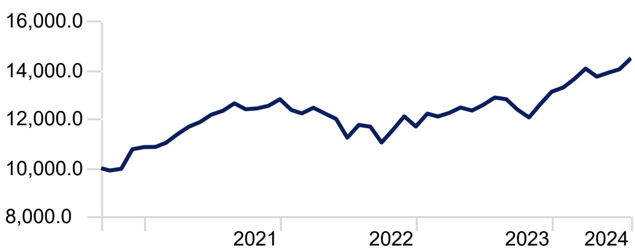
Cornerstone Growth Managed Portfolio - Funds Only

The portfolio returned 3.23%^ in July. Both our global and Australian equity exposures generated positive absolute returns over the period. In terms of fixed income, the Russell Investments Australian Bond Fund delivered positive absolute and excess returns in July, while the Russell Investments International Bond Fund – $A Hedged narrowly underperformed its benchmark. However, the Fund did record positive absolute returns for the month. Meanwhile, Australian private credit manager Metrics Credit and the Russell Investments Australian Floating Rate Fund continued to perform well.

Growth of $10,000

Time Period: 7/09/2020 to 31/07/2024



Performance Review

As of Date: 31/07/2024

	Return
1 Month	3.23
3 Months	5.49
1 Year	12.49
2 Years	10.99
3 Years	5.50
YTD	10.44
Since Inception	10.01

Inception date: 7/09/2020

^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 managed 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 managed portfolio aims to outperform the benchmark over the long term.

Main market highlights

Global share markets performed well in July. Much of the gains continued to be driven by inflation outcomes and central bank activity. In the US, the Federal Reserve (Fed) left its benchmark fed funds rate on hold at a target range of between 5.25% and 5.50% following its latest gathering, with Chairman Jerome Powell acknowledging that officials now had greater confidence that inflation will meet their 2.0% target. The latest figures showed headline inflation in the US rose 3.0% in the 12 months to 30 June, which was down on the 3.3% gain we saw in May. Core inflation slowed from 3.4% to 3.3%. For some time, Powell has said the Fed wouldn't cut interest rates until it was confident inflation was moving sustainably toward its target. Armed with these latest figures, he conceded that if inflation remains on its current path, then a reduction in interest rates could be on the table as soon as the Bank's next meeting in September. Meantime, the Bank of Japan unexpectedly raised interest rates again in July, while the Bank of England delivered its first rate cut in more than four years in early August. The European Central Bank left its main refinancing rate on hold. Australian shares made strong gains over the period, driven largely by better-than-expected June quarter inflation data.

Both global and domestic bonds recorded good gains for the month.

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 a peer-relative overweight to the value factor.

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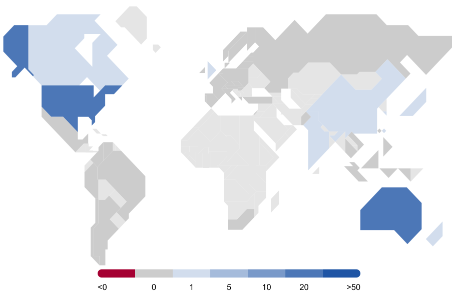
Country Exposure

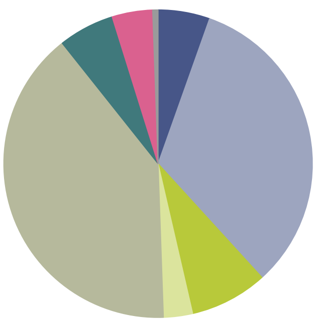
Portfolio Date: 31/07/2024



	%
Australia	48.3
United States	28.9
Japan	2.8
China	2.4
United Kingdom	2.4
Taiwan	1.8
Canada	1.6
India	1.6
New Zealand	1.4
South Korea	1.2

Asset Allocation

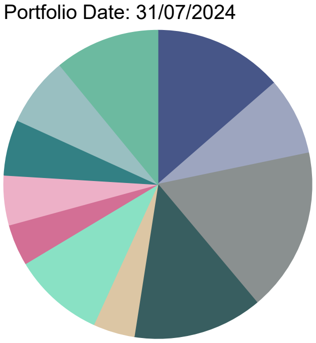
Portfolio Date: 31/07/2024



	%
Cash	5.4
Domestic Equity	32.8
Domestic Fixed Interest	8.2
Domestic Listed Property	3.1
International Equity	39.9
International Fixed Interest	5.9
International Listed Property	4.3
Mortgages (retired)	0.0
Other	0.6
Unlisted Property	0.0
Unclassified	0.0
Total	**100.0**

Sector Allocation

Portfolio Date: 31/07/2024



	%
Basic Materials	13.6
Consumer Cyclical	8.1
Financial Services	17.2
Real Estate	13.6
Consumer Defensive	4.4
Healthcare	9.6
Utilities	4.3
Communication Services	5.2
Energy	5.9
Industrials	7.2
Technology	10.9
Total	**100.0**

Main portfolio highlights

In terms of Australian equity managers, Ausbil underperformed its benchmark over the period, driven in part by overweights to utilities stocks Origin Energy and AGL Energy. Platypus, Allan Gray and Firetrail also underperformed. Platypus was impacted by overweights to WiseTech Global and data center operator NextDC, while Allan Gray's underperformance was driven in part by overweights to Alumina, Woodside Energy Group and recycling company Sims Ltd. Overweights to Domino's Pizza, Tabcorp and WiseTech Global were amongst the key holdings to detract from Firetrail's performance over the period.

With regard to global equity managers, Japan equity specialist Nissay Asset Management significantly outperformed its benchmark, driven in part by overweights to Toho Gas Co., heavy industry manufacturer IHI Corp. and Hino Motors. An underweight to Toyota Motor added further value. US value manager Brandywine also outperformed, benefiting from a material underweight to the US technology space; notably Microsoft and chip maker NVIDIA. In contrast, emerging markets specialist Redwheel (formerly RWC Partners) underperformed its benchmark, hurt in part by overweight exposures to South Korean car makers Kia and Hyundai Motor Co.

During the month, we reduced the portfolio's allocation to Australian real estate investment trusts (A-REITs) in favour of global real estate investment trusts (G-REITs). G-REITs have not only underperformed A-REITs but also the broader global equity market. As a result, we believe G-REITs offer better value. G-REITs also provide greater diversification benefits, with the global listed property market comprising more than 300 constituents compared to just 33 in Australia.

We also increased the portfolio's allocations to global and Australian fixed income, which we expect to outperform cash as government bond yields fall in response to central bank interest rate cuts.

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

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 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.

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

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Detailed Asset Allocation

Portfolio Date: 31/07/2024

	Portfolio Weighting %
Russell Inv Multi-Asset Growth StratPlus	24.58
AMP International Equity Index	12.07
AMP Australian Equity Index	11.78
Vanguard International Shrs Idx Hdg AUD	8.29
Russell Global Opportunities A	7.39
Ausbil 130/30 Focus - Wholesale	4.91
Allan Gray Australia Equity A	4.78
Vanguard Emerging Markets Shares Index	4.02
Platypus Australian Equities - Wholesale	3.66
AMP International Property Index Hdg	3.52
AMP Australian Fixed Interest Index	3.44
Vanguard Global Infrastructure Index Hgd	3.34
Firetrail Australian High Conviction	3.26
AMP Australian Property Index	1.89
AMP International Fixed Intst Idx Hdg	1.36

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For more information please visit our website:

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.
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