

Real Assets Strategy

Strategy Profile
Multi-Asset Solutions

March 2025

Inception: April 1, 2005

Assets Under Management: \$7.38 billion¹

Vehicle Availability: Range of institutional commingled vehicles, including separately managed custom mandates

Investment Approach: Strategic Allocation
Indexed Underlying Components

Benchmark Allocation:

25% Bloomberg Enhanced Roll Yield Index
25% S&P Global LargeMidCap Commodity and
Resources Index
20% S&P Global Infrastructure Index
20% US Government Inflation-Linked 1–10 Year Bond Index
10% Dow Jones US Select REIT Index

Current Portfolio Yield: 4.04% as of 12/31/2024

Headline Strategy Fees:

First \$50M: 30bps
Next \$50M: 27bps
Thereafter: 25bps

About the Real Assets Strategy

The Strategy seeks to achieve a positive real return over US inflation while targeting a risk level similar to that of longer-dated US Treasury Inflation-Protected Securities.

The Strategy is designed to offer a diversified exposure to commodities, global natural resource and infrastructure equities, real estate via US REITs, and US inflation-linked bonds. It employs a strategic asset allocation process to build a portfolio of carefully selected indexed components and provides a broad, cost-effective exposure to real assets.

Given its multi-asset-class approach, the Strategy offers three key benefits:

Diversification Real assets have historically demonstrated only a modest correlation with both traditional equities and bonds, as well as with each other, over a market cycle (see Figure 1).

Income Many real assets are income-producing, typically offering an attractive yield and providing an additional source of income (see Figure 4).

Potentially Attractive Returns Allocating to a diversified group of real assets can potentially provide additional returns relative to traditional assets.

¹ Source: FactSet and State Street Global Advisors, as of December 31, 2024.

Figure 1 **Real Assets Potential Diversification Benefits**

2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
40.85	33.16					57.22	28.07						30.77	19.07		25.75					
39.01	29.60	28.57		58.84		28.46	19.54		17.12				14.56	18.14		23.10		45.91			14.05
36.18	23.68	21.36	38.56	22.44		25.89	16.83		10.89				14.56	8.61		15.91	10.99	27.93			8.10
25.64	19.53	17.25	35.97	16.23		24.04	16.20		7.77		32.00		11.45	3.76		13.79	1.96	26.29		13.96	5.64
23.93	9.15	14.22	30.04	12.00		18.91	6.31	13.56	6.99		12.12		6.68	3.64		8.43	1.55	21.10	15.32	5.78	4.46
8.40	8.46	13.82	11.50	11.64		11.41	4.79	9.37	6.98	14.00	3.64	4.48	4.68	3.01		6.09	1.44	11.04	14.72	4.36	3.09
1.88	3.26	3.42	2.54	4.08	0.09	2.72	1.50	2.96	1.74	1.50	0.76	0.73	2.07	2.11	1.91	2.29	1.36	7.04	6.45	3.35	2.87
		2.84	2.07	-17.55	-2.35			-0.48	-1.06	1.22	-1.06	-1.44			-1.26		-6.49	5.96	2.94	1.09	-5.11
			0.41		-33.88			-1.30		-2.86	-9.94	-12.17			-4.22		-11.20		-0.99	-1.64	
					-35.65			-13.32		-4.54	-15.17	-14.17			-7.04				-7.34	-8.53	
					-39.20			-14.11		-8.61		-23.45			-9.37				-25.96		
					-39.49					-9.08		-27.53			-10.37						
					-46.30										-11.68						

US TIPS Global Natural Resources US REITs Commodity Global Infrastructure US Inflation Real Assets

Source: State Street Global Advisors and FactSet, Data from 2003 to December 31, 2024. Diversification does not ensure a profit or guarantee against loss. Index returns are unmanaged and do not reflect the deduction of any fees or expenses. Index returns reflect all items of income, gain and loss and the reinvestment of dividends and other income. All index returns are in USD. Past performance is not a reliable indicator of future performance. See Disclosures for Index information.

