

Seeking steady income or inflation protection? Private real assets may have a place in your portfolio

Here are a few key considerations.

Private real assets involve investing in physical assets such as real estate, infrastructure, and agriculture. These assets can provide steady income, help protect against inflation, and offer returns that aren't tied to stock market ups and downs.

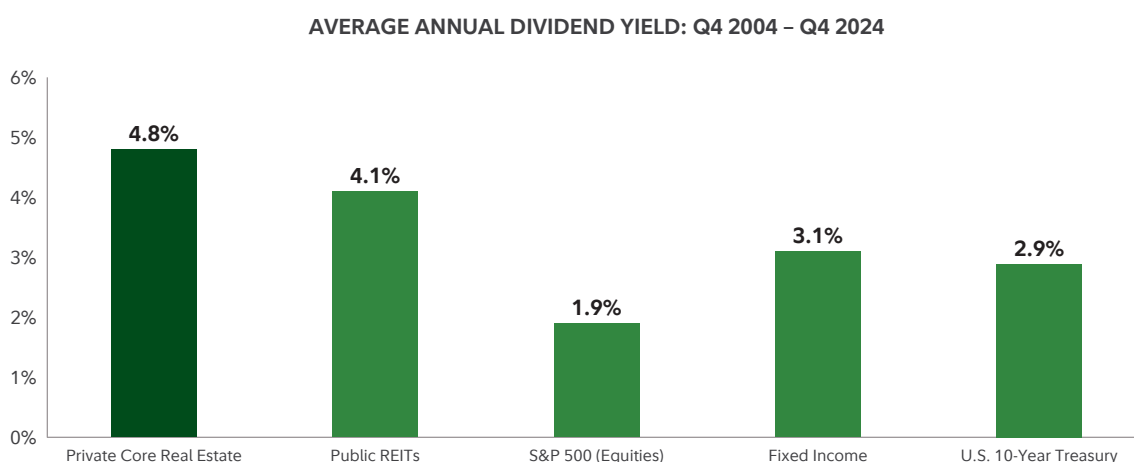
Adding real assets to your portfolio may:

- Generate reliable income from rents, tolls, or utility contracts
- Offer protection from inflation by investing in tangible, essential assets
- Help reduce your exposure to traditional market volatility

Private real estate historically delivers higher income

If you're looking for steady income, especially in retirement or during inflationary times, private real estate may offer a higher and more consistent income stream than traditional stocks or bonds. It's one reason many long-term investors include real assets like private real estate in their portfolios.

This chart compares the average income private core real estate delivered year over 20 years relative to public investments like public REITs and the S&P 500.



Past performance is no guarantee of future results. All indices are unmanaged. Investing directly in an index is not possible.

* Dividend yield is defined as the % of the market value that's distributed annually as dividends.

Historical yield data is based on various indices, as noted; not meant to represent the performance of any real estate investment product. Sources: Private Real Estate: National Council of Real Estate Investment Fiduciaries ODCE-NFI Index (NCREIF), Public REITs: FTSE NAREIT All Equity REIT Index, Equities: S&P 500 SPX Index, Fixed Income: Bloomberg U.S. Aggregate Bond Index, 10 Year UST: NYSE 10 Year Treasury Total Return Index. See "Definitions and Important Information" for important information regarding the indexes referenced herein.

Examples of private real assets:

- **Real estate:** Invest in apartments, offices, or warehouses and earn income through rent.
- **Infrastructure:** Help fund toll roads, power plants, or water systems—often with long-term, inflation-linked contracts.
- **Natural resources:** Own land or rights to resources like timber, oil, or farmland.
- **Renewable energy:** Finance solar or wind farms and receive steady, contract-based income.
- **Commodities:** Gain exposure to raw materials like gold, oil, or agriculture that often rise during inflation.

Common questions about private real assets

Why do I have to lock up my money for so long?

Private real assets may require several years to mature—especially for projects like real estate development or energy infrastructure. This timeline allows the investment to deliver steady income and potential growth.

What types of accounts are best for these investments?

Many private real assets are best held in tax-advantaged or long-term accounts. Talk with your advisor about where they might fit best for you.

How are private real asset investments taxed, and will I get a 1099 like I do with my other investments?

Most private real asset investments—like private real estate or infrastructure funds—are structured as limited partnerships, which means they don't issue the typical 1099 tax form. Instead, you'll likely receive a Schedule K-1, which is more detailed and shows your share of the investment's income, deductions, and gains. K-1s usually arrive later than 1099s, sometimes after the April tax deadline—so you might need to file for an extension.



NFI-ODCE Index (NCREIF), short for NCREIF Fund Index Open End Diversified Core Equity, is an index of investment returns reporting on both a historical and current basis the results of 38 open end commingled private real estate funds pursuing a core investment strategy, some of which have performance histories dating back to the 1970s.

The **FTSE NAREIT All Equity REITs Index** is a free-float adjusted, market capitalization-weighted index of U.S. equity REITs. Constituents of the index include all tax-qualified REITs with more than 50% of total assets in qualifying real estate assets other than mortgages secured by real property.

The S&P 500 Index (SPX) is a market-capitalization-weighted index of 500 of the largest publicly traded companies in the U.S., reflecting the overall performance of the U.S. stock market.

The Bloomberg US Aggregate Bond Index is a broad-based, market capitalization-weighted benchmark representing the US investment-grade, fixed-rate taxable bond market.

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Alternative investments are investment products other than the traditional investments of stocks, bond, mutual funds, or ETFs. Examples of alternative investments are limited partnerships, limited liability companies, hedge funds, private equity, private debt, commodities, real estate, and promissory notes. Some of the risks associated with alternative investments are: Alternative investments may be relatively illiquid. It may be difficult to determine the current market value of the asset. There may be limited historical risk and return data. A high degree of investment analysis may be required before buying. Costs of purchase and sale may be relatively high.

Stock markets are volatile and can fluctuate significantly in response to company, industry, political, regulatory, market, or economic developments. Foreign markets can be more volatile than U.S. markets due to increased risks of adverse issuer, political, market, or economic developments, all of which are magnified in emerging markets. These risks are particularly significant for investments that focus on a single country or region.

In general the bond market is volatile, and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk and credit and default risks for both issuers and counterparties. Lower-quality bonds can be more volatile and have greater risk of default than higher-quality bonds. Foreign securities are subject to interest rate, currency exchange rate, economic, and political risks, all of which are magnified in emerging markets.

Investing involves risk, including risk of loss.

Past performance and dividend rates are historical and do not guarantee future results.

Diversification and asset allocation do not ensure a profit or guarantee against loss.

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