

Investment essentials

The latest returns for the major asset classes, charts and tables illustrating the fundamentals of long-term wealth creation.



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About this pack



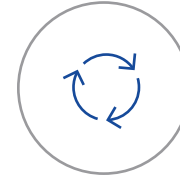
This library of charts and tables is designed to:

- Help you explain key investment principles to clients;
- Keep clients up to date with the latest market information and performance.



The information is intended to be used as a client meeting aid.

This pack is not to be distributed for standalone client use.



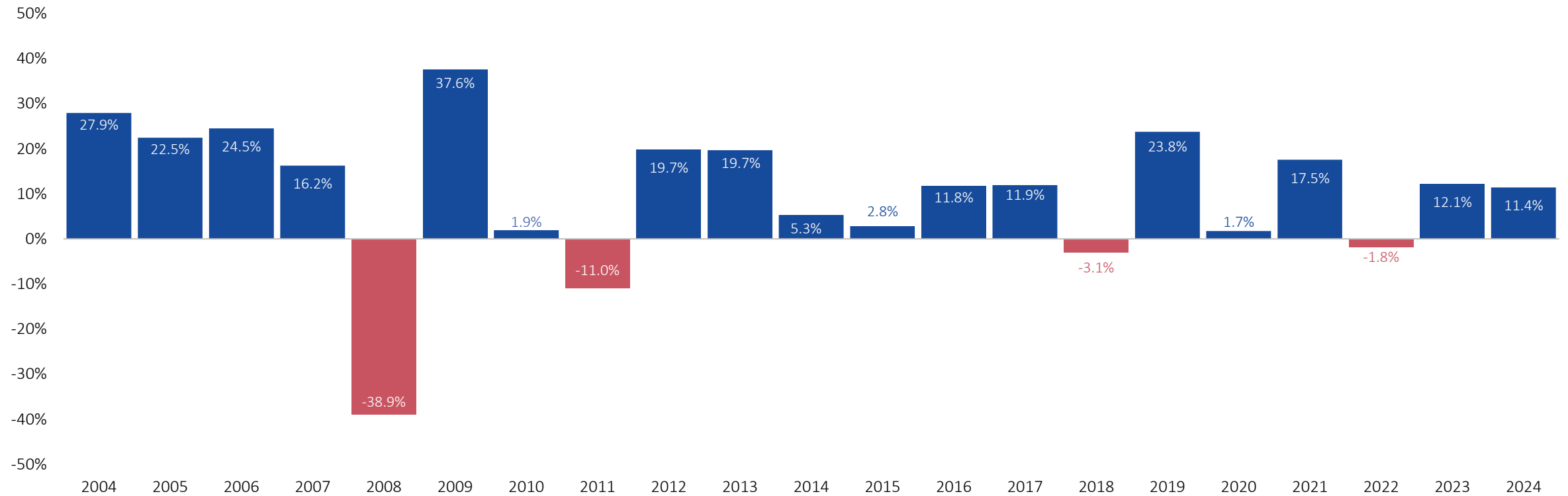
Performance is updated where applicable.

Investment market performance



Australian shares

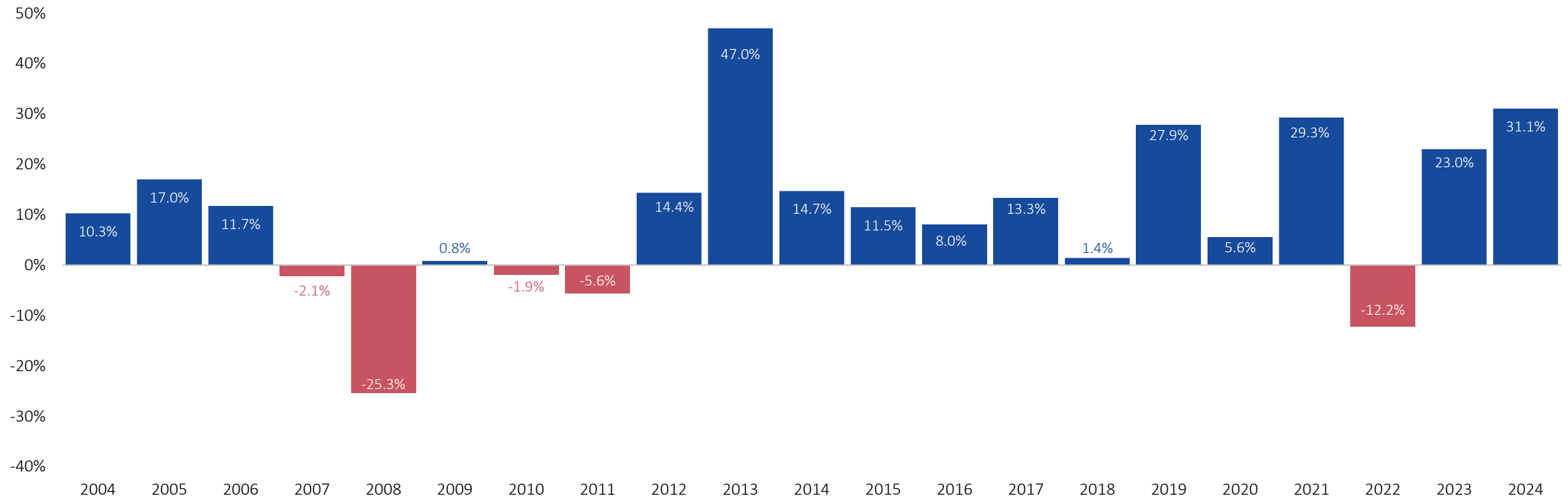
Annualised return: 7.95%*



Source: RIMES, Colonial First State. *Data from 31 December 2004 to 31 December 2024. Percentage return over rolling one year. S&P/ASX 300 Accumulation index. The index returns cannot be directly compared to an individual Colonial First State fund's return for many reasons such as they do not include allowances for fees or taxation and do not reflect the asset allocation or stocks held now or over time. Past performance is no indication of future performance. Adviser use only

