

The best of both worlds

Adviser briefing May 2010



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Perpetual 

Investing in a perfectly rational sharemarket

Mr Peter Thornhill

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Azamnig huh?

Invest / in-vest / v

- 1a. (often foll. by in) apply or use (money), esp. for profit.
- 1b. put money for profit into (stocks etc.)
2. devote (time etc.) to an enterprise.
3. *colloq.* Buy (something useful) (*invested in a new car*).

Speculate / spekje, leit / v

1. theorise, conjecture
2. deal in a commodity or asset in the hope of profiting from fluctuating prices

■ Shares 9.8pc off their peak ■

Investors bale as market's mood darkens

AFR:14th June 2006

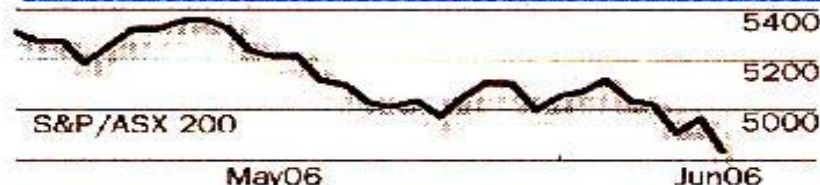
Tim Findlay

The Australian sharemarket had its biggest fall in almost five years yesterday, leaving the benchmark index down 9.8 per cent from its May record high as shares globally continue to be buffeted by concerns that inflationary pressures will spark more interest rate rises.

The benchmark S&P/ASX 200 Index plunged 127 points, or 2.6 per cent, to close at a 3½-month low of 4838.9 as investors dumped resources and bank shares.

The index is within 11 points of an official correction, which is classed as a decline of 10 per cent.

GLOBAL CONCERNS



• The good news is that the China story remains intact and the time for panic is a long way into the future. ☺

— Chanticleer, back page

- The IMF's view, **page 4**
- Overseas rates outlook, **page 14**
- Correction, not a crash, **page 19**
- Global worries hit \$A, **page 21**
- Shifting down: Opinion, **page 70**

Stocks take biggest hit since 9/11

Matt O'Sullivan

Wednesday 14th June 2006

CONTINUED worries about US inflation sent shockwaves through the local sharemarket as stocks had their biggest one-day fall in almost five years.

Investors rushed for the sell buttons for the second trading day in three after Wall Street fell to a four-month low after another inflation warning from a Federal Reserve official.

June 17-18 2006

Market jumps 2% as buyers flood back

Matt O'Sullivan

INVESTORS piled back into the share-market en masse on Friday after a rally on Wall Street and a rise in metal prices spurred on resource companies – pushing stocks to their biggest one-day gain in more than three years.

BRW.

Know which way business is heading. August 7-13 2008

ACADEMIA IN TURMOIL
Patent row rocks university

WATER, ENERGY, SKILLS
Business roundtable special

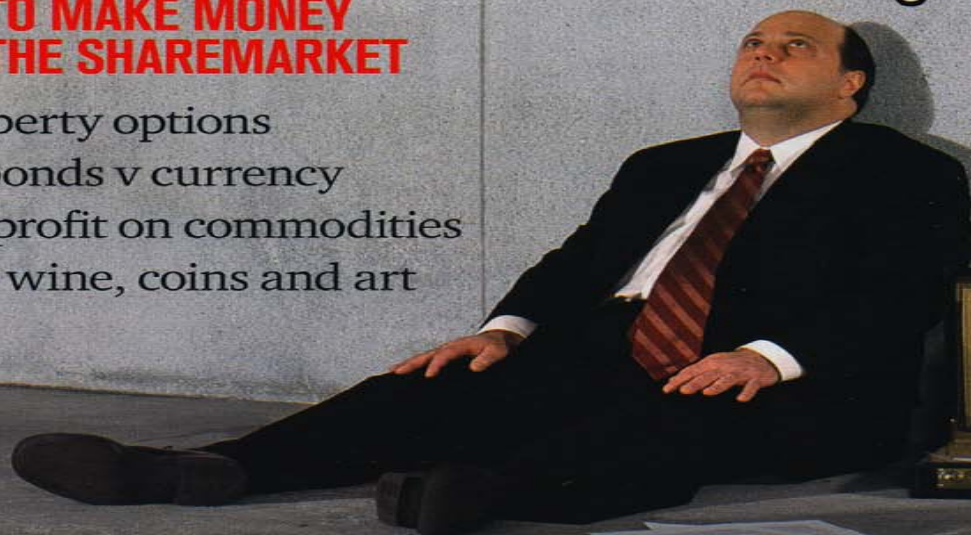
IS PARTNERSHIP WORTH IT?
What lawyers sacrifice

BEATING THE SLOWDOWN
Gen Y's response to economic slid

BETTER WAYS TO INVEST

10 WAYS TO MAKE MONEY OUTSIDE THE SHAREMARKET

- Hot property options
- Cash v bonds v currency
- How to profit on commodities
- Stamps, wine, coins and art



SHARES
SUCK!

