What are **Real Assets**?

Real assets are the structures, networks and raw materials that facilitate economic growth.

- They are physical assets and are priced based on their intrinsic value
- Real assets are known for their potential to outperform during inflationary periods, their distinct performance from stocks and bonds, and historically strong total returns

Four types of real assets

Category	Investments	Examples
Global Real Estate Securities	Companies that own and operate income-producing commercial real estate	• Apartments • Single family homes for rent • Regional malls • Shopping centers • Nursing homes • Warehouses • Self storage • Data centers • Cell towers • Hotels • Offices
Global Listed Infrastructure	Monopolistic, often regulated, businesses that provide essential services	• Electric, gas and water utilities • Railroads, airports, toll roads • Data centers, cell towers, satellites • Pipelines
Global Natural Resource Equities	Companies engaged in agribusiness, energy, mining and metals production	• Fertilizer producers, farm & construction equipment, grains processors • Oil & gas exploration, production and refining • Iron ore, gold mining • Steel and aluminum producers
Commodities	Energy, precious/industrial metals, agricultural and livestock futures	• Crude oil, natural gas • Gold, silver • Copper, zinc • Corn, wheat • Coffee, cotton • Cattle, hogs

Real estate

$2.6T market, 400+companies, 30 countries

Infrastructure

4.4T market, 350+ companies, 33 countries

Resource equities

$8.2T market, 200+ companies, 24 countries

Commodities

$2.8T market, 30+ global commodities across six sectors

At December 31, 2022. Source: Cohen & Steers.

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Why invest in **Real Assets**?

High sensitivity to inflation
Because real assets are physical assets, such as property or commodities, or infrastructure with contracted rates that include price escalators, their values tend to rise with inflation, providing an inflation hedge

Diversification benefits
Listed real assets have little overlap with the broad stock market. Since real asset returns may zig when stocks and bonds zag, an allocation can potentially reduce portfolio volatility

Better risk-adjusted return
Historically, a diversified blend of real assets has delivered attractive full-cycle returns without sacrificing growth potential

Approaching real assets as an asset class

Low ○ ◔ ◑ ◕ ● High

	Inflation sensitivity	Diversification potential	Expected return	Potential portfolio benefits
Global Real Estate Securities	◔	◔	●	• Total return • Income
Global Listed Infrastructure	◔	◑	◕	• Total return • Stable cash flows
Global Natural Resource Equities	◕	◔	◑	• Total return • Inflation sensitivity
Commodities	●	●	◔	• Low equity correlation • Inflation sensitivity
Real assets blend	◕	◕	◕	

At December 31, 2022. Based on Cohen & Steers analysis and expectations.

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A compelling risk/return profile

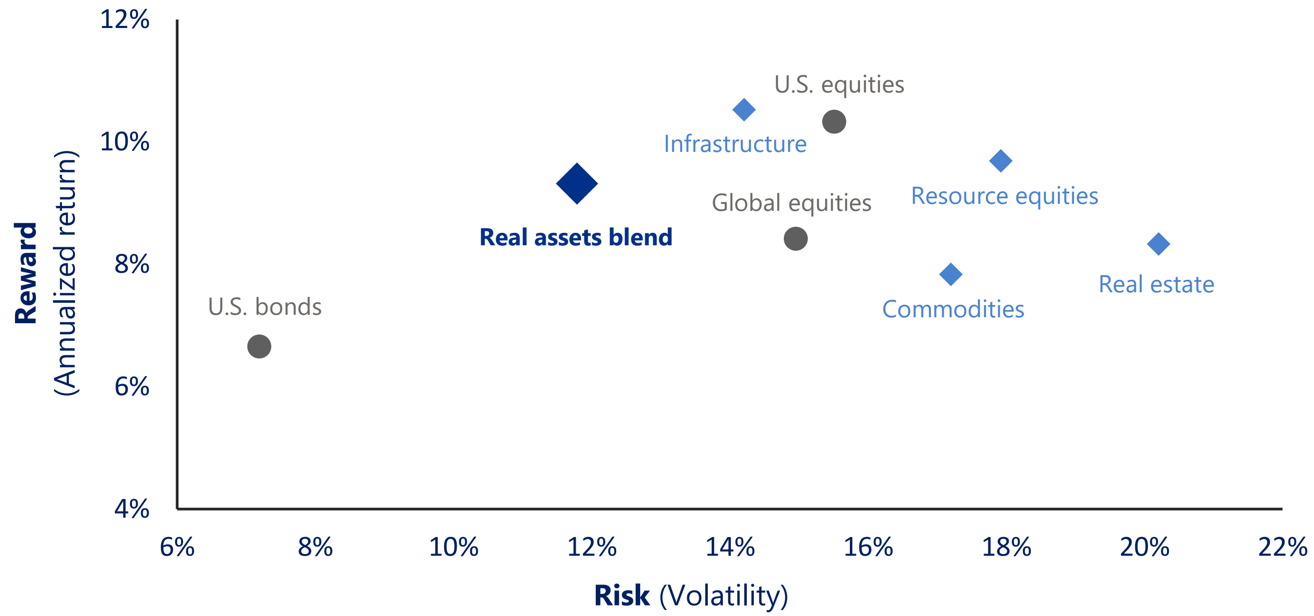
Real assets have historically generated strong returns over full market cycles, with all but commodities delivering performance in line with or better than global stocks.

