Index strength. Active edge.

Vanguard Core-Satellite Model Portfolios with LIS

Adviser guide

September 2025

For adviser use only

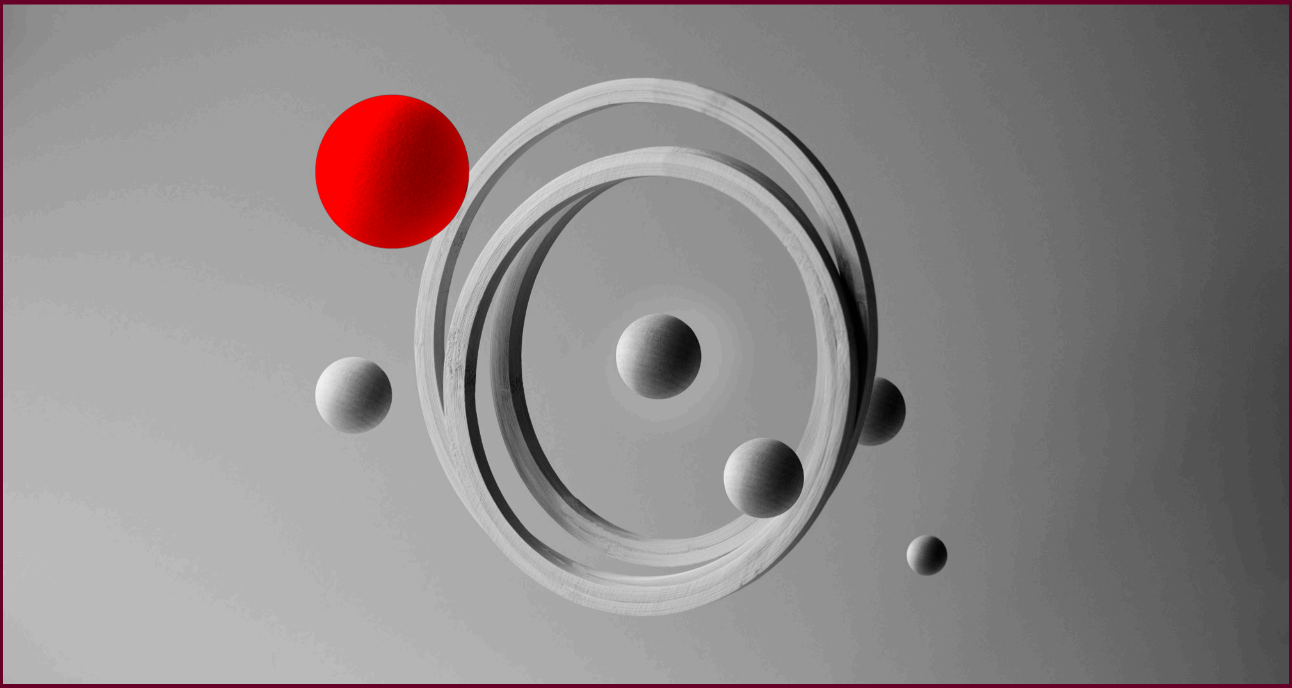
Introducing Vanguard's new core-satellite model portfolio series

The Vanguard Core-Satellite Model Portfolios with LIS (Lonsec Investment Solutions)[1] offer advisers scalable, professionally built active-passive solutions to suit the needs of different clients.

Available as separately managed accounts through some of Australia's most popular adviser platforms, the series combines Vanguard's global indexing and asset allocation expertise with LIS' trusted and research-backed active manager selection process, offering advisers a compelling way to deliver value and long-term performance.

The portfolios offer the best of both investment worlds: Vanguard's time-tested approach to index-based strategic asset allocation with the outperformance potential of Lonsec Research-rated active managers.

This combination empowers advisers to confidently deliver active-passive solutions aligned to client preferences and risk profiles, while benefitting from the practice efficiencies of a separately managed account (SMA) structure.



1 Lonsec Investment Solutions Pty Ltd (LIS) (ABN 95 608 837 583) is engaged to provide investment advisory services in relation to the Portfolios. LIS is a Corporate Authorised Representative (CAR) of Evidentia Financial Services Pty Ltd (ABN 97 664 546 525 / AFS Licence 546217).

