

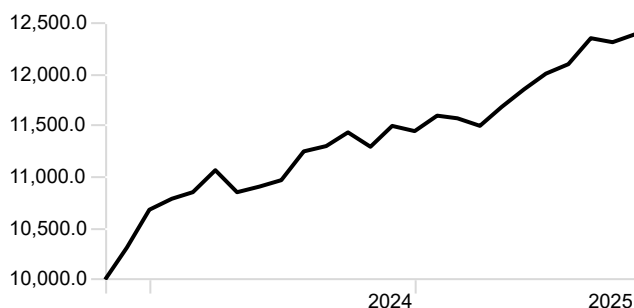
Cornerstone Medium Term Portfolio



The portfolio returned 0.63%[^] in October. Returns were driven by equity exposure, as well as strong performance from Emerging Market bonds. Global infrastructure was a slight detractor from performance.

Growth of \$10,000

Time Period: 31/10/2023 to 31/10/2025



Performance Review

As of Date: 31/10/2025

	Return
1 Month	0.63
3 Months	2.41
1 Year	9.71
2 Years	11.31
3 Years	—
YTD	8.25
Since Inception	11.31

Inception date: 31/10/2023

[^]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 generate income above the RBA cash rate over the medium term, while also having the potential for longer-term capital growth. The portfolio is designed to provide exposure to income-generating assets across growth and defensive asset classes and aims to outperform the benchmark over the long term, after fees.

Portfolio Strategy

The portfolio typically invests in a diversified investment mix of predominantly income generating investment strategies with exposure to growth investments of around 40% such as Australian shares, international shares, property and alternatives; and defensive investments such as cash and fixed interest of around 60% over the long term. The allocations will be actively managed within the allowable ranges depending on market conditions. Russell Investments adopts a globally consistent, research-based approach to long-term asset allocation, active manager selection and dynamic portfolio management.

Main market highlights

Both equities and bonds generated positive returns during October, driven by a combination of geopolitical news, with US and China reaching trade agreements, and the US Federal Reserve decreasing rates during the month. Emerging market equities outperformed, with China leading the way, developed markets were also strong over the month, albeit the Australian market lagged global counterparts. US and China trade talks led to some spouts of volatility during October, but ultimately helped support a good back drop for global equities and emerging market equities. Trade tensions over the month between the worlds largest two economies included a myriad of items; from soy beans, cooking oil, drone parts and rare earth restrictions – ultimately leading to a threatened 100% tariff on Chinese goods from Trump, which was short lived, when an agreement was reached for the U.S. to reduce their effective tariff rate to 47% from 57%, along with China suspending perishable goods tariffs and for 12 months, pausing the export controls on rare earth minerals and magnets.

The RBA held rates at both their September and November meetings at 3.6%, and markets are currently pricing in only a 6% chance of a cut to 3.35% at the next meeting in December and only 20% for a cut through to May next year. The strong economic data has led to yields rising, with Australian 10-year government bond yields now near 4.5%. Meanwhile in the US, the Federal Reserve is more of a coin toss in terms of likelihood of a rate cut through year end, with markets pricing in a 46% chance of a cut, down from nearly 90%, after more hawkish speeches from Federal Reserve Officials citing only modestly restrictive policy setting currently, and a need to remain focused on inflation fighting efforts. This occurred post the FOMC rate cut decision, reducing the Fed Funds rate to 3.75 -4.00% in October.

Long Term Investing: Positioning for 5 years and beyond

The portfolio has a long-term asset allocation of 40% 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.