An illustrative real assets blend has exhibited favorable risk-adjusted returns—with less volatility than individual real asset classes.

During periods when both equity and fixed income markets simultaneously underperform—historically not an infrequent occurrence—real assets have shown great resilience, outperforming bonds and equities.

A real assets blend has exhibited favorable risk-adjusted returns

1991–2022



	U.S. Bonds	U.S. equities	Global equities	Real estate	Commodities	Natural resource equities	Global listed infrastructure	Real assets blend
Annualized return (%)	6.7	10.3	8.4	8.3	7.7	9.7	10.5	**9.2**
Volatility (%)	7.2	15.5	15.1	20.2	17.2	17.9	14.4	**11.9**
Sharpe ratio	0.32	0.43	0.32	0.28	0.26	0.36	0.46	**0.43**

At December 31, 2022. Source: Barclays, Bloomberg, Dow Jones, FTSE, S&P, Refinitiv Datastream, Cohen & Steers.
Past performance is no guarantee of future results. Return reflects compound annualized return. Risk reflects annualized standard deviation of monthly returns. Standard deviation, also known as historical volatility, measures the dispersion of a set of data from its mean and is used by investors to gauge the amount of expected volatility. Sharpe ratio is a measure of risk-adjusted return, calculated by subtracting the risk-free rate from a return and dividing that result by the standard deviation. The higher the Sharpe ratio, the higher the risk-adjusted return. The information presented above does not reflect the performance of any fund or other account managed or serviced by Cohen & Steers, and there is no guarantee that investors will experience the type of performance reflected above. See end notes for index associations, definitions and additional disclosures.

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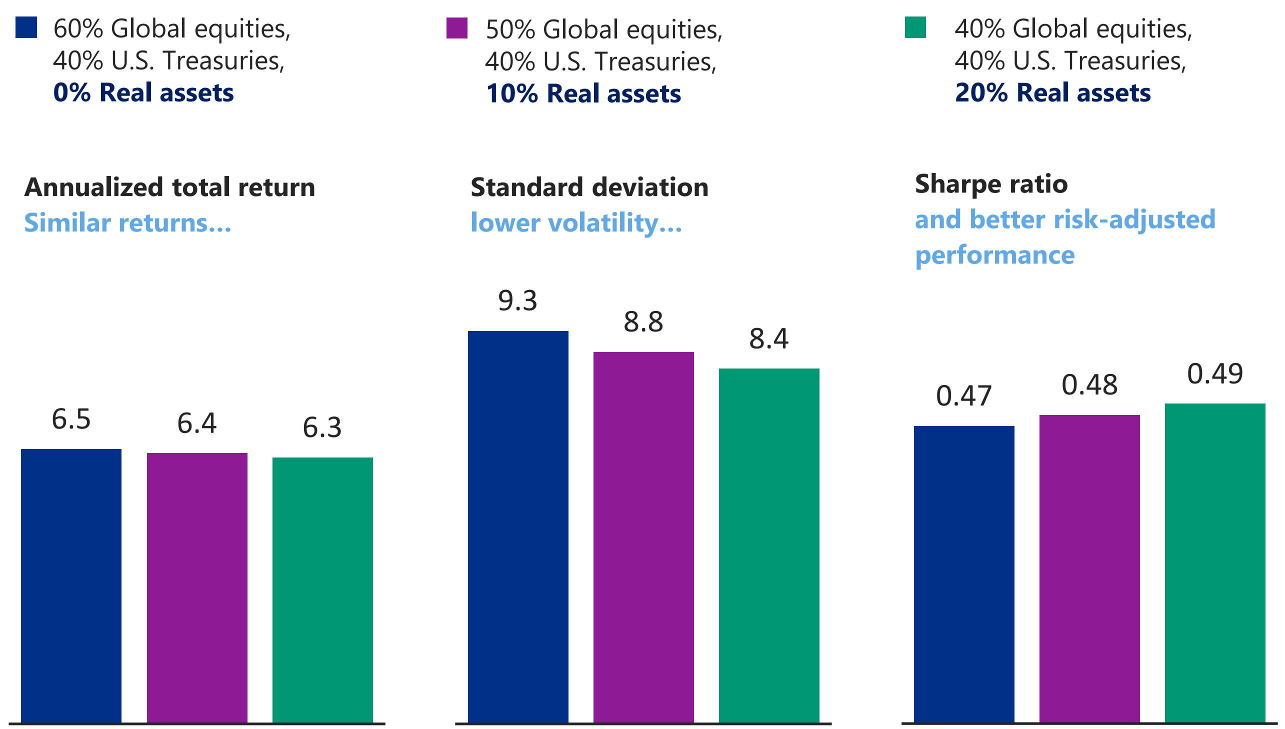
Potential portfolio benefits