Underpinned by two trusted names in the industry

The portfolios combine Vanguard's 50 years of index portfolio construction and global best practices with LIS' 20+ year track record of managing investments through various market cycles , resulting in a robust, evidence-based investment framework.

The portfolios are built on Vanguard's globally recognised approach to strategic asset allocation (SAA)—proven across decades and market cycles to be one of the most critical drivers of long-term investment success.

Vanguard's SAA approach is underpinned by rigorous research conducted by a global team of investment leaders and economists, with a focus on long-term risk and return outcomes.

Your clients can have confidence that their portfolio is managed by experienced investment managers with a solution tailored to their needs.

Solutions to meet different client needs

The Vanguard Core-Satellite Model Portfolios with LIS encompass five multi-asset strategies, from Conservative to All Growth, providing advisers with solutions to suit different client needs.

Each portfolio has a broadly diversified core, with exposure to Vanguard's index ETFs, and actively managed satellites with funds that have been chosen for their specific investment approaches and risk/return objectives.

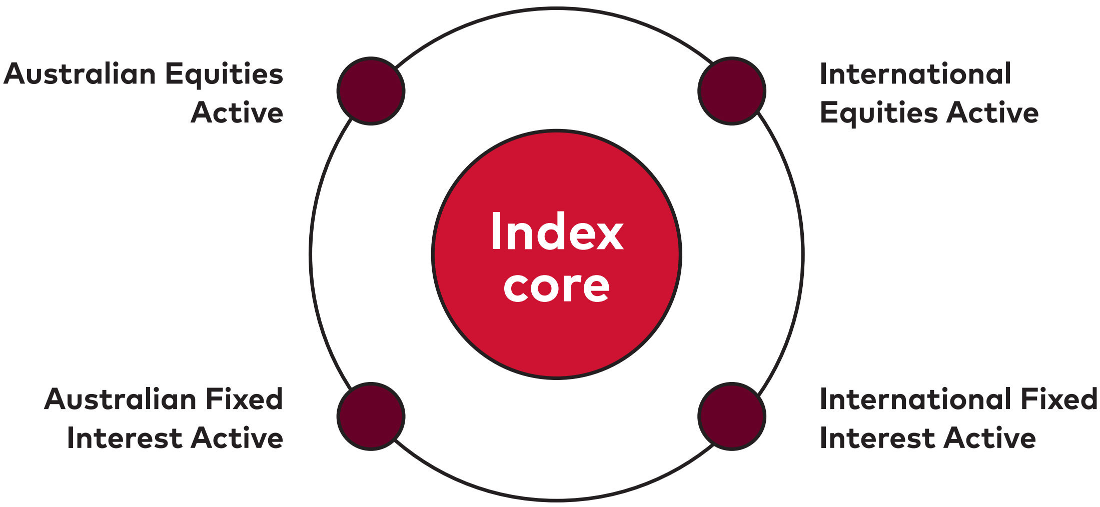
Designed for long-term outperformance, the portfolios are diversified across sectors, styles and asset classes, with exposure to Australian and international shares, fixed income and cash.

Service and support you can count on

Investing in a Vanguard Core-Satellite Model Portfolio means that you will receive dedicated service and support from your Vanguard or LIS representative.

You will also receive:

- Product education material
- Client resources
- Quarterly client reporting
- Access to live and on-demand webinars
- Support with embedding the model portfolios in your business



At a glance: Vanguard Core-Satellite Model Portfolios with LIS

Strategic asset allocation (SAA)

Determined using Vanguard's proprietary modelling, targeting broad investor needs across five risk profiles.

Index core

The foundation of each portfolio consists of globally diversified Vanguard index ETFs—providing transparency, tax efficiency, and market coverage.

Active satellites

Select active funds are included only where they are expected to produce alpha over the investment cycle. LIS leads the manager selection, focusing on funds with strong governance, style purity, and clear value propositions.

Blended construction

Active and passive exposures are weighted based on the expected net benefit, overall fee budget, and alignment with each portfolio's investment objective.