Figure 1 Reference Indices:

Commodities: Bloomberg Commodities Total Return Index (2002–2012) and Bloomberg Enhanced Roll Yield Index (2024–Present)

Global Natural Resources: S&P Global Natural Resources Index (2003–2004) and S&P Global LargeMidCap Commodity and Resources Index (2005–Present)

Global Infrastructures: S&P Global Infrastructure Index

US REITS Dow Jones US Select Real Estate Investment Trust (REIT) Index

US TIPS: Bloomberg Barclays US Inflation-Linked Securities Index

US Inflation: US CPI-U Non-Seasonally Adjusted

Real Asset: State Street Global Advisor's Real Asset Composite Index

Prior to 2005, performance reflects the S&P Index (2002–2004).

Real Asset Strategy Use Cases

We typically see investors making long-term strategic allocations to the Real Asset Strategy to provide a standalone **core exposure to inflation-hedging assets** (complementing a portfolio of traditional equities and bonds) as well as to provide a **liquidity sleeve and complement to private allocations**.

1. Core Exposure to Inflation-Hedging Assets

During periods of high and rising inflation, real assets have historically demonstrated their most competitive returns relative to both traditional equities and fixed income. In addition, during these inflation regimes, a diversified real assets allocation has improved returns relative to a standalone allocation to US REITs, global infrastructures equities, and TIPS.²

The Real Asset Strategy creates a diversified exposure to real assets (compared to standalone building blocks) and enables investors to outsource asset allocation decision-making. The Strategy provides portfolio diversification across multiple real asset classes, allows for strategic asset allocation with indexed underlying funds, and is strengthened by an annual review of its strategic asset allocation.

From a risk management point of view, the Strategy has a target standard deviation similar to that of longer-dated US TIPS, has a low targeted tracking error against its composite benchmark, and uses a highly disciplined rebalancing policy and cash-flow management approach.

When evaluating inflation hedges, it is important to focus on inflation beta, as that may be more revealing than correlation (see Figure 2). Real assets, particularly commodities, have exhibited positive, sizable inflation betas, and as such, a small allocation can be used advantageously to provide protection from rising and elevated inflation environments.

² The Case for a Strategic Allocation to Real Assets (ssga.com).

2. Liquidity Sleeve and Complement to Private Allocation

The Real Asset Strategy is also often used in a completion role, providing complementary liquidity to other less-liquid direct or private real asset investments and assisting in rebalancing and managing ongoing cash flows. It may also be used in conjunction with other inflation-hedging assets such as gold or master limited partnerships, providing further diversification benefits in a multi-asset-class portfolio.

The Strategy uses cost-effective and transparent indexed components to boost liquidity, and in so doing it provides investors with additional flexibility to implement a custom portfolio allocation.

The Case for Incorporating Real Assets

Real assets can be a valuable allocation within a portfolio by providing inflation-hedging potential, diversification, additional income, and attractive absolute returns. Real assets tend to benefit when economic growth accelerates because demand increases, usually pressuring inflation higher, which is when real assets have historically performed the best.