Global shares

Annualised return: 9.26%*

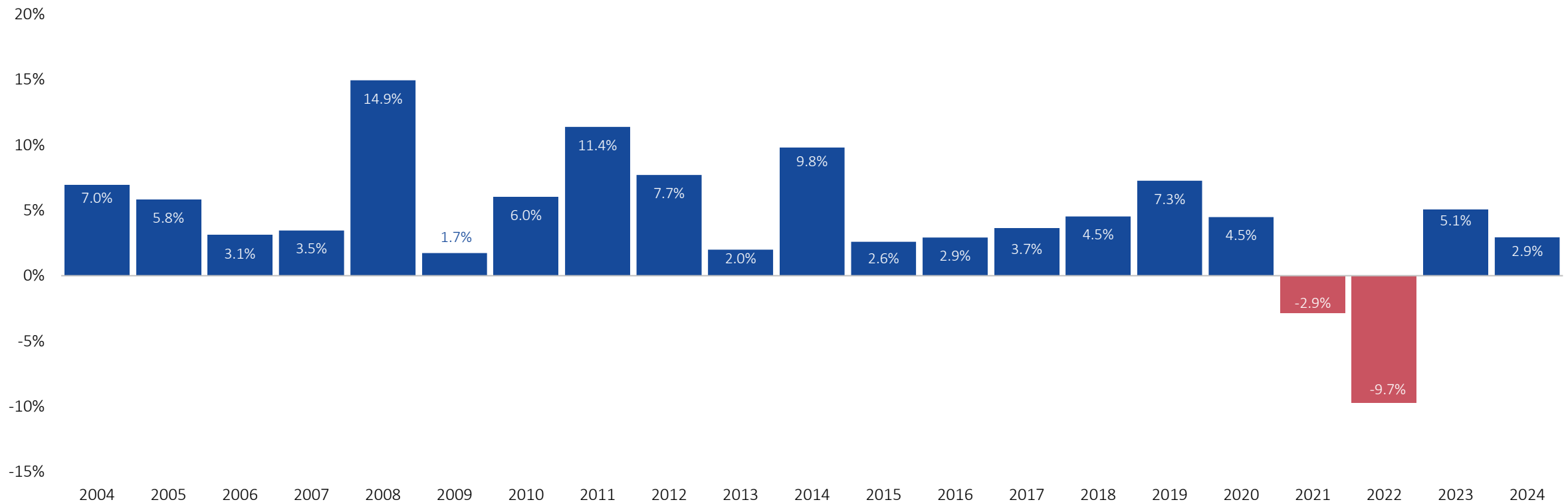


Source: RIMES, Colonial First State. *Data from 31 December 2004 to 31 December 2024. Percentage return over rolling one year. MSCI World Net index (\$A). The index returns cannot be directly compared to an individual Colonial First State fund's return for many reasons such as they do not include allowances for fees or taxation and do not reflect the asset allocation or stocks held now or over time. Past performance is no indication of future performance.

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Australian fixed interest

Annualised return: 4.22*

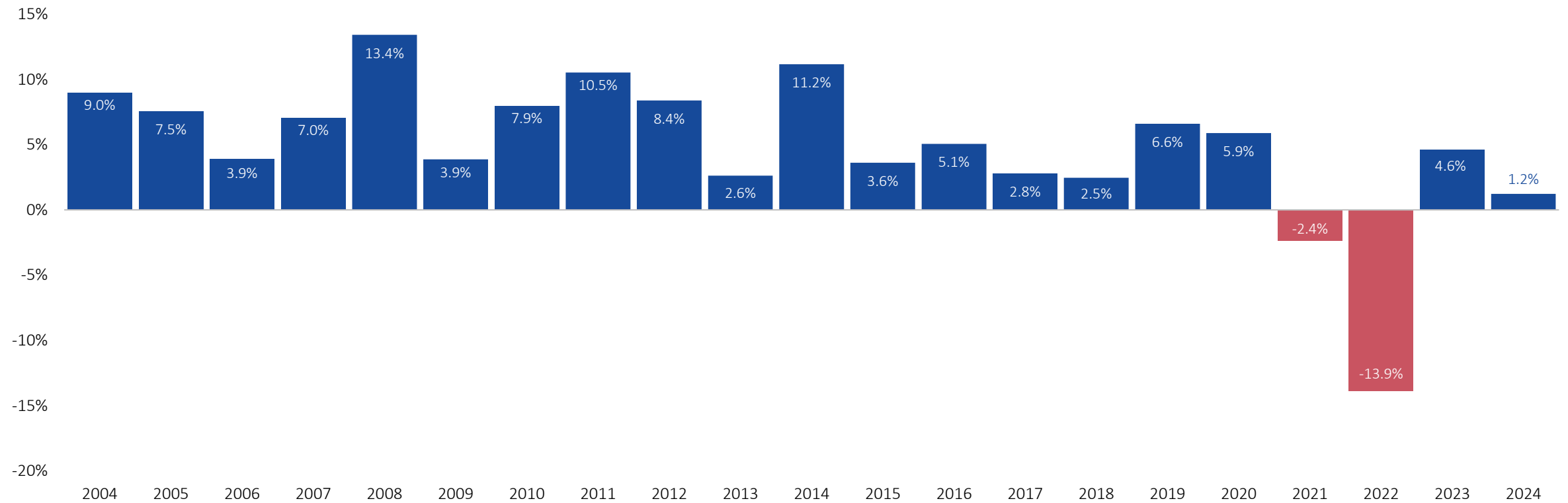


Source: RIMES, Colonial First State. * Data from 31 December 2004 to 31 December 2024. Percentage return over rolling one year. MSCI World Net index (\$A). The index returns cannot be directly compared to an individual Colonial First State fund's return for many reasons such as they do not include allowances for fees or taxation and do not reflect the asset allocation or stocks held now or over time. Past performance is no indication of future performance.