Benchmarking

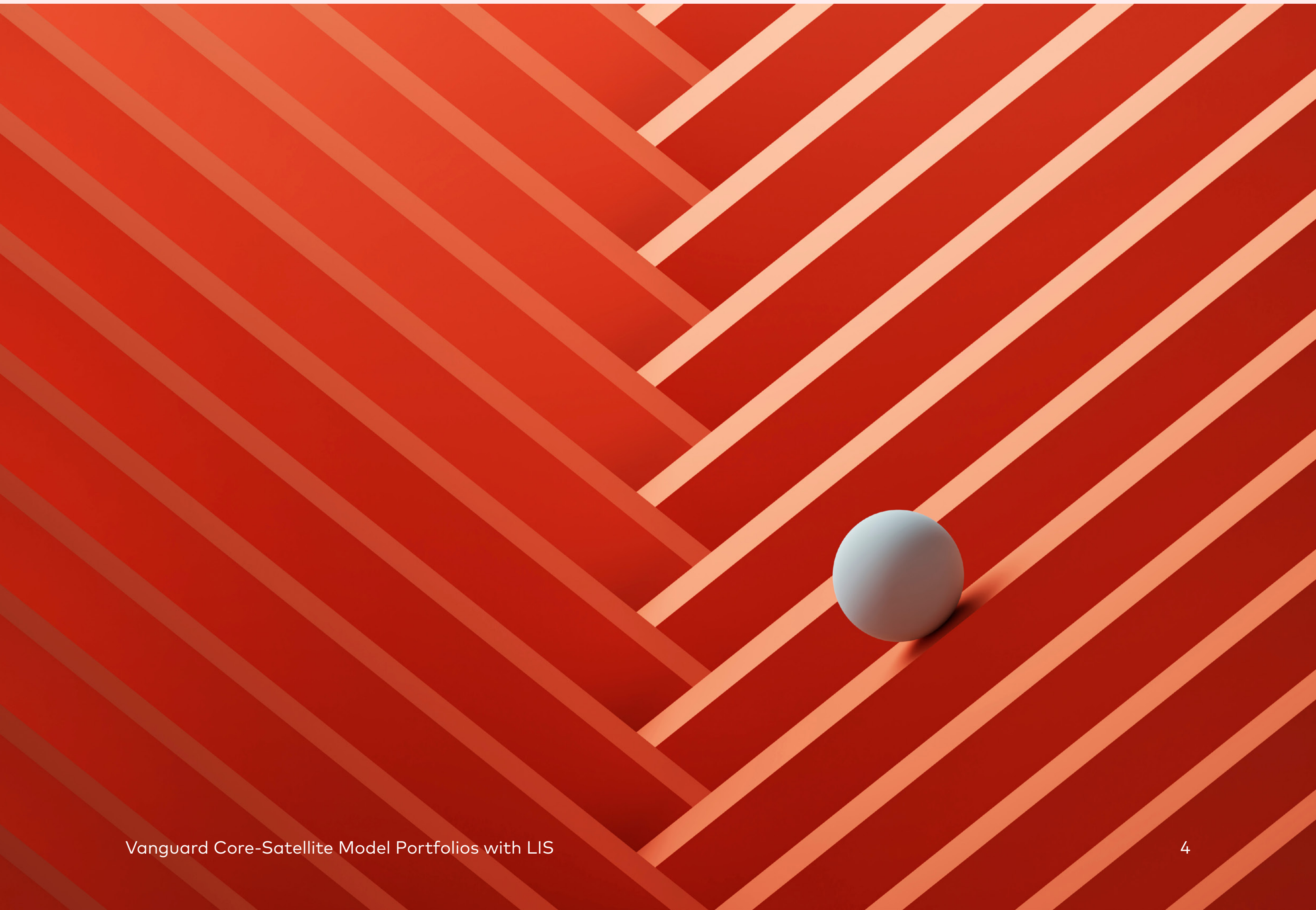
Each portfolio has a transparent, composite benchmark to enable clear performance attribution.

Ongoing monitoring and management

Portfolios are monitored monthly for drift and are rebalanced where needed.

Support and service

Dedicated support and service from Vanguard and LIS.



Conservative

Strategy overview

The Conservative strategy is designed for investors seeking a steady source of income with some capital growth potential.

The strategy targets a 70% allocation to defensive asset classes and a 30% allocation to growth asset classes.

