

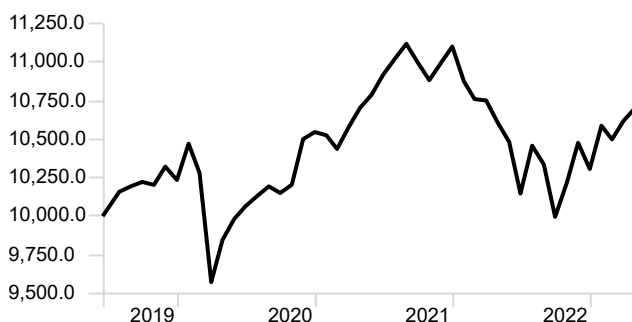
Cornerstone Conservative Managed Portfolio – Core Model



The portfolio returned 0.76%[^] in April. Positive absolute returns across equities and traditional fixed income assets added value over the period. Our exposure to extended fixed income assets was also positive for the month, including global floating rate loans. In contrast, the portfolio's exposure to small caps detracted from benchmark-relative performance in April.

Growth of \$10,000

Time Period: 17/06/2019 to 30/04/2023



Performance Review

As of Date: 30/04/2023

	Return
1 Month	0.76
3 Months	1.07
1 Year	0.86
2 Years	-0.01
3 Years	2.82
YTD	3.83
Since Inception	1.77

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 returns over the short to medium term, with low volatility, consistent with a diversified mix of predominantly defensive assets and some growth oriented assets.

Portfolio strategy

The Portfolio typically invests in a diversified investment mix with exposure to growth investments of around 30% and defensive investments of around 70% 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 good gains over the period, benefiting from expectations the US Federal Reserve (Fed) may be nearing the end of its interest rate tightening cycle amid further evidence inflation is moderating, softer economic growth and renewed concerns over the country's banking system after First Republic Bank was seized by US regulators and ultimately sold to JPMorgan. Compounding this were the minutes from the Fed's March meeting, which showed several participants considered hitting the pause button in March until it was clear that the fallout from the collapse of Silicon Valley Bank and Signature Bank would be contained. Whilst the Fed ultimately raised interest rates by another 0.25% at its March meeting, the future path of US interest rates seems far from certain as the Bank seeks to balance high inflation with a potential 'credit crunch' stemming from recent bank failures. [Note: The Fed lifted interest rates a further 0.25% at its early May meeting, taking the benchmark fed funds rate to a target range of between 5.00% and 5.25%.] Australian shares also performed well after the Reserve Bank of Australia hit the pause button on interest rates early in the period. Stocks also benefited from strong gains across the 'Big Four' banks and a series of mostly encouraging economic data.

Global government bonds made only modest gains in April. Australian government bonds underperformed their global peers, albeit slightly.

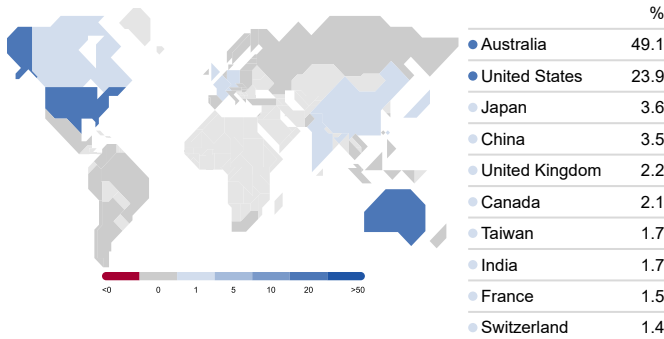
Main portfolio highlights

There were no material positional changes in April. Overall, the managed portfolio is aligned with its long-term asset allocation as we wait patiently for opportunities.

Cornerstone Conservative Managed Portfolio – Core Model

Country Exposure

Portfolio Date: 30/04/2023



Long-term investing: Positioning for 5 years and beyond

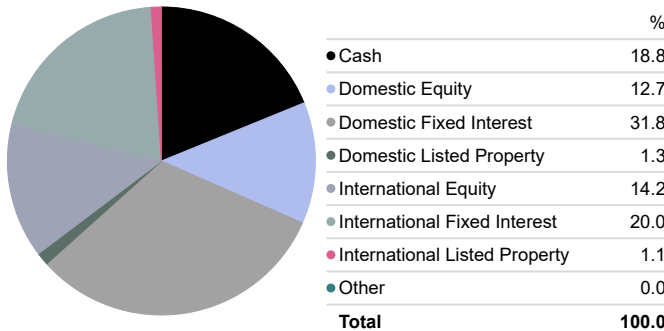
Defensive assets such as fixed income and cash have an allocation of 67% in the portfolio. A tilt toward credit further enhances the long-term return potential, but also increases the risk of losses. Credit spreads have widened, providing additional yield over Treasuries. Government bonds have recently begun to show signs of value across some markets and are now offering much higher yields than at the beginning of 2022.