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Global fixed interest

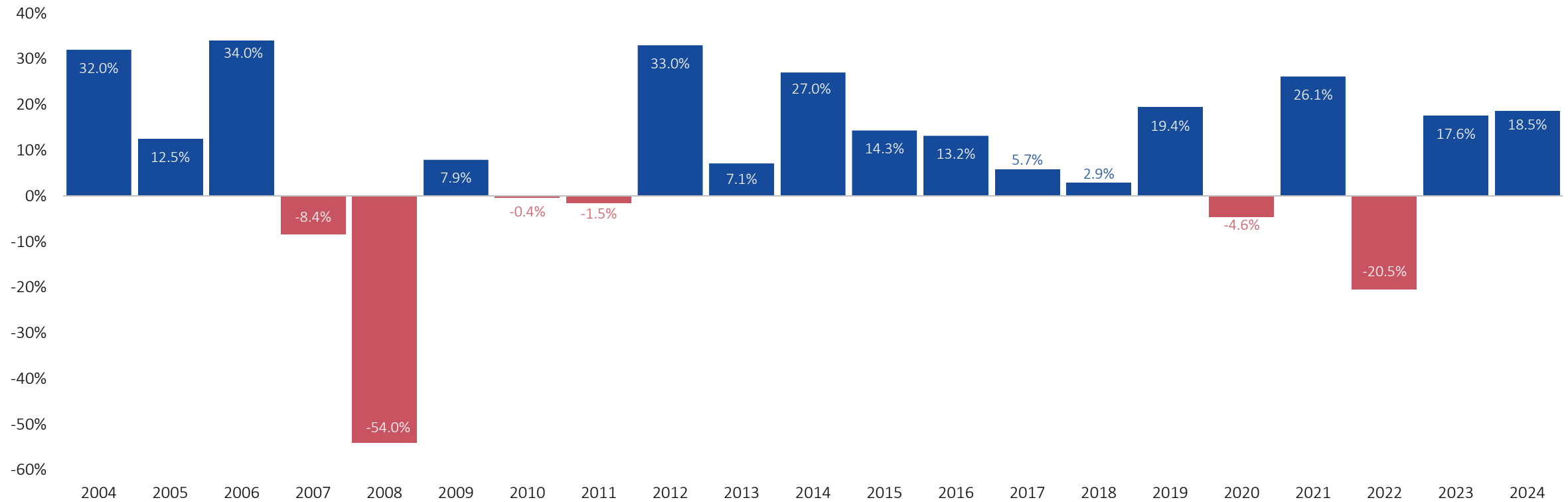
Annualised return: 4.46%*



Source: RIMES Colonial First State. * Data from 31 December 2004 to 31 December 2024. Percentage return over rolling one year. Citigroup World Government Bond Index ex Australia AUD Hedged. The index returns cannot be directly compared to an individual Colonial First State fund's return for many reasons such as they do not include allowances for fees or taxation and do not reflect the asset allocation or stocks held now or over time. Past performance is no indication of future performance. Adviser use only

Australian property securities

Annualised return: 5.15%*



Source: RIMES Colonial First State. * Data from 31 December 2004 to 31 December 2024. Percentage return over rolling one year. S&P/ASX 200 - A-REIT Accumulation Index. The index returns cannot be directly compared to an individual Colonial First State fund's return for many reasons such as they do not include allowances for fees or taxation and do not reflect the asset allocation or stocks held now or over time. Past performance is no indication of future performance. Adviser use only

Major global indices

Asset class	6 months	1 year	3 years	5 years	10 years	20 years
Australian shares	6.94%	11.39%	7.06%	7.97%	8.52%	7.95%
Global shares	14.55%	31.07%	12.27%	14.08%	13.08%	9.26%
Australian property securities	7.55%	18.50%	3.49%	5.93%	8.40%	5.15%
Australian fixed interest	2.75%	2.93%	-0.79%	-0.18%	1.97%	4.22%
International fixed interest	2.44%	1.22%	-3.02%	-1.17%	1.43%	4.46%
Cash	2.24%	4.47%	3.19%	1.98%	1.95%	3.40%
Global property	13.62%	12.41%	0.12%	2.54%	6.12%	N/A
Global resources	-1.72%	0.45%	6.64%	7.83%	7.59%	N/A
Global emerging markets	7.88%	18.74%	3.55%	4.36%	6.59%	7.27%
Global listed infrastructure	9.15%	11.87%	2.35%	2.94%	6.04%	N/A



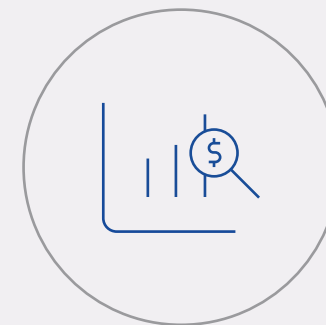
Actual index
returns across
asset classes as at
31 December 2024

Actual index returns as at Data from 31 December 2004 to 31 December 2024. Source: S&P/ASX 300 Accumulation Index, (ASX All Ordinaries Accumulation Index pre April 2000), MSCI World Net Index (\$A), S&P/ASX 200 Property Accumulation Index (ASX Property Trusts Accumulation Index pre April 2000), Bloomberg AusBond Australian Composite Bond Index 0+ Years, FTSE World Government Bond Index ex Australia AUD Hedged, Bloomberg AusBond Bank Bill Index, FTSE EPRA/NAREIT Global Developed Index, HSBC Global Mining Accumulation Index, MSCI Emerging Markets Net Index, FTSE Global Core Infrastructure 50/50 Index -AUD hedged (UBS Global 50-50 Infrastructure & Utilities Net TR Index -AUD hedged pre May 2015). Past performance is no indication of future performance.
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Best and worst performing companies

Best performing stocks	%
Pro medicus limited	161.84
Telix pharmaceuticals ltd	144.15
Technology one ltd	105.46
Hub24 limited	94.96
JB HI-FI	83.51
Amp ltd	76.17
Aristocrat leisure ltd	69.84
Qantas airways ltd	67.04
Fisher & paykel healthcare corp	62.51
Wisetech global limited	60.87
Average	92.63

Worst performing stocks	%
Mineral resources	-50.93
Pilbara minerals limited	-44.56
Igo ltd	-43.83
Idp education ltd	-35.74
Ramsay health care ltd	-33.20
Fortescue ltd	-30.90
Paladin energy ltd	-23.25
Nib holdings limited	-22.65
Iluka resources ltd	-22.52
Viva energy group ltd	-21.23
Average	-32.88



S&P/ASX 100
for the year ended
31 December 2024

Top 100 companies by market capitalisation percentage returns for the year ended 31 December 2024.