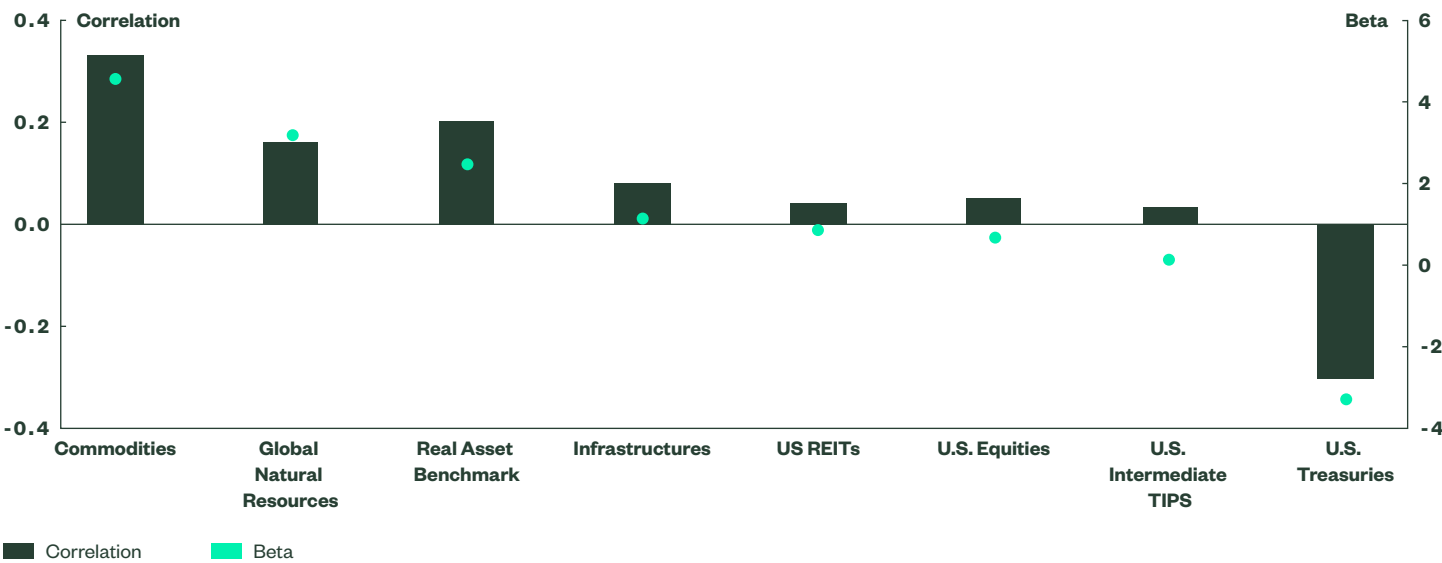
Commodities are considered to be a leading indicator of inflation because their prices respond quickly to economic changes in supply and demand. Historically, commodities have had a larger beta and stronger positive correlation to inflation relative to traditional equities and bonds as well as many other real asset classes.

In the **equity space**, companies that rely on the extraction of natural resources can benefit from rising commodity prices, translating to higher profits. Further, resource equities have historically demonstrated a sizable beta to inflation, which supports their return outlook during periods of rising demand and inflation.

Infrastructure companies and **REITs** are often able to pass increased costs on to consumers via price or rent increases due to the essential nature of their services and inelastic demand; some may have rate escalators in their contracts tied to inflation.

While rising inflation poses one of the biggest risks to nominal bonds by eroding the purchasing power of future cash flows, **inflation-linked bonds** have a unique structure where the principal is adjusted for changes in actual inflation.

Figure 2 Correlation and Beta



Source: FactSet, as of 12/31/2024.

Diversification, Income, Returns

In addition to their inflation-hedging attributes, real assets can be a valuable allocation within a portfolio by providing diversification, additional income, and attractive absolute returns.

Diversification Real assets have historically demonstrated only a modest correlation with nominal bonds, as well as with each other (see Figure 3).

