

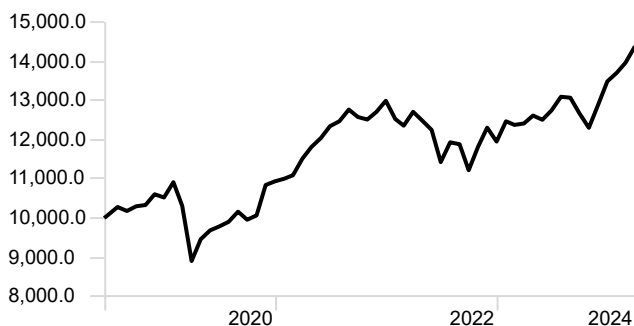
Cornerstone Growth Managed Portfolio – Core Model



The portfolio returned 6.62%[^] in the March quarter. Our global equities exposure and the direct Australian equity portfolio delivered positive absolute returns over the period, however benchmark-relative performance was slightly negative. Both the Russell Investments Australian Bond Fund and the Russell Investments International Bond Fund – \$A Hedged modestly outperformed their respective benchmarks. Meanwhile, Australian private credit manager Metrics Credit and the Russell Investments Australian Floating Rate Fund performed relatively well.

Growth of \$10,000

Time Period: 17/06/2019 to 31/03/2024



Performance Review

As of Date: 31/03/2024

	Return
1 Month	2.99
3 Months	6.62
1 Year	15.86
2 Years	6.37
3 Years	7.69
YTD	6.62
Since Inception	7.88

Inception date: 17/06/2019

[^]This performance is net of management fees for both the Managed Portfolio and the underlying managers' fees and costs. It does not take into account any third party platform fees charged to individual investors or transaction costs (including buy/sell spreads and brokerage fees). It assumes income is reinvested without any tax deduction. It is for RIML's preferred model portfolio of holdings. A holding in the preferred model portfolio may be restricted or replaced with another similar asset in the Managed Portfolio on different platforms if the preferred holding is not available. Different platforms may also charge different management fees for the Managed Portfolio. This can result in variances in performance of the Managed Portfolio between platforms. An individual investor's performance will differ, according to the investor's actual exposures to Managed Portfolio holdings and other factors (including transaction timing, transaction costs, actual underlying manager fees and costs and whether income is paid in cash). Platforms will have their own methodology for calculating performance, at both a platform level and an individual investor level. Past performance is not a reliable indicator of future performance.

Please contact your platform or adviser for details of your performance or current holdings in the Managed Portfolio.

Portfolio objective

To provide capital growth over the long term consistent with a portfolio focusing on growth assets, while accepting fluctuations in capital values in the short term.

Portfolio strategy

The Portfolio typically invests in a diversified investment mix with exposure to growth investments of around 90% and defensive investments of around 10% over the long term, however the allocations will be actively managed within the allowable ranges depending on market conditions.

Main market highlights

Global share markets made strong gains in the March quarter. Stocks continued to be influenced in large part by the outlook for global interest rates. In the US, Federal Reserve (Fed) chairman Jerome Powell acknowledged that it would be appropriate to start lowering interest rates sometime this year; though he wouldn't be drawn on specific timing. He did add, however, that a March rate cut was unlikely as the Bank had yet to reach a point where it was confident that inflation was coming down sustainably toward its 2.0% target. He also reiterated that the Fed sees three interest rate cuts this year. At the time, the market was betting the Fed would cut rates six times in 2024; the first of which was pencilled in for March. Powell went on to say that whilst the Fed believes interest rates have peaked for this tightening cycle, policymakers remain wary of cutting rates too quickly as doing so could potentially cause inflation to reaccelerate. We saw a similar theme in the UK and Europe, while the Bank of Japan raised interest rates for the first time in 17 years in March. Australian shares performed well; though much of the gains came toward the end of the period after the Reserve Bank of Australia adopted a slightly less hawkish stance on interest rates.

Global bonds were slightly weaker for the quarter, while Australian bonds recorded modest gains.