Investment objective

To deliver outperformance of the benchmark over 3 years plus.

The benchmark is the weighted average return of the target indices of each of the underlying Vanguard Index Funds in accordance with the strategic asset allocation.

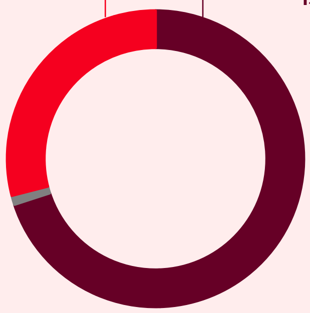
Current target strategic asset allocation (%)

Active

5.5	Australian Fixed Interest
14	International Fixed Interest
5	Australian Shares
4.5	International Shares

Passive

14.5	Australian Fixed Interest
35	International Fixed Interest
7	Australian Shares
13.5	International Shares



1 Cash^

Balanced

Strategy overview

The Balanced strategy is designed for investors seeking a balance between income and capital growth.

The strategy targets a 50% allocation to defensive asset classes and a 50% allocation to growth asset classes.

Investment objective

To deliver outperformance of the benchmark over 5 years plus.

The benchmark is the weighted average return of the target indices of each of the underlying Vanguard Index Funds in accordance with the strategic asset allocation.

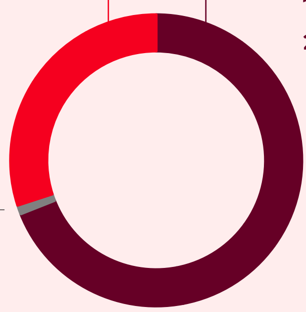
Current target strategic asset allocation (%)

Active

4	Australian Fixed Interest
10	International Fixed Interest
8	Australian Shares
8	International Shares

Passive

10	Australian Fixed Interest
25	International Fixed Interest
12	Australian Shares
22	International Shares



1 Cash^

Note: Data as of 31 August 2025. ^There may be small variations in the underlying portfolio exposures depending on the requirements of the external product issuer (platform provider), including a mandatory minimum cash allocation of 1%. Please refer to the product issuer's relevant offer documents for more information, including the fees and costs of investing.

Source: Vanguard.

Growth

Strategy overview

The Growth strategy is designed for investors seeking long term capital growth, and with a higher tolerance for the risk.

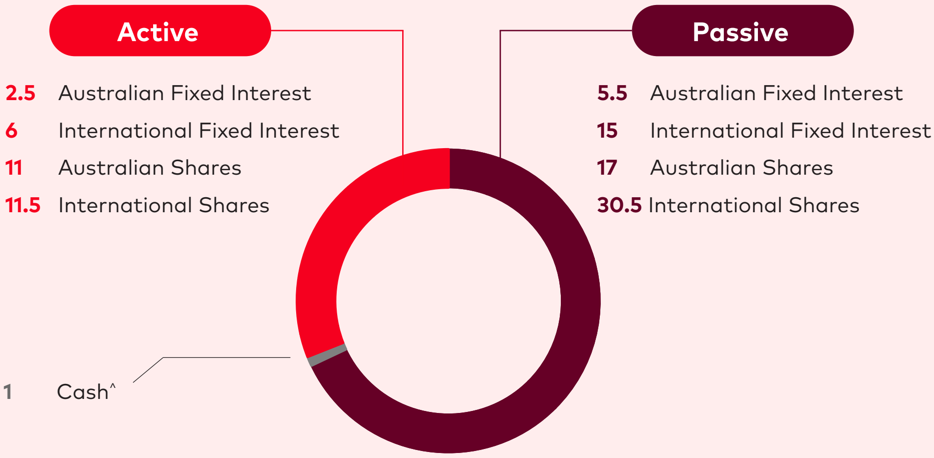
The strategy targets a 30% allocation to defensive asset classes and a 70% allocation to growth asset classes.

Investment objective

To deliver outperformance of the benchmark over 7 years plus.

The benchmark is the weighted average return of the target indices of each of the underlying Vanguard Index Funds in accordance with the strategic asset allocation.

Current target strategic asset allocation (%)



High Growth

Strategy overview

The High Growth strategy is designed for investors seeking long term capital growth, and with a higher tolerance for the risk.