Source: Bloomberg Colonial First State. Past performance is no indication of future performance. Stocks mentioned are for illustrative purposes only and are not recommendations to you to buy, sell or hold these stocks.

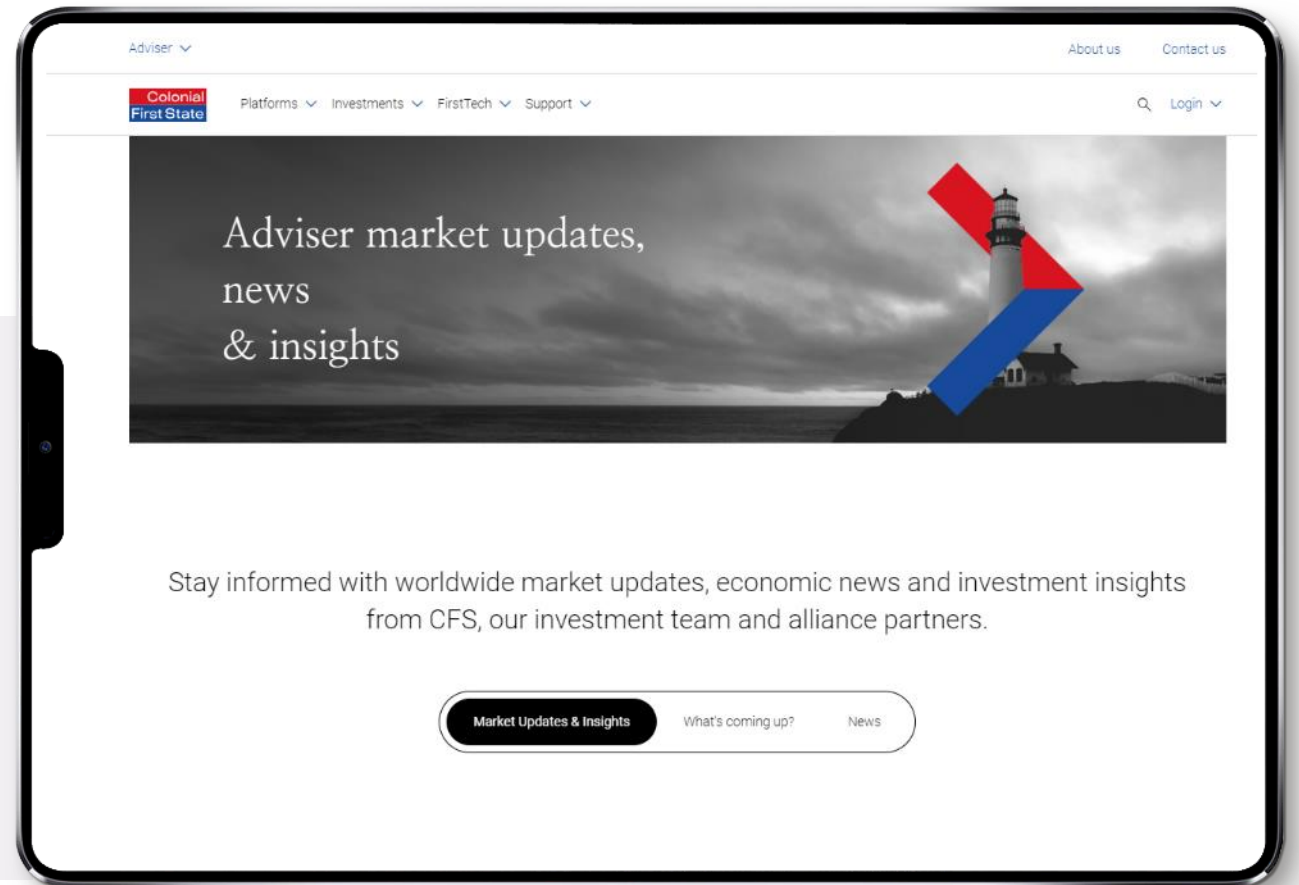
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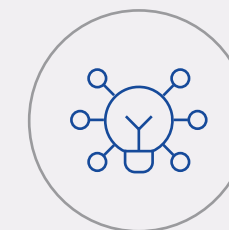
Key investment principles

Charts and tables to demonstrate the benefits of diversification, importance of holding a long-term view, and investment principles.



