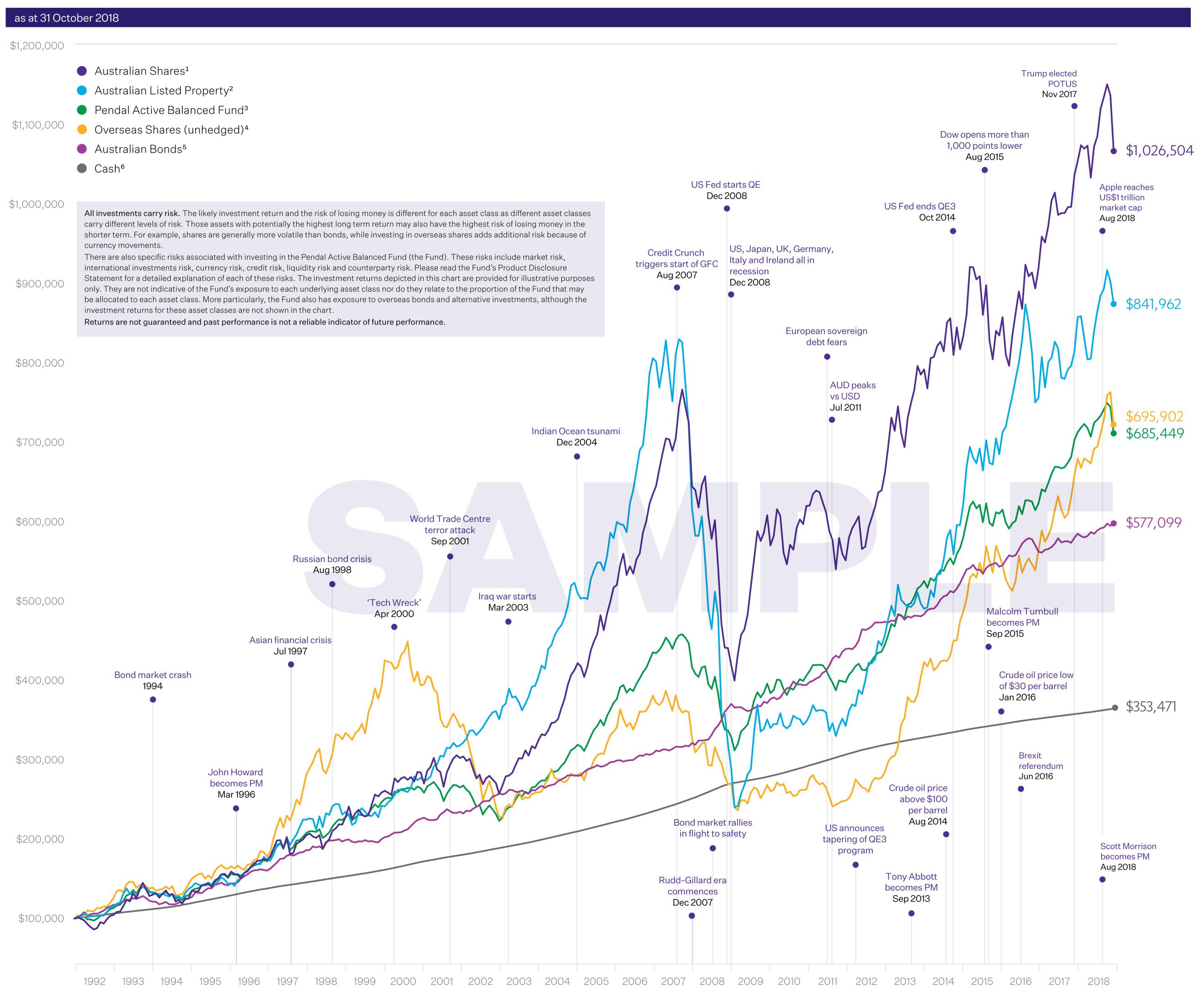
## PENDAL

## Investment returns over time





olit between sectors	Performa	nce			
Commercial 33%  Diversified 32%  Retail 30%  Industrial 2%		1 year	5 year pa	10 year pa	20 year pa
	Income	5.01%	5.44%	6.08%	6.60%
Other 3%	Growth	2.30%	5.86%		0.22%
	Total	7.31%	11.30%	9.27%	6.82%

GFC. In the 20 years to 31 December 2017, A-REIT investors have received total annualised gross returns of 10.2% compared to 7.2% total annualised gross returns from Australian residential property<sup>^</sup>.

^ASX/Russell Investments

Overseas Shares	MSCI World Index ex-Australia unhedged net dividends reinvested in AUD
Split between industries	Performance

Split between industries	Performanc	e	
IT 19% Financials 16%		1 year	5 year p
Health Care 13% Consumer Discretionary 13%	Income	1.97%	2.10%
Industrials 11% Consumer Staples 9%	Growth	7.63%	11.31%
Energy 6% Other 13%	Total	9.60%	13.40%

Performa	nce			
	1 year	5 year pa	10 year pa	20 year pa
Income	1.97%	2.10%	2.16%	1.84%
Growth	7.63%	11.31%	7.09%	2.71%
Total	9.60%	13.40%	9.26%	4.55%

imputation system introduced in 1987. When weighted by company size the Australian share market is

largely made up of banks, miners, large retailers and shopping centres.

Investing in overseas shares exposes investors to companies which operate in markets and industries often not available in Australia. Historically, overseas shares have, as a single group, paid lower levels of dividends and changes in currency values can impact investment returns. Investors can also invest in overseas shares defined more specifically by category such as geography (eg US shares), markets (eg emerging markets) and company size (eg small companies).

## Pendal Active Balanced Fund Formerly the BT Wholesale Active Balanced Fur Asset Allocation Performance Australian Shares 34 10 year pa 20 year pa Overseas Shares 25% Australian Bonds 13 4.45% 5.27% Distribution Overseas Bonds 5 Listed Property 5 2.72% 0.97% Growth Alternatives 16% Cash 2% 7.17%

This is an example of an actively managed balanced fund, managed by Pendal. It has a historical mix of approximately 60% invested in 'growth' assets such as shares and listed property and 40% invested in 'defensive' assets such as bonds and cash. Having a mix of investment types may help to reduce volatility in investment returns as well as the fund's exposure to movements in the Australian and international share markets.

are issued by governments and companies as a way of borrowing money over different time periods.

Investors are essentially lending the bond issuer money, in exchange for interest payments along the

Split between sectors	Performa	Performance				
Government 51% Semi-government 23%		1 year	5 year pa	10 year pa	20 year pa	
Supranationals 13% Corporates 12%	Total	3.09%	4.39%	5.44%	5.59%	

way and their money returned at the end of the agreed term.

Split between sectors	Performance				
Banks 100%		1 year	5 year pa	10 year pa	20 year pa
	Total	1.89%	2.18%	3.14%	4.45%
		and earning interest	coins. An investment r . Cash invested in this w		

6 Bloomberg AusBond Bank Bill Index.

Source: Factset, RBA, IRESS