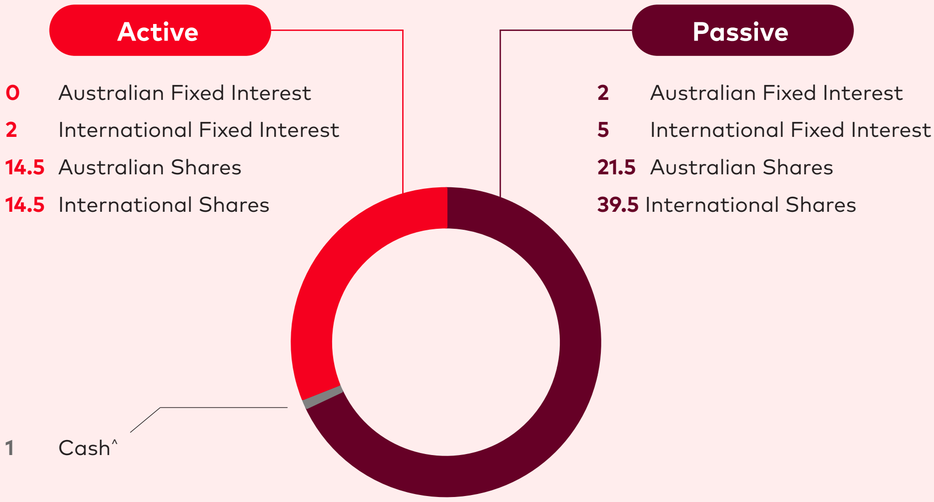
The strategy targets a 10% allocation to defensive asset classes and a 90% allocation to growth asset classes.

Investment objective

To deliver outperformance of the benchmark over 7 years plus.

The benchmark is the weighted average return of the target indices of each of the underlying Vanguard Index Funds in accordance with the strategic asset allocation.

Current target strategic asset allocation (%)



Note: Data as of 31 August 2025. ^There may be small variations in the underlying portfolio exposures depending on the requirements of the external product issuer (platform provider), including a mandatory minimum cash allocation of 1%. Please refer to the product issuer's relevant offer documents for more information, including the fees and costs of investing.

Source: Vanguard.

All Growth

Strategy overview

The All Growth strategy is designed for investors seeking long term capital growth, and with a higher tolerance for the risk.

The strategy targets a 100% allocation to growth asset classes.

Investment objective

To deliver outperformance of the benchmark over 7 years plus.

The benchmark is the weighted average return of the target indices of each of the underlying Vanguard Index Funds in accordance with the strategic asset allocation.

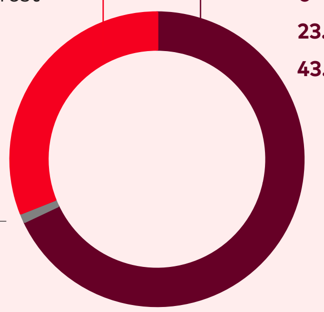
Current target strategic asset allocation (%)

Active

0	Australian Fixed Interest
0	International Fixed Interest
16	Australian Shares
16	International Shares

Passive

0	Australian Fixed Interest
0	International Fixed Interest
23.5	Australian Shares
43.5	International Shares



1 Cash^

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Source: Vanguard.

The benefits of separately managed accounts

The Vanguard Core-Satellite Model Portfolios with LIS are available on major adviser platforms through SMAs. SMAs continue to grow in popularity due to the range of benefits they can offer advisers and their clients. Managed account census data released by the Institute of Managed Account Professionals and Milliman reported that managed accounts FUM to 31 December 2024 totalled almost $232 billion, representing the largest share of the market at 64%.[2]

Efficiency
SMA portfolio allocations are usually determined by investment professionals and maintained by the product provider (platform). You don't need to construct or manage the portfolio on behalf of your clients, giving you more time to focus on what matters—your client relationships and your business.

Transparency
A managed account structure allows your clients to see exactly where their money is invested and what investment decisions have been made on their behalf. This allows them to better understand the composition of their portfolio and how each asset allocation decision contributes to the overall investment performance.

Diversification
Managed account strategies are generally well diversified portfolios that invest across multiple asset classes, such as Australian and international shares and fixed interest, and cash. Including a broad range of assets in a portfolio helps smooth out performance fluctuations over time. Diversification can be one of the best ways to reduce exposure to market risk.