Diversification can create more consistent returns

Year	Australian shares*	Global shares*	Australian property securities*	Australian fixed interest*	Cash*	Diversified#
Annualised last 20 years	7.9%	9.3%	5.1%	4.2%	3.4%	7.2%
Dec-2005	22.5%	17.0%	12.5%	5.8%	5.7%	15.1%
Dec-2006	24.5%	11.7%	34.0%	3.1%	6.0%	15.8%
Dec-2007	16.2%	-2.1%	-8.4%	3.5%	6.7%	5.4%
Dec-2008	-38.9%	-25.3%	-54.0%	14.9%	7.6%	-23.9%
Dec-2009	37.6%	0.8%	7.9%	1.7%	3.5%	14.3%
Dec-2010	1.9%	-1.9%	-0.4%	6.0%	4.7%	2.1%
Dec-2011	-11.0%	-5.6%	-1.5%	11.4%	5.0%	-2.4%
Dec-2012	19.7%	14.4%	33.0%	7.7%	4.0%	15.9%
Dec-2013	19.7%	47.0%	7.1%	2.0%	2.9%	19.2%
Dec-2014	5.3%	14.7%	27.0%	9.8%	2.7%	10.9%
Dec-2015	2.8%	11.5%	14.3%	2.6%	2.3%	6.2%
Dec-2016	11.8%	8.0%	13.2%	2.9%	2.1%	8.5%
Dec-2017	11.9%	13.3%	5.7%	3.7%	1.7%	9.1%
Dec-2018	-3.1%	1.4%	2.9%	4.5%	1.9%	0.9%
Dec-2019	23.8%	27.9%	19.4%	7.3%	1.5%	19.0%
Dec-2020	1.7%	5.6%	-4.6%	4.5%	0.4%	3.9%
Dec-2021	17.5%	29.3%	26.1%	-2.9%	0.0%	14.8%
Dec-2022	-1.8%	-12.2%	-20.5%	-9.7%	1.3%	-7.8%
Dec-2023	12.1%	23.0%	17.6%	5.1%	3.9%	13.3%
Dec-2024	11.4%	31.1%	18.5%	2.9%	4.5%	14.3%



- Best annual performer
- Worst annual performer
- Not actual returns

*Actual indices returns (Annualised returns are calculated on a rolling monthly basis from 31 December 2004 to 31 December 2024).

This table is based on the standard indices used by investment professionals to measure performance of asset classes. Percentage return over rolling 1 year.

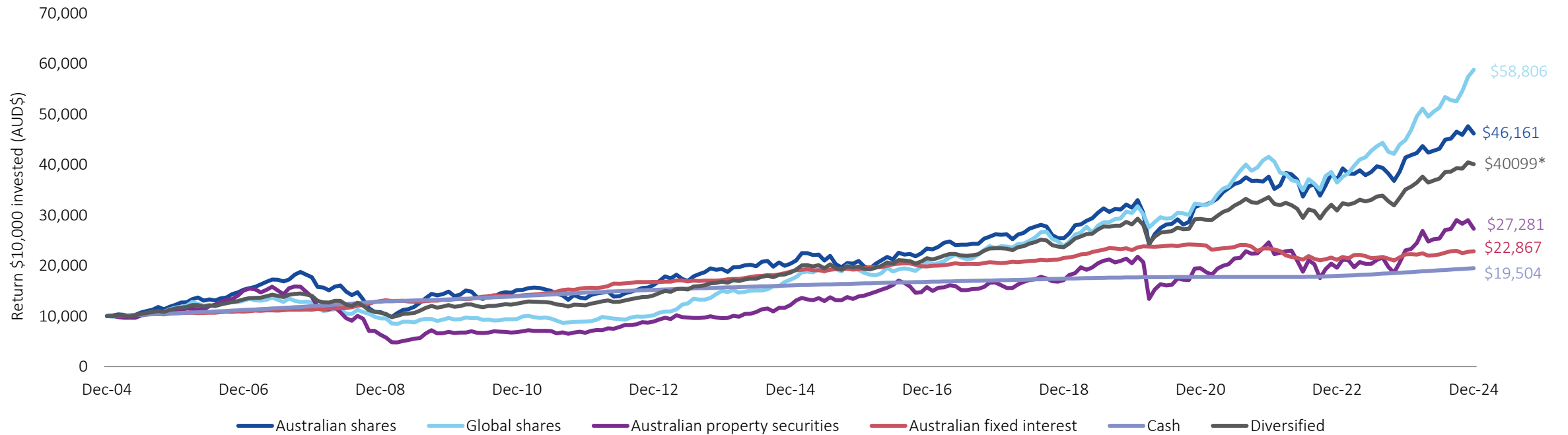
Source: RIMES Colonial First State Bloomberg AusBond Bank Bill Index, Bloomberg Australian Composite Bond Index O+ Years, S&P/ASX 200 - A-REIT Accumulation Index, S&P/ASX 300 Accumulation Index, MSCI World Net Index (A\$). All dividends reinvested excluding fees and charges.

#Non actual returns. The Diversified Portfolio is a portfolio constructed from the returns of these market indices with the asset allocation of: 35% in Australian shares, 25% in international shares, 25% in fixed interest, 10% in Australian property securities, 5% in cash. The Diversified Portfolio does not represent any Colonial First State portfolio nor the actual returns that this portfolio achieved because it does not exist. The constructed Diversified Portfolio illustrates how such a portfolio has performed based on the new market indices. Each Colonial First State portfolio has a different asset allocation from the illustrated diversified portfolio used above. Past performance is no indication of future performance. The above actual index returns and non actual returns for the Diversified portfolio also cannot be directly compared to an individual Colonial First State fund's return for many reasons such as they do not include allowances for fees or taxation and do not reflect the asset allocation or stocks held now or over time. The index returns cannot be directly compared to an individual Colonial First State fund's return for many reasons such as they do not include allowances for fees or taxation and do not reflect the asset allocation or stocks held now or over time.

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Diversification across asset classes

The accumulated value of \$10,000 invested in each major asset class 20 years ago



Actual indices returns: This table is based on the standard indices used by investment professionals to measure performance of asset classes.

Source: RIMES Colonial First State Bloomberg AusBond Bank Bill Index, UBS Australian Composite Bond Index, S&P/ASX 200 - A-REIT Accumulation Index, S&P/ASX 300 Accumulation Index, MSCI World Net Index (A\$). All dividends reinvested excluding fees and charges. *Non Actual Returns. The Diversified Portfolio is a portfolio constructed from the returns of these market indices with the asset allocation of: 35% in Australian shares, 25% in international shares, 25% in fixed interest, 10% in Australian property securities, 5% in cash. The Diversified portfolio does not represent any Colonial First State portfolio nor the actual returns that this portfolio achieved because it does not exist. The constructed Diversified Portfolio illustrates how such a portfolio has performed based on the new market indices. Each Colonial First State portfolio has a different asset allocation from the illustrated diversified portfolio used above. The above actual index returns and non actual returns for the Diversified portfolio also cannot be directly compared to an individual Colonial First State fund's return for many reasons such as they do not include allowances for fees or taxation and do not reflect the asset allocation or stocks held now or over time. Past performance is no indication of future performance. Data to 31 December 2024.