Given their attractive investment features, adding a diversified blend of real assets to a portfolio can improve potential outcomes.

Historical analysis shows that including a real assets allocation in a traditional 60/40 stock/bond portfolio may meaningfully reduced volatility without sacrificing returns—resulting in improved risk-adjusted performance.

Real assets' positive impact on a hypothetical stock/bond portfolio

1991–2022



At December 31, 2022. Source: Barclays, Bloomberg, Dow Jones, FTSE, S&P, Refinitiv Datastream and Cohen & Steers.
Past performance is no guarantee of future results. The information presented above does not reflect the performance of any fund or other account managed or serviced by Cohen & Steers, and there is no guarantee that investors will experience the type of performance reflected above. An investor cannot invest directly in an index and index performance does not reflect the deduction of any fees, expenses or taxes. Index comparisons have limitations as volatility and other characteristics may differ from a particular investment. Return reflects compound annualized return. Volatility (risk) reflects annualized standard deviation of monthly returns. Sharpe ratio is a measure of risk-adjusted return, calculated by subtracting the risk-free rate from a return and dividing that result by the standard deviation. The higher the Sharpe ratio, the higher the risk-adjusted return. There is no guarantee that any historical trend illustrated above will be repeated in the future, and there is no way to predict precisely when such a trend will begin. Stocks represented by MSCI World Index. Bonds represented by ICE BofA U.S. 7-10 Year Treasury Index. Real assets blend comprised of 27.5% global real estate securities, 27.5% commodities, 15% natural resource equities, 15% global listed infrastructure, 10% short duration fixed income and 5% gold. **The real assets blend is not representative of an actual portfolio and is for illustrative purposes only.** See end notes for index definitions and additional disclosures.

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Index definitions and important disclosures

An investor cannot invest directly in an index and index performance does not reflect the deduction of any fees, expenses or taxes. Index comparisons have limitations as volatility and other characteristics may differ from a particular investment.

