

Cornerstone High Growth Managed Portfolio - Funds Only



The portfolio returned -0.39%^a in the June quarter. Our global equity exposure generated negative absolute returns over the period. However, our Australian equity exposure was able to deliver slightly positive excess returns for the quarter.

Portfolio objective

The managed portfolio aims to provide capital growth over the long term consistent with a portfolio focusing on solely growth assets, while accepting fluctuations in capital values in the medium term. The managed portfolio aims to outperform the benchmark over the long term.

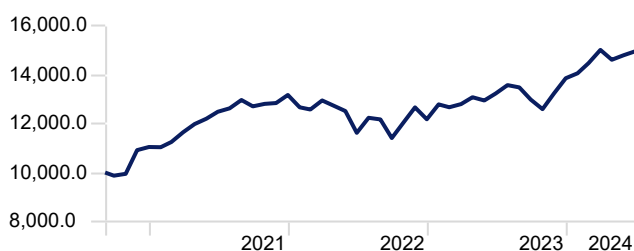
Main market highlights

Global share markets made only modest gains in the June quarter. Much of the gains continued to be driven by 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% throughout the period. Speaking after the Bank's June gathering, Chairman Jerome Powell said that while inflation has eased considerably from its peak, it nonetheless remains too high, and that policymakers do not yet have the confidence to begin lowering interest rates. However, he did reaffirm his belief that current monetary policy is sufficiently restrictive to achieve the Bank's inflation goal. Encouragingly, the latest inflation figures showed an easing in consumer prices between April and May. At the time of writing, the market was fully priced for a first Fed rate cut in November. Elsewhere, the European Central Bank cut interest rates in June; the Bank lowering its main refinancing rate by 0.25% (to 4.25%). However, the Bank gave no indication of the timing of its next move. Meantime, both the Bank of England and the Bank of Japan left their respective benchmark policy rates unchanged over the period. Australian shares underperformed their global counterparts; the local market falling on expectations domestic interest rates will remain higher for longer amid stubbornly high inflation.

Both global and domestic bonds were weaker for the quarter, albeit modestly.

Growth of \$10,000

Time Period: 7/09/2020 to 30/06/2024



Performance Review

As of Date: 30/06/2024

	Return
1 Month	1.07
3 Months	-0.39
1 Year	13.00
2 Years	13.40
3 Years	6.19
YTD	7.92
Since Inception	11.12

Inception date: 7/09/2020

^aThis 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.

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

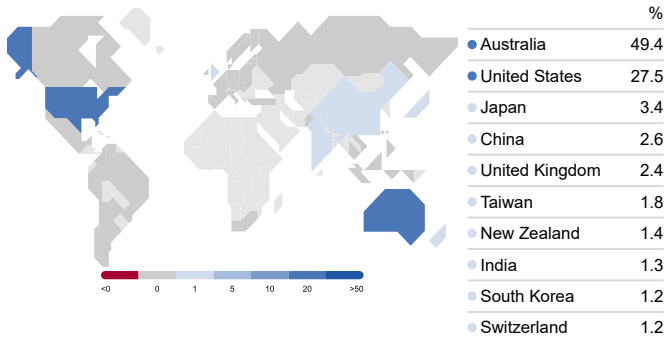
The US economy has so far proven remarkably resilient, and markets are pricing in a 'soft landing' as inflationary pressures continue to ease and unemployment remains low. However, we are seeing several leading economic indicators that suggest caution is warranted. As a result, we believe recessionary risks in the US are elevated; though the risk has reduced gradually as continued migration has allowed inflation to moderate without materially impacting the labour market. The key question now is how long will it take for core inflation to settle closer to the Fed's target? Fears that US monetary policy will remain too restrictive for too long have softened due to the recent decline in core inflation, however until we see core inflation reach the Fed's target, markets may remain volatile.