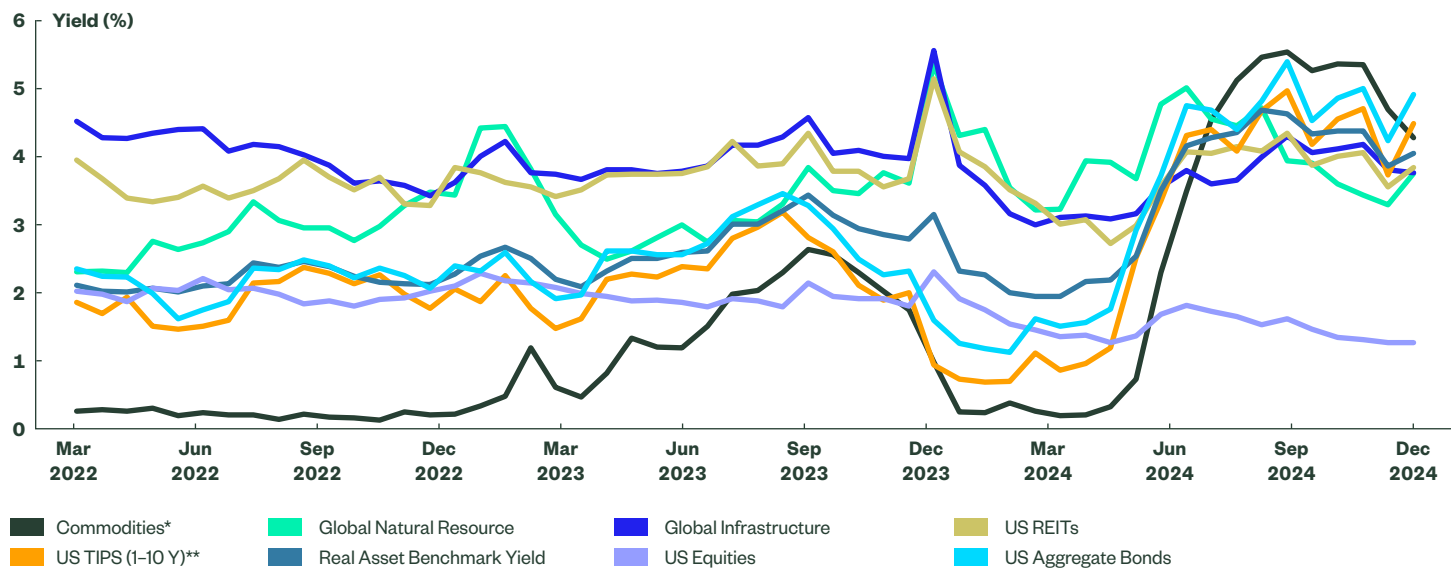
Assets included in the Real Asset Strategy possess unique inflation-hedging characteristics. Over the last 20 years, no single asset class has beaten inflation over every period, but a diversified allocation to a broad array of real assets has historically provided a meaningful measure of inflation protection while mitigating some of the more extreme performance fluctuations of the more volatile asset classes, such as commodities and natural resources stocks.

Figure 3 Real Asset Correlations

03/31/2005 to 06/30/2023	SSGA Real Assets	Commodities	Global Natural Resources	US REITs	Global Infrastructure	US TIPS	US LC Equities	US Agg Bonds
SSGA Real Assets	1.00							
Commodities	0.82	1.00						
Global Natural Resources	0.89	0.82	1.00					
US REITs	0.75	0.35	0.48	1.00				
Global Infrastructure	0.86	0.60	0.79	0.72	1.00			
US TIPS	0.49	0.41	0.37	0.38	0.46	1.00		
US LC Equities	0.78	0.49	0.70	0.74	0.81	0.34	1.00	
US Agg Bonds	0.23	0.03	0.12	0.35	0.35	0.70	0.24	1.00

Source: FactSet, as of 12/31/2024.