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Short-term versus long-term investing

The percentage of each rolling period up to 31 December 2024 in which an asset class has shown a negative return.

The red box illustrates that the amount attributed to negative returns is shown to be lower over longer time periods*.

	6 months	1 year	3 years	5 years	7 years	10 years	20 years
Australian shares	26.4%	22.2%	7.9%	3.8%	0.0%	0.0%	0.0%
Global shares	28.7%	23.2%	16.8%	20.0%	14.2%	11.5%	0.0%
Australian property securities	21.6%	15.9%	10.5%	12.2%	15.7%	1.0%	0.0%
Australian fixed interest	10.5%	8.1%	6.9%	2.1%	0.0%	0.0%	0.0%
Cash	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Source: RIMES Colonial First State S&P/ASX 300 Accumulation Index, MSCI World Net Index (\$A), S&P/ASX 200 - A-REIT Accumulation Index, Bloomberg Australian Composite Bond Index 0+ Years, Bloomberg AusBond Bank Bill Index. The index returns cannot be directly compared to an individual Colonial First State fund's return for many reasons such as they do not include allowances for fees or taxation and do not reflect the asset allocation or stocks held now or over time.

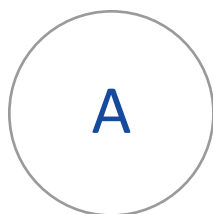
*Period includes data to 31/01/1981. 1. We are combining gains and losses over the selected period to provide a net return (N + P = X); 2. The total percentage of negative returns for the period since 1981 (N) plus the total percentage of positive returns for the period since 1981 (P) equals the net return for the period (X); 3. We are dividing the total percentage of negative returns by the overall return for the period to determine the amount attributable to negative returns (N / X = % amount attributable to negative returns).

Past performance is no indication of future performance.

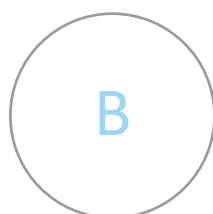
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Why switching to cash can be risky

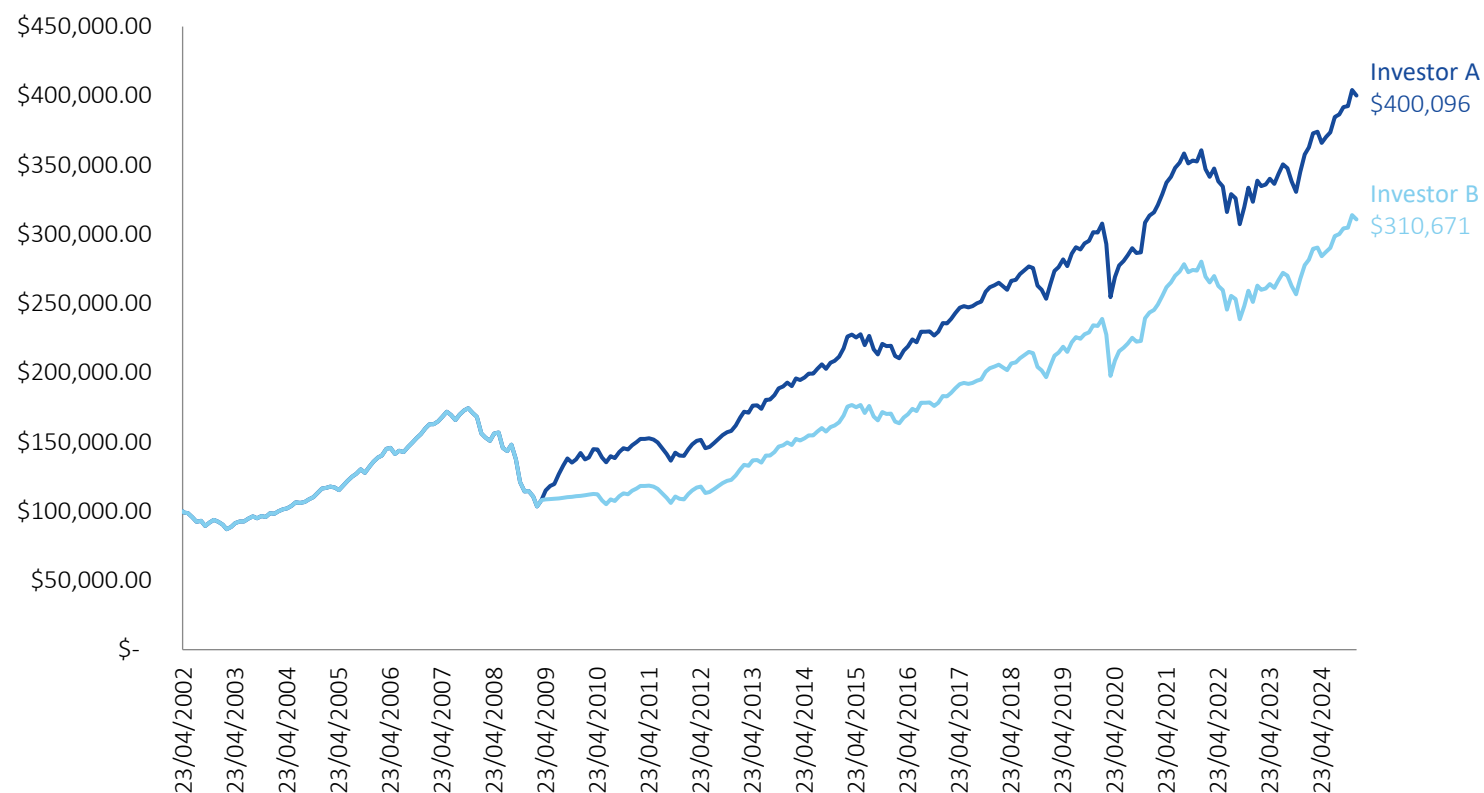
Two people each invest \$100,000 in a growth investment option in 2002.