Main portfolio highlights

The direct Australian equity portfolio narrowly underperformed its benchmark, driven in part by a modest overweight to the materials space. This included overweights to iron ore majors BHP Group and Fortescue; both of which fell sharply on the back of weaker iron ore prices. Stock selection within the consumer staples sector also weighed on returns, including an overweight to Woolworths. Woolworths fell following the release of its financial results and the resignation of managing director and group CEO, Brad Banducci. In contrast, stock selection amongst real estate stocks added value over the period; notably an overweight to industrial property giant Goodman Group. Goodman Group rallied on a combination of solid financial results and a strong data centre pipeline.

In terms of global equity managers, Japan equity specialist Nissay Asset Management underperformed its benchmark, driven in part by overweights to Nippon Shinyaku and Misumi Group. Emerging markets specialist Redwheel (formerly RWC Partners) also underperformed. In contrast, growth manager Wellington and quantitative manager Numeric performed well over the period. In March, we removed UK equity specialist J O Hambro from the Russell Investments Global Opportunities Fund following the announcement that highly rated portfolio manager, Alex Savvides, will leave the company. J O Hambro was replaced by Joh. Berenberg, Gossler & Co. KG (Berenberg) and Brandywine Global Investment Management, LLC (Brandywine). Berenberg deploys capital to European companies capturing growth acceleration, while Brandywine has a focus on low absolute and relative valuations in the US.

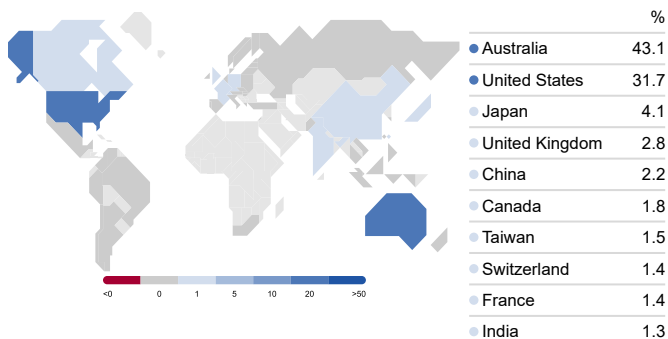
During the quarter, we rebalanced the direct Australian equity portfolio as part of the regular review cycle. We also modestly reduced the portfolio's allocations to Australian equities and global fixed income in favour of cash.

Overall, the managed portfolio is aligned with its long-term asset allocation as we wait patiently for opportunities.

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Country Exposure

Portfolio Date: 31/03/2024



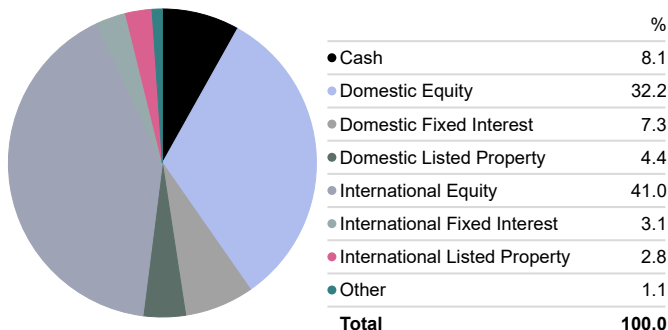
Dynamic positioning: Managing positions over the next 12-18 months

Looking ahead, we expect higher levels of volatility to continue, with active management to play an important role in navigating through it. We expect to increase growth asset exposure on major market reversals and decrease growth asset exposure on market rallies. This is a very important time to remain flexible as there are competing forces related to inflation and growth.

We retain the same themes as recent months, i.e. a preference for less expensive equity markets versus US equities and peer-relative overweights to global small caps and the value factor.

