9.0%
EMEA Ex United Kingdom	8.9%
United Kingdom	5.4%
Emerging	0.0%

Source: Factset

### Real Estate Top 10 Subsectors

	Fund
Retail Reits	16.1%
Industrial Reits	16.0%
Multi-Family Residential Reits	9.5%
Health Care Reits	8.4%
Data Center Reits	8.0%
Diversified Reits	6.8%
Real Estate Operating Companies	6.6%
Self-Storage Reits	5.8%
Diversified Real Estate Activities	5.6%
Office Reits	4.8%

Source: Factset

### Infrastructure Top 10 Subsectors

	Fund
Electric Utilities	30.6%
Oil & Gas Storage & Transportation	16.8%
Highways & Railtracks	14.4%
Airport Services	13.2%
Multi-Utilities	11.3%
Gas Utilities	3.7%
Marine Ports & Services	2.1%
Rail Transportation	1.5%
Telecom Tower Reits	1.4%
Water Utilities	1.3%

Source: Factset

### Important Information

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