Investor A remains in the growth option throughout the Global Financial Crisis (GFC) correction and subsequent market recovery.



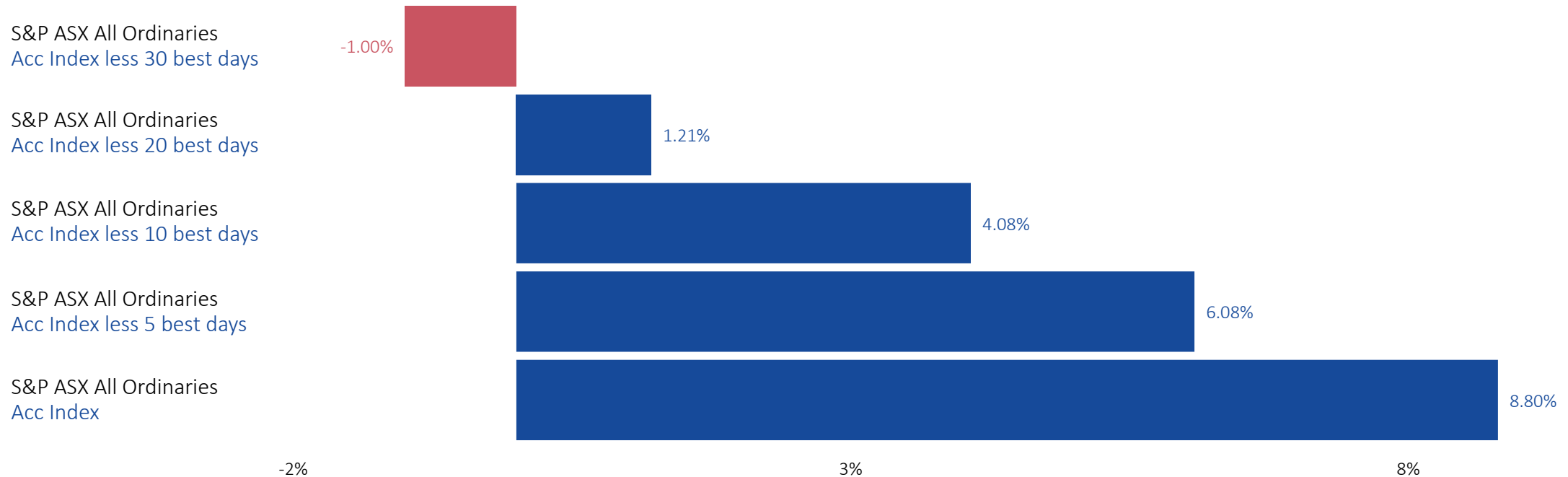
Investor B becomes increasingly nervous as markets fall during the GFC and eventually switches to cash near what turns out to be the low point of the decline. Now wary of share market investing, they keep their cash for 12 months until they're confident markets are recovering. They then switch back into the growth option.



Source: Colonial First State. Data from 31 December 2002 to 31 December 2024. Data derived from performance of FirstChoice Wholesale Growth Fund and First Sentier Wholesale Strategic Cash Fund. This case study depicts one of many potential scenarios and is an illustrative example based on a specific 12-month timeframe within the calculation assumptions. Other outcomes are possible and may vary depending on the timing and duration of an investor's switches between the growth option and cash. Past performance is no indication of future performance. Adviser use only

Time in the market, not timing the market

The effect on the annualised returns of Australian shares over 10 years to 31 December 2024 if the best trading days are missed. The chart also shows the current value of \$10,000 invested ten years ago for each scenario.



The benefits of dollar cost averaging

Here, we compare the outcomes for two investors, one who invests \$6,000 as a one-off lump sum and the other who invests \$1,000 per month over six months.

Even though the unit price falls over the six months, Investor B's portfolio has grown to \$7,072 whereas Investor A's has fallen to \$4,800.

Investor A – Lump sum

Month	Unit price
1	\$10
2	\$8
3	\$6
4	\$5
5	\$6
6	\$8
Average price	\$7.17

Investment	Units bought
\$6,000	600
\$0	0
\$0	0
\$0	0
\$0	0
\$0	0
\$0	0
Total investment: \$6,000	Total units bought: 600

