

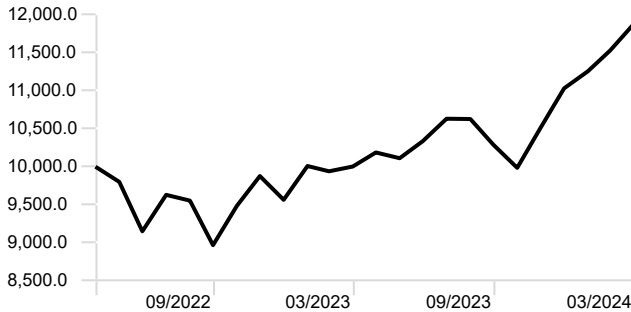
# Cornerstone Strategic Index Growth Managed Portfolio



The portfolio returned 7.68%<sup>^</sup> in the March quarter. Performance was mixed across the major asset classes.

## Growth of \$10,000

Time Period: 30/04/2022 to 31/03/2024



## Performance Review

As of Date: 31/03/2024

	Return
1 Month	3.04
3 Months	7.68
1 Year	18.70
2 Years	—
3 Years	—
YTD	7.68
Since Inception	9.35

Inception date: 30/04/2022

<sup>^</sup>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

The portfolio aims to provide capital growth over the long term, consistent with a portfolio focusing on growth-oriented assets, while accepting fluctuations in capital values in the short term. The portfolio aims to perform in line with the benchmark over the long term, after fees.

## Main portfolio highlights

Both our global equities exposure and the direct Australian equity portfolio delivered positive absolute returns for the quarter. Emerging markets underperformed their developed counterparts over the period; though absolute returns were strong. Our exposure to Australian listed property also added value, driven largely by strong gains from index heavyweight Goodman Group. The portfolio's Australian fixed income and credit holdings added further value, while our global listed property and global bond exposures weighed on overall returns.

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.

More broadly, 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, the Federal Reserve (Fed) maintained its benchmark fed funds rate at a target range of between 5.25% and 5.50% throughout the period. Speaking after the Bank's January gathering, 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 just 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 play out in the UK and Europe. Meanwhile, the Bank of Japan raised interest rates for the first time in 17 years in March. Australian shares also performed well. Much of the local market's gains came toward the end of the period after the Reserve Bank of Australia adopted a slightly less hawkish stance on interest rates following its March gathering. Stocks also benefited from a series of surprisingly robust earnings results and a strong lead from major overseas markets.

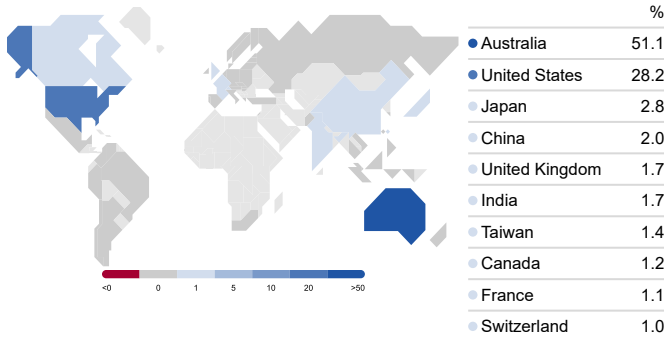
Global bonds were slightly weaker for the quarter, while Australian bonds recorded modest gains.

During the quarter, we rebalanced the direct Australian equity portfolio as part of the regular review cycle. We also increased the portfolio's allocation to cash to provide additional defensive exposure should global and domestic growth slow as expected. Cash currently offers a relatively attractive yield.

# Cornerstone Strategic Index Growth Managed Portfolio

## Country Exposure

Portfolio Date: 31/03/2024



## Long-term investing: Positioning for 5 years and beyond

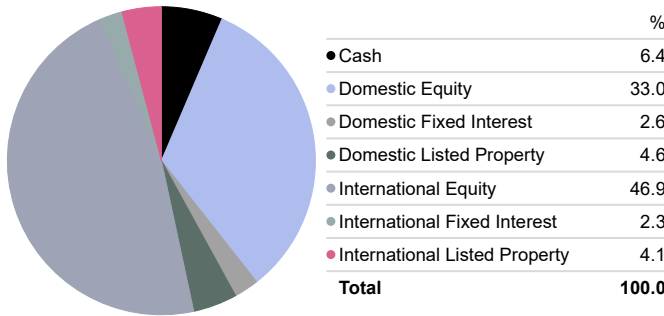
**The portfolio has a long-term asset allocation of 90% to growth assets.** Growth asset valuations have increased year to date but are below pre-pandemic levels. Long-term, forward-looking return expectations for US shares and high-yield debt have moderated. The economic outlook creates uncertainty 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 per our research.**

