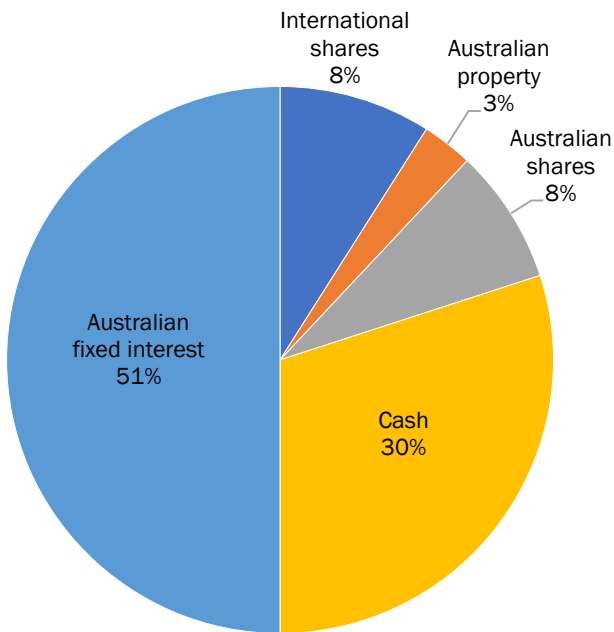




What is the risk/return profile of a defensive portfolio?

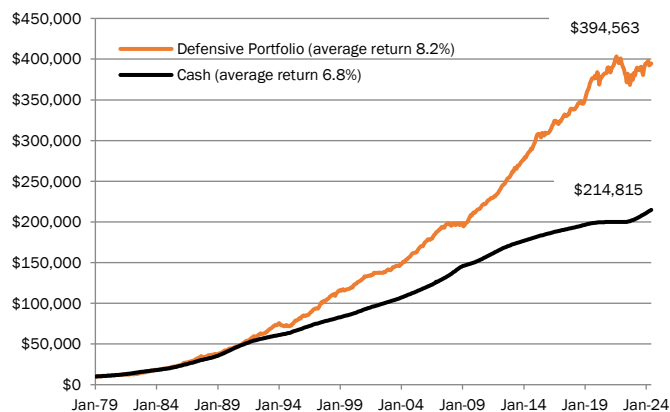
Asset allocation of a defensive portfolio

A defensive portfolio targets an asset allocation of 80% in defensive assets, and 20% in growth assets:



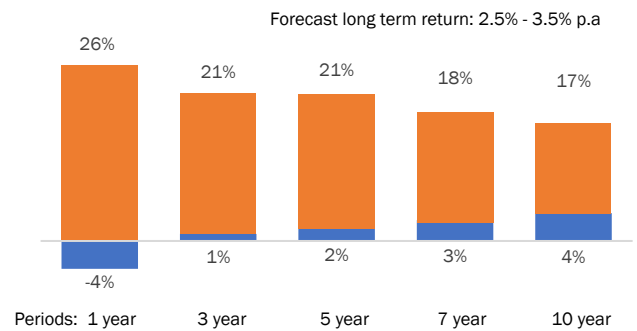
This portfolio is recommended for investors who are uncomfortable with investment risk, and/or require modest returns to meet their objectives.

Annual returns on \$10,000 investment on 1 Jan 1979 to 30 Jun 2024 (income re-invested)



Historical range of returns (per annum)

Income re-invested



Key questions about risk

Historically, how often has a portfolio with a defensive asset allocation incurred a loss?	Once in every 27 years
What has been the largest loss incurred over a 12 month period?	8%
How long did it take for the portfolio to recover from this loss?	13 months
Historically, what has been the likelihood this portfolio could experience two consecutive 12 month periods of negative returns?	0 likelihood



Pros

- Low likelihood of a negative return over 12 month period
- Low variance in returns from year to year

Cons:

- Low returns over long term
- Provides limited protection against inflation

Fact sheet: What is the risk/return profile of a defensive portfolio?

Important information:

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