The portfolio has a long-term asset allocation of 33% to return generating assets (including high yield debt and other extended fixed income). Growth asset valuations have decreased significantly year to date but are marginally higher than long-term averages in the US and similar to long-term averages across other developed markets, such as Australia. Long term forward looking return expectations for US shares and high-yield debt have improved during the year, but the economic outlook creates uncertainty in the near term. Given this, growth assets are still preferred due to superior returns relative to defensive assets over the medium term.

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

Asset Allocation

Portfolio Date: 30/04/2023



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

The direct Australian equity portfolio underperformed the benchmark; though it did record positive absolute returns for the month. Much of the portfolio's underperformance was driven by an overweight exposure and poor stock selection within the materials sector. This included an underweight to takeover target Newcrest Mining. An underweight to the information technology space also weighed on returns. In contrast, the portfolio benefited from overweights to the financials and healthcare sectors. A small overweight to property trusts also added value; notably an overweight to Mirvac Group.

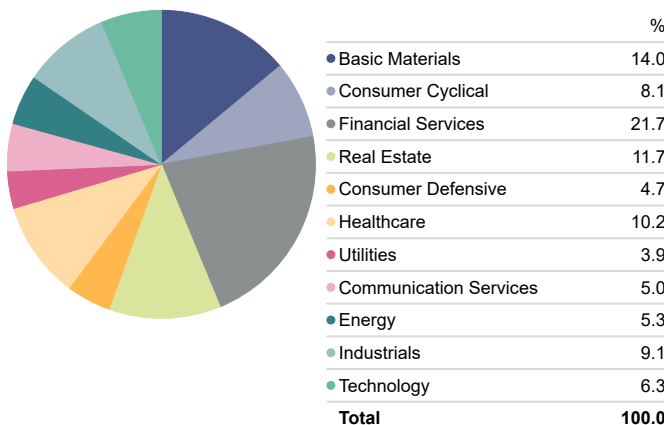
Within the fixed income portfolio, the Russell Investments Australian Bond Fund outperformed its benchmark. Metrics Credit also performed well, with Australian loans continuing to generate income-like returns. The Russell Investments International Bond Fund – \$A Hedged (RIBF) performed in line with its benchmark. Within RIBF, both duration and credit positioning had a relatively neutral impact on overall returns.

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 emerging markets over developed markets and overweights to both global small caps and floating rate credit.

Sector Allocation

Portfolio Date: 30/04/2023



Cornerstone Conservative Managed Portfolio – Core Model



Detailed Asset Allocation

Portfolio Date: 30/04/2023

	Portfolio Weighting %
Russell Inv Multi-Asset Income Strategy	34.70
iShares Core Cash ETF	13.59
Russell Inv Australian Government Bd ETF	10.73
Vanguard Global Aggregate Bd Hdg ETF	8.60
Vanguard Intl Credit Secs (Hdg) ETF	4.81
Vanguard All-World ex-US Shares ETF	3.88
Russell Inv Australian Select CorpBd ETF	3.57
Vanguard US Total Market Shares ETF	2.19
Russell Inv Australian Semi-Govt Bd ETF	2.03
iShares S&P Small-Cap ETF	1.02
iShares JP Morgan USD EmMkts Bd AUDH ETF	0.97
Vanguard FTSE Emerging Markets Shrs ETF	0.96
Vanguard Global Infrastructure Index Hgd	0.92
Vanguard International Prpty Secs IdxHdg	0.85
Vanguard Australian Property Secs ETF	0.54
BHP Group Ltd	1.08
Commonwealth Bank of Australia	0.82
CSL Ltd	0.73
National Australia Bank Ltd	0.46
Transurban Group	0.41
Westpac Banking Corp	0.40
ANZ Group Holdings Ltd	0.38
Macquarie Group Ltd	0.35
Woodside Energy Group Ltd	0.32
Wesfarmers Ltd	0.30
Woolworths Group Ltd	0.29
Rio Tinto Ltd	0.28
Telstra Group Ltd	0.27
Goodman Group	0.21
Fortescue Metals Group Ltd	0.20
Cochlear Ltd	0.19
Aristocrat Leisure Ltd	0.19
South32 Ltd	0.17
Suncorp Group Ltd	0.17
James Hardie Industries PLC	0.16
Santos Ltd	0.15
Carsales.com Ltd	0.15
Sonic Healthcare Ltd	0.15
Mineral Resources Ltd	0.14
Dexus	0.13
Mirvac Group	0.13
Computershare Ltd	0.13
Aurizon Holdings Ltd	0.12
Harvey Norman Holdings Ltd	0.12
Lynas Rare Earths Ltd	0.10

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:

russellinvestments.com.au/cornerstone or

contact your Invest Blue representative: 1300 346 837

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