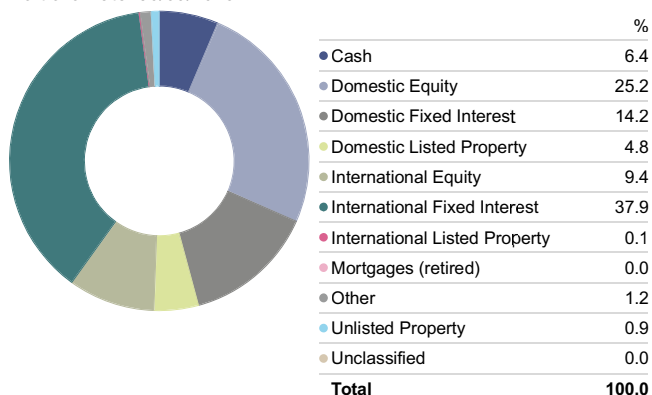
Defensive assets such as fixed income and cash have an allocation of 60% in the portfolio. A tilt toward credit further enhances the long-term return potential, but also increases the risk of losses. Credit spreads have narrowed and are near their long-term averages. Government bonds are cheap across 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.

Cornerstone Medium Term Portfolio

Asset Allocation (in arrears)

Portfolio Date: 30/09/2025



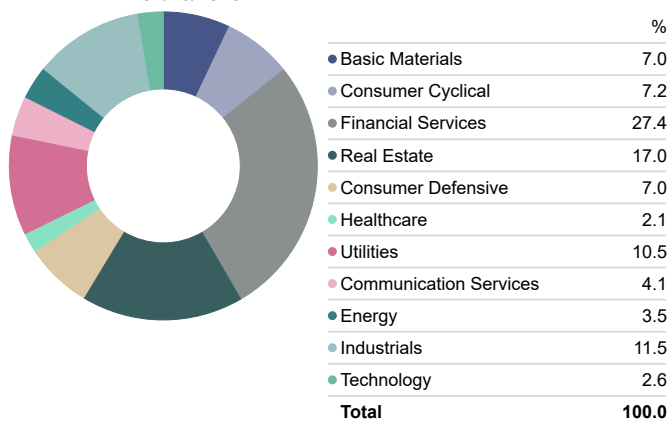
Main portfolio highlights

The portfolio's emerging market sovereign debt manager, Colchester, saw very strong performance through the month. Russell Investments High Dividend Australian Shares ETF was positive, and outperformed the ASX 200. The credit manager, Ares, saw softer returns through the month. The Russell Multi-Asset Income Strategy, which forms the dynamic core of the portfolio, was a strong contributor for the month.

There were no major changes to the managed portfolio through the month of October.

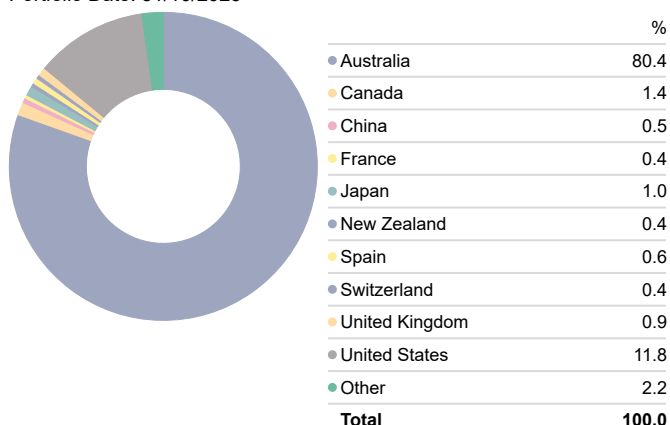
Sector Allocation

Portfolio Date: 31/10/2025



Regional Allocation

Portfolio Date: 31/10/2025



Cornerstone Medium Term Portfolio



Detailed Asset Allocation

Portfolio Date: 31/10/2025

	Portfolio Weighting %
Russell Inv Multi-Asset Income Strategy	39.85
Russell Inv High Dividend Aus Shrs ETF	24.42
Vanguard Australian Government Bond ETF	15.69
Colchester Emerging Markets Bond Fund I	5.07
Ares Global Credit Income A	4.94
Vanguard Australian Property Secs ETF	4.92
VanEck FTSE Gbl Infrac(AUD Hdg)ETF	3.97
iShares Core Cash ETF	0.21

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.

For more information, please visit our website:

russellinvestments.com.au/cornerstone or contact your Invest Blue representative: 1300 346 837

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