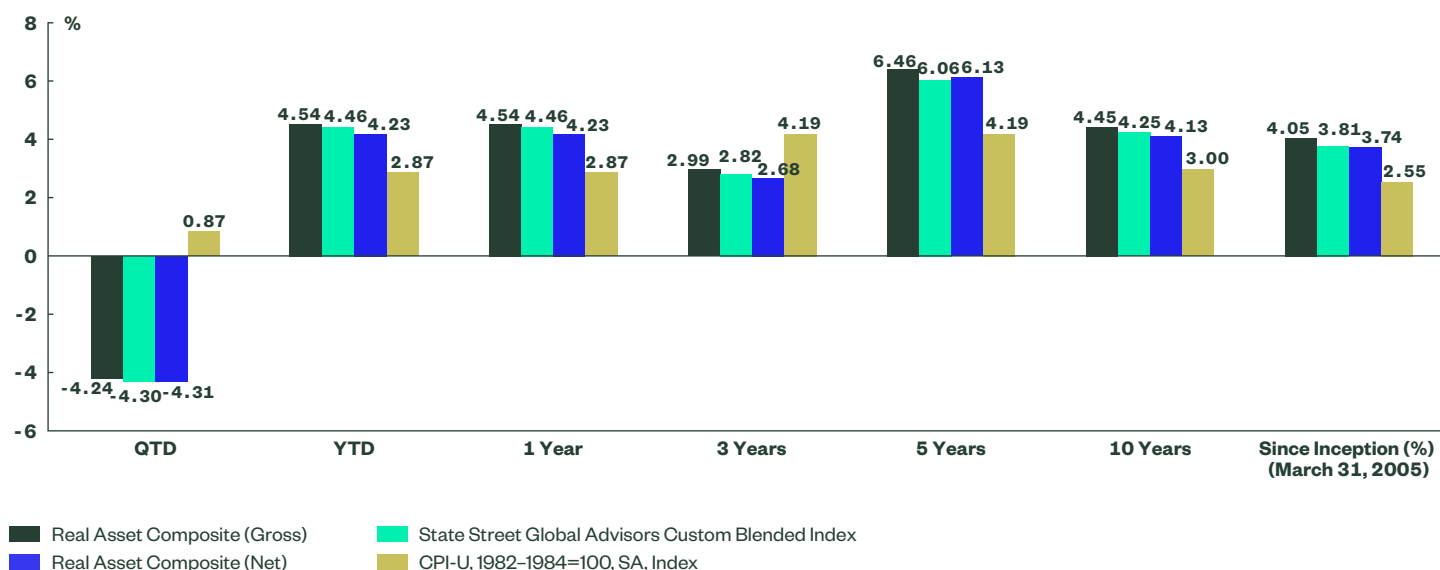
Figure 4 Historical Yields of Real Asset Components and Benchmarks



Source: State Street Global Advisors, FactSet and Barclays, as of 12/31/2024.

Potentially Attractive Returns In an environment of low to moderate expected returns for traditional stocks and bonds, investing in real assets can potentially provide an additional source of total portfolio returns.

Figure 5 **Annualized Performance (%)** in USD as of December 31, 2024



Source: State Street Global Advisors, FactSet as of 12/31/2024.

Performance returns for periods of less than one year are not annualized. Returns represent past performance and are not a guarantee of future results. Current performance may differ from the performance shown.

Composite Disclosure:

Returns shown are asset-weighted using Composite member market values, where the Composite member's return calculations are time-weighted and reflect the reinvestment of dividends and other income. These performance figures are provided gross of fees and expenses other than actual trading fees and expenses, and reflect all items of income, gain, and loss.

These performance figures (i) are provided net of actual trading, audit, custody, administrative and legal fees and expenses; (ii) beginning on 09/30/2014, adjusted quarterly to reflect the highest investment management fee on the actual fee schedule, inclusive of incentive fee, if any, of any account within the Composite ("Management Fee") at the relevant time; prior to 09/30/2014, adjusted for an assumed investment management fee, which is equal to or higher than the Management Fee (except in each case certain small accounts-subject to a minimum investment management fee-may have incurred an actual investment management fee higher than that fee assumed in calculating the performance shown above); and (iii) reflect all items of income, gain and loss.

The performance shown is of a composite consisting of all discretionary accounts using this investment strategy. The above information is considered supplemental to the GIPS presentation for this Composite, which is available upon request. The performance figures contained herein are provided on a gross and net of fees basis. Gross of fees do not reflect and net of fees do reflect the deduction of advisory or other fees which could reduce the return. Some members of this composite may accrue administration fees. The performance includes the reinvestment of dividends and other corporate earnings and is calculated in US dollars.