Value after six months: \$4,800

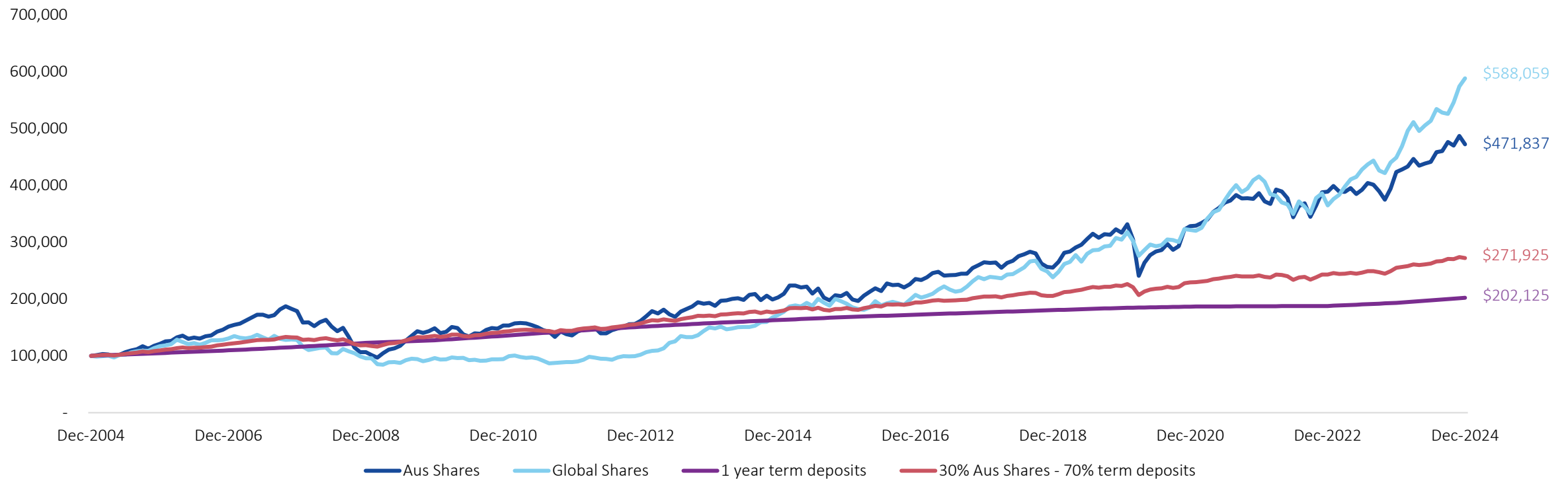
Investor B – Dollar cost averaging

Investment	Units bought
\$1,000	100
\$1,000	125
\$1,000	167
\$1,000	200
\$1,000	167
\$1,000	125
Total investment: \$6,000	Total units bought: 884

Value after six months: \$7,072

Shares versus term deposit

Comparing the 20-year returns of shares and 12-month term deposits

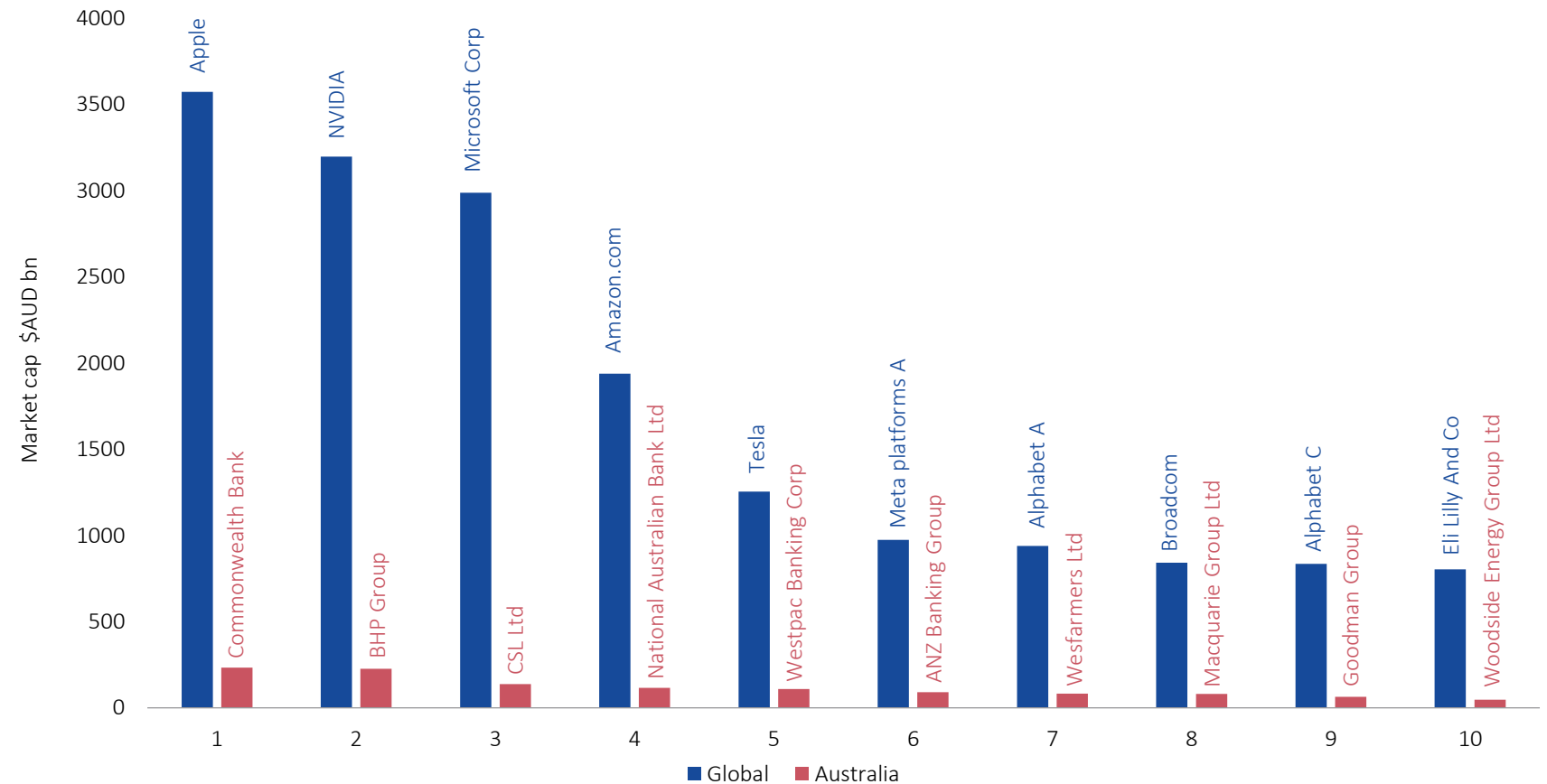


Source: RIMES RBA. S&P/ASX All Ordinaries, RBA 12 month Term Deposit, MSCI World ex Australia – Net. Data from 31 December 2004 to 31 December 2024. Past performance is no indication of future performance. Adviser use only

A world of investment opportunity

The top 10 biggest companies in the ASX300 have a combined market cap of \$2501.7bn.

By comparison, the top 10 in the MSCI Americas Index have a combined value of \$77042.1bn – over 30 times bigger.*



*Both figures shown in AUD terms. Updated quarterly.
Source: Bloomberg, MSCI. Data as at 31 December 2024.
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