Real assets blend: 27.5% real estate, 27.5% commodities, 15% infrastructure, 15% resource equities, 10% short-duration fixed income and 5% gold. **Real estate:** Datastream Developed Real Estate Index through 2/28/05; FTSE EPRA/Nareit Developed Index thereafter. The Datastream Developed Real Estate Index encompasses listed real estate companies in developed markets and is compiled by Refinitiv Datastream. The FTSE EPRA Nareit Developed Index is an unmanaged market-weighted total return index consisting of many companies from developed markets that derive more than half of their revenue from property-related activities. **Commodities:** S&P GSCI Index through 7/31/98; the Bloomberg Commodity Total Return Index thereafter. The S&P GSCI Index is a composite index of commodity sector returns representing an unleveraged, long-only investment in commodity futures that is broadly diversified across the spectrum of commodities. The Bloomberg Commodity Total Return Index, formerly known as the Dow Jones-UBS Commodity Index, is a broadly diversified index that tracks the commodity markets through exchange-traded futures on physical commodities, which are weighted to account for economic significance and market liquidity. **Infrastructure:** 50/30/20 blend of Datastream World Gas, Water & Multi-Utilities, Datastream World Pipelines and Datastream World Railroads through 7/31/08; Dow Jones Brookfield Global Infrastructure Index thereafter. The Datastream World Index Series encompasses global indexes of companies in their respective sectors (World Gas, Water & Multi-Utilities; Materials; Oil & Gas; and Pipelines) and is compiled by Refinitiv Datastream. The Dow Jones Brookfield Global Infrastructure Index is a float-adjusted, market-capitalization-weighted index that measures the performance of globally domiciled companies that derive more than 70% of their cash flows from infrastructure lines of business. **Resource equities:** 50/50 Blend of Datastream World Oil & Gas and Datastream World Basic Materials through 5/31/08; S&P Global Natural Resources Index thereafter. The Datastream World Index Series encompasses global indexes of companies in their respective sectors (Datastream World Oil & Gas and Datastream World Basic Materials) and is compiled by Refinitiv Datastream. The S&P Global Natural Resources Index includes 90 of the largest publicly traded companies in natural resources and commodities businesses that meet specific investability requirements, offering investors a diversified, liquid and investable equity exposure across three primary commodity-related sectors: Agribusiness, Energy and Metals & Mining. **Short-duration fixed income:** The ICE BofA 1–3 Year U.S. Corporate Index tracks the performance of USD-denominated investment-grade corporate debt publicly issued in the U.S. domestic market with a remaining term to maturity of less than 3 years. **Gold:** Gold spot price in USD per Troy ounce. **Global equities:** MSCI World Index, a market-capitalization-weighted index consisting of a wide selection of stocks traded in 24 developed markets. **U.S. Equities:** The S&P 500 Index is an unmanaged index of 500 large-capitalization stocks that is frequently used as a general measure of U.S. stock market performance. **U.S. Treasury bonds:** The ICE BofA U.S. Treasury 7-10 Year Bond Index measures the performance of public obligations of the U.S. Treasury that have a remaining maturity of greater than 7 years and less than or equal to 10 years.

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Real assets risks: A real assets strategy is subject to the risk that its asset allocations may not achieve the desired risk/return characteristic, may underperform other similar investment strategies, or may cause an investor to lose money. The risks of investing in REITs are similar to those associated with direct investments in real estate securities. Property values may fall due to increasing vacancies, declining rents resulting from economic, legal, tax, political or technological developments, lack of liquidity, limited diversification and sensitivity to certain economic factors such as interest rate changes and market recessions. The market value of securities of natural resource companies may be affected by numerous factors, including events occurring in nature, inflationary pressures and international politics. Global infrastructure securities may be subject to regulation by various governmental authorities, such as rates charged to customers, operational or other mishaps, tariffs and changes in tax laws, regulatory policies and accounting standards. Foreign securities involve special risks, including currency fluctuation and lower liquidity. An investment in commodity-linked derivative instruments may be subject to greater volatility than investments in traditional securities, particularly if the instruments involve leverage. The value of commodity-linked derivative instruments may be affected by changes in overall market movements, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity, such as drought, floods, weather, livestock disease, embargoes, tariffs and international economic, political and regulatory developments. The use of derivatives presents risks different from, and possibly greater than, the risks associated with investing directly in traditional securities. Among the risks presented are market risk, credit risk, counterparty risk, leverage risk and liquidity risk. The use of derivatives can lead to losses because of adverse movements in the price or value of the underlying asset, index or rate, which may be magnified by certain features of the derivatives. No representation or warranty is made as to the efficacy of any particular strategy or fund or the actual returns that may be achieved. Futures trading is volatile and highly leveraged and may be illiquid. Investments in commodity futures contracts and options on commodity futures contracts have a high degree of price variability and are subject to rapid and substantial price changes. Such investments could incur significant losses. There can be no assurance that the options strategy will be successful. The use of options on commodity futures contracts is to enhance risk-adjusted total returns. However, the use of options may not provide any, or may provide only partial, protection from market declines. The return performance of the commodity futures contracts may not parallel the performance of the commodities or indexes that serve as the basis for the options they buy or sell; this basis risk may reduce overall returns.

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