Index Disclosure:

Index returns are unmanaged and do not reflect the deduction of any fees or expenses. Index returns reflect all items of income and the reinvestment of dividends (net of withholding tax rates) and other income and are calculated in US dollars. It is not possible to invest directly in an index.

Performance returns are calculated and displayed above in US dollars. Calculation for value added returns may show rounding.

Market data, prices, and dividend estimates for characteristics calculations provided by FactSet Research Systems, Inc. All other portfolio data provided by SSGA. Sector reporting based on the Global Industry Classification Standard ("GICS") which was developed by and is the exclusive property and a service mark of MSCI Inc. ("MSCI") and Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ("S&P") and is licensed for use by State Street. Effective August 31, 2016, S&P Dow Jones Indices and MSCI reclassified and elevated stock-exchange listed real estate companies (including listed equity REITs) from under the Financials Sector to a new 11th headline Real Estate Sector in GICS. Fixed income asset class and country reporting based on Bloomberg Barclays indices which are trademarks of Bloomberg Barclays Inc. and have been licensed for use by State Street. Bloomberg Barclays or its affiliates ("Bloomberg Barclays") shall not be liable for any inaccuracies or errors with respect to any data or Index referenced herein, nor does Bloomberg Barclays sponsor, endorse or promote the Fund. SSGA generally delegates commodities management for separately managed accounts to SSGA FM, a wholly owned subsidiary of State Street and an affiliate of SSGA. SSGA FM is registered as a commodity trading advisor ("CTA") with the Commodity Futures Trading Commission and National Futures Association.

State Street regards the Profiles in their distributed form to be complete documents that include material information regarding the Strategy for investment consideration. You are not authorized to make any material modifications to this information without our express consent, and we assume no liability in connection with these Materials or with regard to any modifications to or misuse of the information contained therein.

Figure 6 **Portfolio Characteristics & Performance**

	Standard Deviation Composite	Sharpe Ratio
1 Year	8.00	-0.12
3 Year	12.48	-0.09
5 Year	13.46	0.29
7 Year	12.17	0.25
10 Year	11.15	0.24
Since Inception (04/01/2005)	13.73	0.18

Source: State Street Global Advisors as of 12/31/2024. Past performance is not a reliable indicator of future performance. Characteristics are as of the date indicated, are subject to change, and should not be relied upon as current thereafter. The Sharpe Ratio information shown is that of a single representative account within the Composite, which is subject to change. The representative account was chosen because it has no material restrictions and fairly represents the investment style of the Strategy. This information should not be deemed to be reflective of (and could differ from) the overall Composite or any other single account within the Composite.

About State Street Global Advisors

For over four decades, State Street Global Advisors has served the world’s governments, institutions, and financial advisors. With a rigorous, risk-aware approach built on research, analysis, and market-tested experience, and as pioneers in index and ETF investing, we are always inventing new ways to invest. As a result, we have become the world’s fourth-largest asset manager* with US \$4.72 trillion† under our care.

* Pensions & Investments Research Center, as of December 31, 2023.
† This figure is presented as of December 31, 2024 and includes ETF AUM of \$1,577.74 billion USD of which approximately \$82.19 billion USD in gold assets with respect to SPDR products for which State Street Global Advisors Funds Distributors, LLC (SSGA FD) acts solely as the marketing agent. SSGA FD and State Street Global Advisors are affiliated. Please note all AUM is unaudited.

About the Investment Solutions Group

We have over 30 years’ experience helping to develop, design, and review portfolios. We began managing US Asset Allocation accounts (US stocks, bonds, and cash) for our clients in 1982, Global Asset Allocation (GAA) accounts in 1989, and tactical accounts in the late 1980s and strategic passive balanced strategies since the early 1990s and target date portfolios specifically in 1995. ISG’s portfolio management process is the result of many years of experience and ongoing research. With over 135 investment professionals across eight global investment centers, our Investment Solutions Group collaborates with investors to create intelligent, forward-thinking, multi-asset-class solutions tailored to their unique investment objectives. As of December 31, 2024, the Investment Solutions Group had \$439.62 billion in assets under management and assets under advisory consulting.

ssga.com

Marketing communication.