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: 30/06/2024



Main portfolio highlights

In terms of Australian equity managers, Allan Gray underperformed its benchmark, driven by overweights to Fletcher Building, Sims Ltd. and Orora. Platypus also underperformed its benchmark over the period; due in part to the manager's overweights to Afterpay owner Block, James Hardie Industries and plumbing supplies group Reece Ltd. In contrast, Ausbil outperformed its benchmark, benefiting from overweights to Origin Energy and gaming machine maker Aristocrat Leisure. Firetrail also performed well over the period; the manager benefiting from overweights to gold miner Newmont Corp., diversified miner South32 and Lynas Rare Earths.

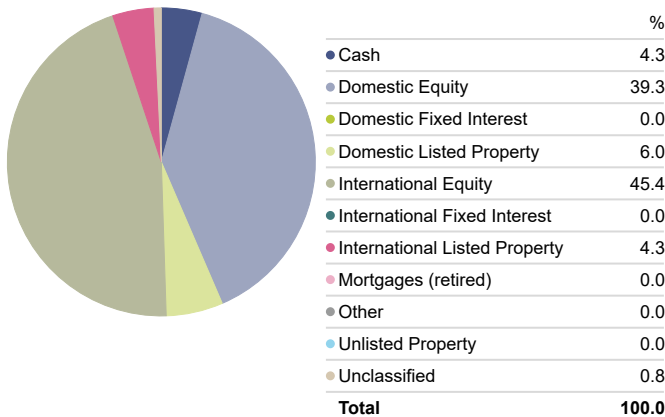
With regard to global equity managers, Japan equity specialist Nissay Asset Management underperformed its benchmark, driven in part by overweights to pharmaceutical company Nippon Shinyaku Co., travel agency H.I.S. Co. and Nagoya Railroad Co. Brandywine and European growth manager Joh Berenberg, Gossler & Co. KG also underperformed. In contrast, value manager Sanders outperformed its benchmark over the period, benefiting from a material overweight to Taiwan Semiconductor Manufacturing Co. Overweights to Google parent Alphabet and Dutch bank ING Groep N.V. added further value. Emerging markets specialist Redwheel (formerly RWC Partners) also performed well.

There were no material positional changes in May.

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

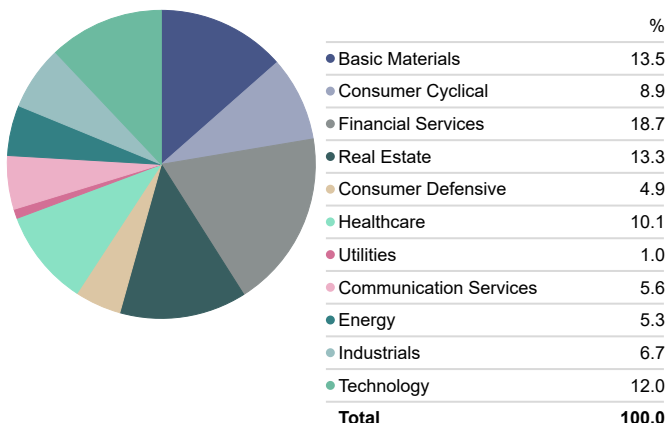
Asset Allocation

Portfolio Date: 30/06/2024



Sector Allocation

Portfolio Date: 30/06/2024



Long-term investing: Positioning for 5 years and beyond

The portfolio has a long-term asset allocation of 98% to return generating 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.

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

There is a cash allocation of 2% in the portfolio.

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Detailed Asset Allocation

Portfolio Date: 30/06/2024

	Portfolio Weighting %
AMP Australian Equity Index	19.85
Russell Global Opportunities A	19.39
Vanguard International Shrs Idx Hdg AUD	12.58
AMP International Equity Index	7.83
Ausbil 130/30 Focus - Wholesale	7.61
Allan Gray Australia Equity A	6.76
Platypus Australian Equities - Wholesale	4.79
AMP Australian Property Index	4.44
Vanguard Emerging Markets Shares Index	4.43
AMP International Property Index Hdg	3.85
Firetrail Australian High Conviction	3.31
Russell Global Listed Infr \$A Hedged	3.10
Macquarie Cash Fund - Class M Units	0.76

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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