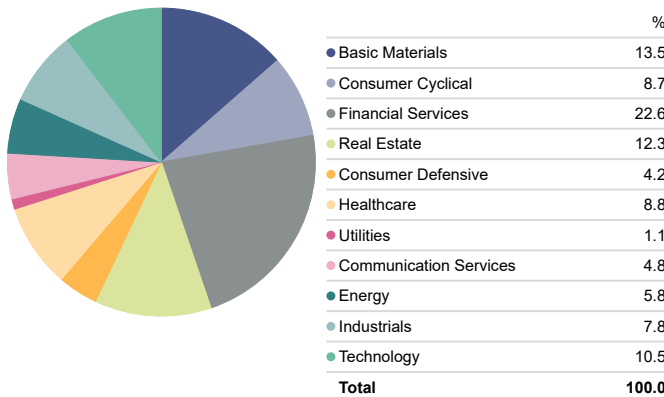
## Asset Allocation

Portfolio Date: 31/03/2024



## Sector Allocation

Portfolio Date: 31/03/2024



# Cornerstone Strategic Index Growth Managed Portfolio



## Detailed Asset Allocation

Portfolio Date: 31/03/2024

	Portfolio Weighting %
AMP International Equity Index	16.65
Vanguard MSCI Intl (Hdg) ETF	15.70
iShares Core S&P/ASX 200 ETF	8.11
Vanguard FTSE Emerging Markets Shrs ETF	4.37
Vanguard All-World ex-US Shares ETF	4.09
iShares Core Cash ETF	3.71
iShares S&P/ASX Small Ordinaries ETF	3.56
AMP International Property Index Hdg	3.35
Vanguard US Total Market Shares ETF	2.90
AMP Australian Property Index	2.84
AMP International Fixed Intst Idx Hdg	2.41
Vanguard Global Value Equity Active ETF	2.15
Russell Inv Australian Government Bd ETF	1.70
iShares S&P Small-Cap ETF	1.03
Russell Inv Australian Select CorpBd ETF	0.45
Russell Inv Australian Semi-Govt Bd ETF	0.41
BHP Group Ltd	2.88
Commonwealth Bank of Australia	2.39
CSL Ltd	1.60
National Australia Bank Ltd	1.37
Westpac Banking Corp	1.19
ANZ Group Holdings Ltd	1.06
Wesfarmers Ltd	1.05
Goodman Group	0.97
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	0.66
WiseTech Global Ltd	0.61
James Hardie Industries PLC	0.59
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	0.39
Origin Energy Ltd	0.38
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.

# Cornerstone Strategic Index Growth Managed Portfolio

 cornerstone

 investblue  
it's possible.

For more information please visit our website:

[russellinvestments.com.au/cornerstone](https://russellinvestments.com.au/cornerstone) or contact your Invest Blue representative, 1300 346 837

## Important information

This brochure contains information that is general in nature. It does not take into account the objectives, financial situation or needs of any particular person. You need to consider your financial situation and needs before making any decisions based on this information.

Invest Blue Pty Ltd (ABN 91 100 874 744) and Subsidiaries trading as Invest Blue, is an Authorised Representative and Credit Representative of AMP Financial Planning Pty Limited ABN 89 051 208 327, Australian Financial Services Licence and Australian Credit Licence No. 232706.

© 2024 Morningstar, Inc. All rights reserved. Neither Morningstar, its affiliates, nor their content providers guarantee the data or content contained herein to be accurate, complete, or timely nor will they have any liability for its use or distribution. Any general advice or 'regulated financial advice' under New Zealand law has been prepared by Morningstar Australasia Pty Ltd (ABN: 95 090 665 544, AFSL: 240892) and/or Morningstar Research Ltd, subsidiaries of Morningstar, Inc, without reference to your objectives, financial situation or needs. For more information refer to our Financial Services Guide (AU) and Financial Advice Provider Disclosure Statement (NZ) at [www.morningstar.com.au/s/fsg.pdf](http://www.morningstar.com.au/s/fsg.pdf) and [www.morningstar.com.au/mca/s/fapds.pdf](http://www.morningstar.com.au/mca/s/fapds.pdf). You should consider the advice in light of these matters and if applicable, the relevant Product Disclosure Statements before making any decision to invest. Our publications, ratings and products should be reviewed as an additional investment resource, not as your sole source of information. Morningstar's full research reports are the source of any Morningstar Ratings and are available from Morningstar or your adviser. Past performance does not necessarily indicate a financial product's future performance. To obtain advice tailored to your situation, contact a professional adviser. Some material is copyright and published under licence from ASX Operations Pty Ltd ACN 004 523 782.

 investblue  
it's possible.

Powered by

 Russell  
Investments