State Street Global Advisors Worldwide Entities

Important Risk Disclosures

Investing involves risk including the risk of loss of principal.

The whole or any part of this work may not be reproduced, copied or transmitted or any of its contents disclosed to third parties without SSGA’s express written consent.

Diversification does not ensure a profit or guarantee against loss.

There are risks associated with investing in Real Assets and the Real Assets sector, including real estate, precious metals and natural resources. Investments can be significantly affected by events relating to these industries. The views expressed in this material are the views of State Street Global Advisors Investment Solutions Group through the period ended 06/30/2024 and are subject to change based on market and other conditions. This document contains certain statements that may be deemed forward-looking statements. Please note that any such statements are not guarantees of any future performance and actual results or developments may differ materially from those projected.

Investing in commodities entail significant risk and is not appropriate for all investors. Commodities investing entail significant risk as commodity prices can be extremely volatile due to wide range of factors. A few such factors include overall market movements, real or perceived inflationary trends, commodity index volatility, international, economic and political changes, change in interest and currency exchange rates.

Investing in REITs involves certain distinct risks in addition to those risks associated with investing in the real estate industry in general. Equity REITs may be affected by changes in the value of the underlying property owned by the REITs, while mortgage REITs may be affected by the quality of credit extended. REITs are subject to heavy cash flow dependency, default by borrowers and self-liquidation. REITs, especially mortgage REITs, are also subject to interest rate risk (i.e., as interest rates rise, the value of the REIT may decline).

The major risks associated with investing in the natural resources sector, including large price volatility due to non-diversification and concentration in natural resources companies.

The information provided does not constitute investment advice and it should not be relied on as such. It should not be considered a solicitation to buy or an offer to sell a security. It does not take into account any investor’s particular investment objectives, strategies, tax status or investment horizon. You should consult your tax and financial advisor. All information is from SSGA unless otherwise noted and has been obtained from sources believed to be reliable, but its accuracy is not

guaranteed. There is no representation or warranty as to the current accuracy, reliability or completeness of, nor liability for, decisions based on such information and it should not be relied on as such.

Equity securities may fluctuate in value and can decline significantly in response to the activities of individual companies and general market and economic conditions.

Bonds generally present less short-term risk and volatility than stocks, but contain interest rate risk (as interest rates raise, bond prices usually fall); issuer default risk; issuer credit risk; liquidity risk; and inflation risk. These effects are usually pronounced for longer-term securities. Any fixed income security sold or redeemed prior to maturity may be subject to a substantial gain or loss.

Investing in foreign domiciled securities may involve risk of capital loss from unfavorable fluctuation in currency values, withholding taxes, from differences in generally accepted accounting principles or from economic or political instability in other nations. Investments in emerging or developing markets may be more volatile and less liquid than investing in developed markets and may involve exposure to economic structures that are generally less diverse and mature and to political systems which have less stability than those of more developed countries.

This document provides summary information regarding the Strategy. This document should be read in conjunction with the Strategy’s Disclosure Document, which is available from SSGA.

The Strategy Disclosure Document contains important information about the Strategy, including a description of a number of risks.

For EMEA Investors:

The information contained in this communication is not a research recommendation or ‘investment research’ and is classified as a ‘Marketing Communication’ in accordance with the applicable regional regulation. This means that this marketing communication (a) has not been prepared in accordance with legal requirements designed to promote the independence of investment research (b) is not subject to any prohibition on dealing ahead of the dissemination of investment research.

Distributor: State Street Global Advisors Funds Distributors, LLC, member FINRA, SIPC, an indirect wholly owned subsidiary of State Street Corporation. References to State Street may include State Street Corporation and its affiliates.

© 2025 State Street Corporation.
All Rights Reserved.
ID2720550-3327526:10:1GBL.RTL 0325
Exp. Date: 31/03/2026