

What is the risk/return profile of your portfolio?

When assessing the performance of your investment portfolio, one should look at both risk and return. In this Fact sheet, we outline what our study of 20 years of financial performance (i.e. 1 January 2004 - 1 December 2023) tells us about the risk/return profiles of five commonly used diversified portfolios. But remember, while past performance is instructive it isn't an accurate indicator of future performance.

Defensive portfolio

Cash **30%**

Fixed interest **51%**

Property & infrastructure **3%**

Int. equities **8%**

Aust. equities **8%**

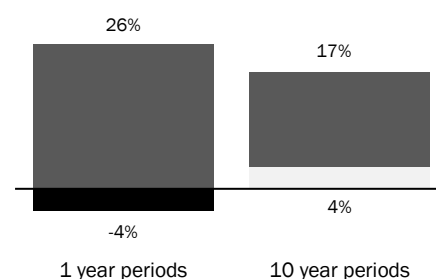
Forecast long term return: **2.5-3.5% p.a.**

Historic incidence of a 12 month loss: **Once in every 27 years**

Historic size of this loss: **Up to 8%***

Historic recovery time from this loss: **Up to 13 months***

Historical range of returns p.a.



Conservative portfolio

Cash **10%**

Fixed interest **58%**

Property & infrastructure **8%**

Int. equities **12%**

Aust. equities **12%**

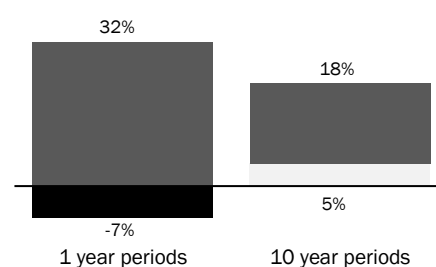
Forecast long term return: **3-4% p.a.**

Historic incidence of a 12 month loss: **Once in every 15 years**

Historic size of this loss: **Up to 10%***

Historic recovery time from this loss: **Up to 14 months***

Historical range of returns p.a.



Balanced portfolio

Cash **5%**

Fixed interest **43%**

Property & infrastructure **12%**

Int. equities **20%**

Aust. equities **20%**

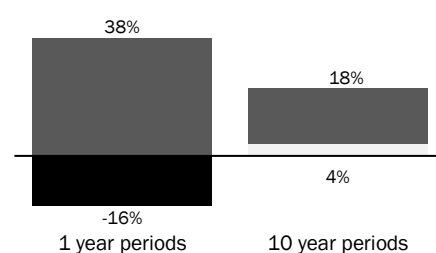
Forecast long term return: **4-5% p.a.**

Historic incidence of a 12 month loss: **Once in every 8.5 years**

Historic size of this loss: **Up to 16%***

Historic recovery time from this loss: **Up to 23 months***

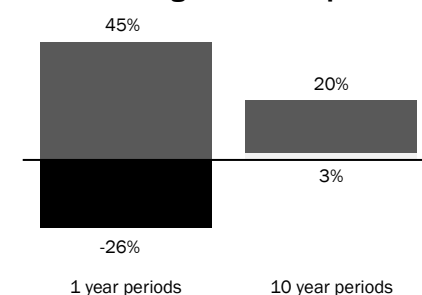
Historical range of returns p.a.



Growth portfolio

Cash 5%	Forecast long term return:	5-6% p.a.
Fixed interest 20%	Historic incidence of a 12 month loss:	Once in every 6 years
Property & infrastructure 15%	Historic size of this loss:	Up to 26%*
Int. equities 30%	Historic recovery time from this loss:	Up to 34 months*
Aust. equities 30%		

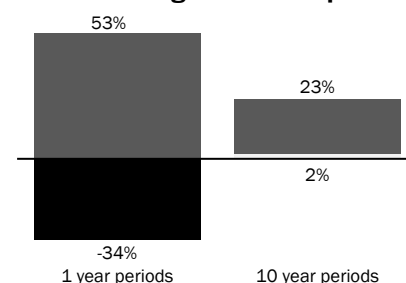
Historical range of returns p.a.



High growth portfolio

Cash 5%	Forecast long term return:	5.5-6.5%p.a.
Fixed interest 0%	Historic incidence of a 12 month loss:	Once in every 5 years
Property & infrastructure 15%	Historic size of this loss:	Up to 34%*
Int. equities 40%	Historic recovery time from this loss:	Up to 42 months*
Aust. equities 40%		

Historical range of returns p.a.



Assumptions: These performance returns are based on composite asset class returns 1 January 2004 – 1 December 2023. Asset Class Indices: Australian Shares: S&P/ASX300 Accumulation Index. Australian Fixed Interest: Bloomberg AusBond Composite O+Y Total Return Index and UBS Australia Composite Bond All Maturities. International Shares: MSCI World Net Return A\$. Australian Property: S&P/ASX 300 Property Accumulation Index. Credit: Bloomberg Global Aggregate Ex Treasury Total Return Index Hedged AUD. Infrastructure: FTSE Developed Core Infrastructure 100% hedged into AUD Net Tax Index. Cash: Bloomberg AusBond Bank O+Y Total Return Index. Assumes portfolios are re-balanced monthly back to strategic asset allocation. Performance figures assume re-investment of returns. *The forecast size of loss and recovery are indicative only, based on the worst-case investment performance achieved in the period 1 January 2004 – 1 December 2023. Past performance is not an indicator of future performance.

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