

# Pitcher Partners Investment Services

## EXPECTED RISKS & RETURNS

June-2010	EXPECTED MEDIUM TO LONG TERM RETURNS (5-10 YEARS) <sup>1</sup>									HISTORIC RISK <sup>3</sup>			
	Australian Shares	International Shares	Alternatives	Australian Property	International Property	Australian Fixed Interest	International Fixed Interest	Cash	Total	Expected Return	Probability of Each Year ending in a Loss	Largest Annual Loss in last 15+ Years	Time to Recover Largest Loss
<b>Expected Returns</b>	<b>8.5%</b>	<b>8.5%</b>	<b>8.5%</b>	<b>7.5%</b>	<b>7.5%</b>	<b>6.0%</b>	<b>6.0%</b>	<b>5.5%</b>					
Growth	4.5%	6.5%	0.0%	2.0%	2.0%	0.0%	0.0%	0.0%					
Income	4.0%	2.0%	8.5%	5.5%	5.5%	6.0%	6.0%	5.5%					
	<b>Growth</b>					<b>Income</b>							
<b>Indicative Portfolios <sup>2</sup></b>													
<b>Secure (Growth 15%)</b>	<b>10.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>5.0%</b>	<b>0.0%</b>	<b>3.0%</b>	<b>2.0%</b>	<b>3.5%</b>	<b>100%</b>	<b>6.2%</b>	1 in 41 Years	-2.7%	4.5 Months
Growth	5-15%	0-5%	0%	0-10%	0-5%	2.5-3.5%	1.5-2.5%	3.0-4.0%		0.6%			
Income										5.6%			
<b>Conservative (Growth 30%)</b>	<b>15.0%</b>	<b>10.0%</b>	<b>0.0%</b>	<b>5.0%</b>	<b>0.0%</b>	<b>2.5%</b>	<b>1.5%</b>	<b>3.0%</b>	<b>100%</b>	<b>6.6%</b>	1 in 12.1 Years	-7.2%	12 Months
Growth	10-20%	5-15%	0%	0-10%	0-5%	2.0-3.0%	1.0-2.0%	2.5-3.5%		1.4%			
Income										5.1%			
<b>Conservative/Balanced (Growth 40%)</b>	<b>20.0%</b>	<b>10.0%</b>	<b>0.0%</b>	<b>10.0%</b>	<b>0.0%</b>	<b>2.5%</b>	<b>10.0%</b>	<b>2.5%</b>	<b>100%</b>	<b>6.8%</b>	1 in 8.2 Years	-1.3.4%	22.2 Months
Growth	15-25%	5-15%	0%	5-15%	0-5%	2.0-3.0%	5-15%	2.0-3.0%		1.8%			
Income										5.0%			
<b>Balanced (Growth 50%)</b>	<b>25.0%</b>	<b>15.0%</b>	<b>0.0%</b>	<b>10.0%</b>	<b>0.0%</b>	<b>2.0%</b>	<b>10.0%</b>	<b>20.0%</b>	<b>100%</b>	<b>7.1%</b>	1 in 6.6 Years	-1.7.5%	28.8 Months
Growth	20-30%	10-20%	0-5%	5-15%	0-5%	1.5-2.5%	5-15%	15-25%		2.3%			
Income										4.8%			
<b>Balanced/Growth (Growth 60%)</b>	<b>30.0%</b>	<b>15.0%</b>	<b>0.0%</b>	<b>10.0%</b>	<b>5.0%</b>	<b>2.0%</b>	<b>10.0%</b>	<b>10.0%</b>	<b>100%</b>	<b>7.3%</b>	1 in 6 Years	-2.2.8%	36.3 Months
Growth	20-30%	10-20%	0-10%	5-15%	0-10%	1.5-2.5%	5-15%	5-1.5%		2.6%			
Income										4.7%			
<b>Growth (Growth 70%)</b>	<b>40.0%</b>	<b>15.0%</b>	<b>0.0%</b>	<b>10.0%</b>	<b>5.0%</b>	<b>1.5%</b>	<b>5.0%</b>	<b>10.0%</b>	<b>100%</b>	<b>7.6%</b>	1 in 5.4 Years	-2.7.3%	42.7 Months
Growth	30-50%	10-20%	0-15%	5-15%	0-10%	1.0-2.0%	0-10%	5-1.5%		3.1%			
Income										4.5%			
<b>High Growth (Growth 85%)</b>	<b>50.0%</b>	<b>25.0%</b>	<b>0.0%</b>	<b>5.0%</b>	<b>5.0%</b>	<b>5.0%</b>	<b>5.0%</b>	<b>5.0%</b>	<b>100%</b>	<b>8.0%</b>	1 in 4.9 Years	-3.2.5%	50.4 Months
Growth	35-65%	20-30%	0-20%	0-10%	0-10%	0-1.0%	0-10%	0-1.0%		4.1%			
Income										3.9%			

1. Asset class expected returns determined by Pitcher Partners Investment Services Investment Committee based on information supplied by AMP Capital, Atchison Consultants, ChanWest, and Mercer.

2. Benchmark Asset Allocations are Pitcher Partners Investment Services indicative allocations, derived from a range of industry sources with performance data derived from Market Indices. International shares are assumed to be 50% hedged and 50% unhedged. International property and International bonds are assumed to be 100% hedged.

3. These figures are derived from month end returns for the period June 1993 to June 2010, sourced from Bloomberg, Iress Market Technology, MSCI, RBA, and Morningstar. They are indicative measures only and should not be taken as a prediction of future outcomes.

Market Indices: S&P/ASX 200 Accumulation Index, MSCI World ex-Australia Index with Net Dividends Reinvested (Unhedged and Hedged), S&P/ASX 200 Property Trusts Accumulation Index, UBS Global Real Estate Investors Index (Local Currency), UBS Warburg Australian Composite Bond Index All Maturities, Citigroup World Government Bond Index Currency (Hedged), UBS Warburg Australian Bank Bill Index, Credit Suisse Tremont Hedge Fund Index (USD).

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