Asset Allocation

Portfolio Date: 31/03/2024



Long-term investing: Positioning for 5 years and beyond

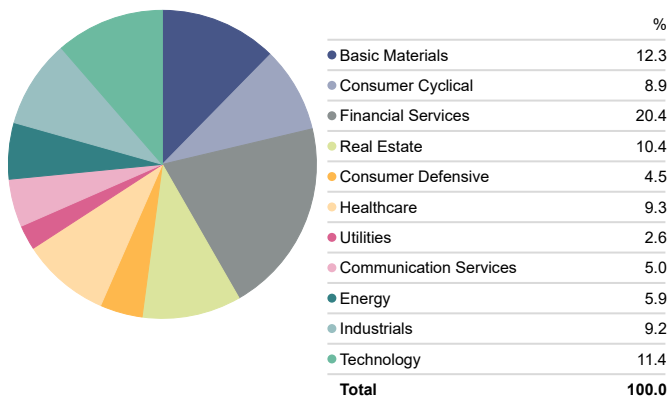
The portfolio has a long-term asset allocation of 90% to return generating assets (including high yield debt and other extended fixed income). Growth asset valuations have increased year to date but are below pre-pandemic levels. Long-term, forward-looking return expectations for US shares and high-yield debt have moderated. The economic outlook creates uncertainty in the near term, however in the long term, growth assets are still preferred due to superior returns relative to defensive assets.

Defensive assets such as fixed income and cash have an allocation of 10% in the portfolio. A tilt toward credit further enhances the long-term return potential, but also increases the risk of losses. Credit spreads have narrowed and are near their long-term averages. Government bonds are cheap across some markets and are now offering much higher yields than at the beginning of 2022.

Strategically, the portfolio has positions in cheaper and higher momentum securities as per our researched beliefs.

Sector Allocation

Portfolio Date: 31/03/2024



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Detailed Asset Allocation

Portfolio Date: 31/03/2024

	Portfolio Weighting %
Russell Inv Multi-Asset Growth StratPlus	23.82
Vanguard MSCI Intl (Hdg) ETF	8.07
Vanguard All-World ex-US Shares ETF	7.51
Vanguard US Total Market Shares ETF	6.62
Russell Global Opportunities A	4.93
Vanguard MSCI Australian Small Coms ETF	3.88
iShares Core Cash ETF	2.74
Vanguard Australian Property Secs ETF	2.46
Vanguard International Prpty Secs IdxHdg	2.42
Vanguard FTSE Emerging Markets Shrs ETF	2.33
Vanguard Global Infrastructure Index Hgd	2.31
Vanguard Global Value Equity Active ETF	2.29
Russell Inv Australian Government Bd ETF	2.29
iShares S&P Small-Cap ETF	1.64
BHP Group Ltd	2.90
Commonwealth Bank of Australia	2.41
CSL Ltd	1.61
National Australia Bank Ltd	1.38
Westpac Banking Corp	1.19
ANZ Group Holdings Ltd	1.07
Wesfarmers Ltd	1.05
Goodman Group	0.98
Macquarie Group Ltd	0.91
Telstra Group Ltd	0.82
Rio Tinto Ltd	0.82
Woolworths Group Ltd	0.73
Woodside Energy Group Ltd	0.70
Fortescue Ltd	0.70
Transurban Group	0.67
WiseTech Global Ltd	0.62
James Hardie Industries PLC	0.60
Aristocrat Leisure Ltd	0.54
Suncorp Group Ltd	0.45
Medibank Private Ltd	0.44
Bendigo and Adelaide Bank Ltd	0.42
Cleanaway Waste Management Ltd	0.41
Ampol Ltd	0.40
Seven Group Holdings Ltd	0.40
Origin Energy Ltd	0.39
Incitec Pivot Ltd	0.37
Santos Ltd	0.37
Fisher & Paykel Healthcare Corp Ltd	0.37
Newmont Corp Chess Depository Interest	0.34
Ansell Ltd	0.34

Allocations may not equal 100% due to rounding. In order to manage a fund/portfolio to its investment objectives, Russell Investments retains the discretion to change the underlying investments at any time, without notice to investors. Please refer to the relevant Product Disclosure Statement for more information.

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For more information please visit our website:

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