Rebalancing
Rebalancing a portfolio simply means adjusting the investments to keep them in line with the desired asset allocation. This process is managed for your clients by the platform provider, typically through a rules-based process. Rebalancing also helps to effectively manage risk.

Professional management
Your client's portfolio is managed by experienced investment managers.

2 Institute of Managed Account Professionals, FUM Census of Managed Accounts in conjunction with Milliman. December 2024

How to invest

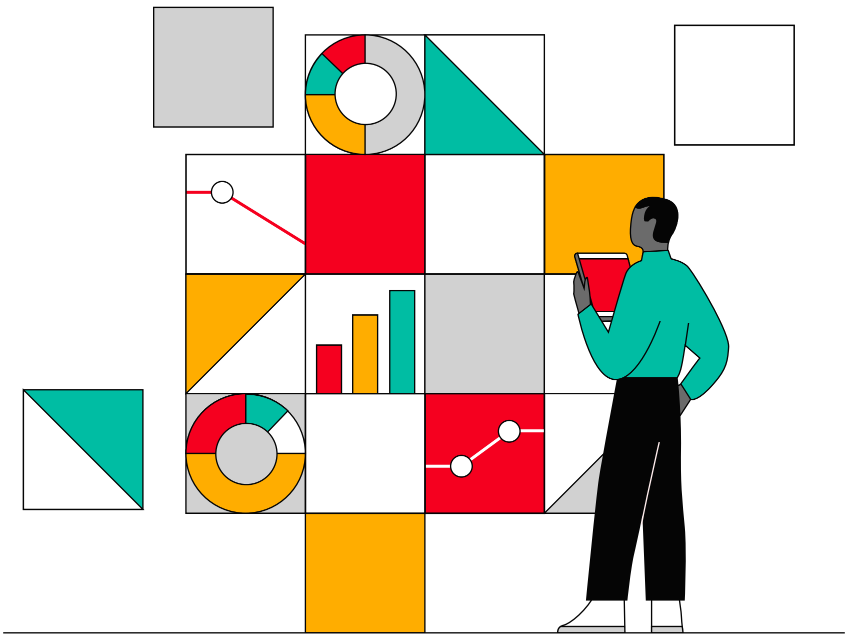
The Vanguard Core-Satellite Model Portfolios with LIS are currently available to invest through external SMA products, available on major adviser platforms.

As the investment manager, Vanguard and LIS provide the external managed account provider (adviser platform) with the portfolio asset allocations, security selection and rebalancing ranges.

The external provider is then responsible for ongoing administration, reporting and implementation of the portfolios. The managed account provider is the Responsible Entity of the product, which is issued under their offer document.

Platform availability

For a full list of available platforms, please visit our website: vanguard.com.au/modelportfolios



About Vanguard

With over AUD $17.29 trillion in assets under management globally as of 31 August 2025, including AUD $5.79 trillion in ETFs, Vanguard is one of the world's largest global investment management companies.

In Australia, Vanguard has been serving financial advisers, retail clients and institutional investors for nearly 30 years.

About Lonsec Investment Solutions

Lonsec Investment Solutions (LIS) offers a broad suite of ready-made Managed Accounts, designed to meet the diverse needs of advisers and investors across advice businesses of all sizes. With a track record spanning over 20 years, LIS has extensive experience managing investments through various market cycles.

Founded in 2015, LIS became part of Evidentia Group in February 2025. Evidentia Group is Australia's leading Managed Account provider with $29 billion in funds under management. Formed through the merger of Lonsec Investment Solutions, Evidentia and Implemented Portfolios, Evidentia Group brings together three of the industry's most trusted names in managed accounts to offer one of the most comprehensive suites of investment solutions in the country.

Evidentia Group is owned by ASX-listed Generation Development Group (ASX: GDG), which operates three distinct businesses – Evidentia Group, Lonsec Research & Ratings and Generation Life.

Want more information?

To find out how Vanguard's Core-Satellite Model Portfolio series can support your business and clients, please visit vanguard.com.au/modelportfolios or speak to your Vanguard Sales Executive or LIS Business Development Manager.

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Strong and Steady