UP TO

\$1,000
IN FREE BETS*

**STOCK MARKET
CRASH!**

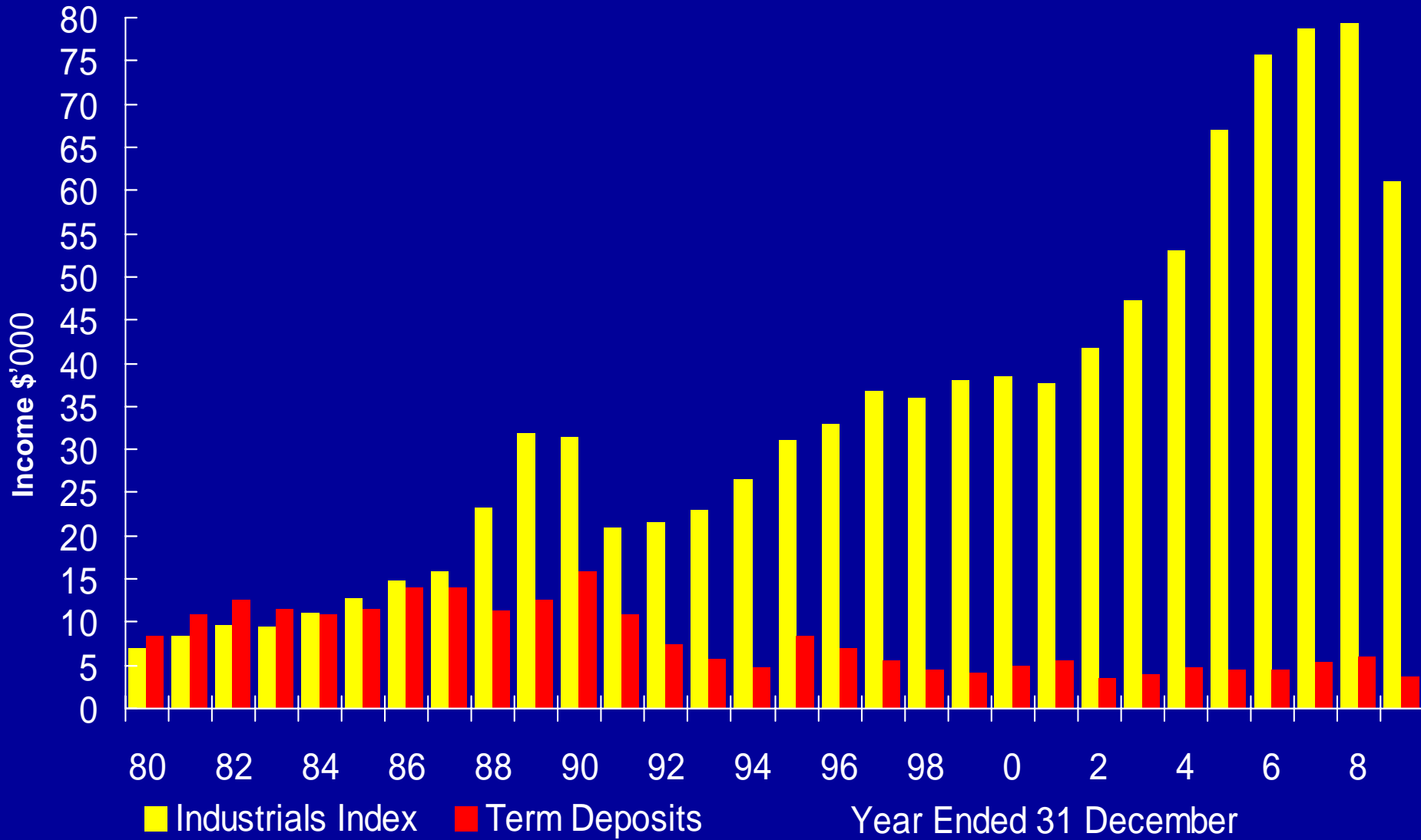
Take the Bull by the Horns
PLAY THE HORSES
at Mark Read's IASbet.com

24/7 Internet & Telephone Sports Betting
Call 133 773 or visit www.IASbet.com

*Conditions Apply

WIN • PLACE • EXACTA • QUINELLA • TRIFECTA • MULTIPLES • FLEX BETTING

Income Return on \$100,000 invested December 1979-2009



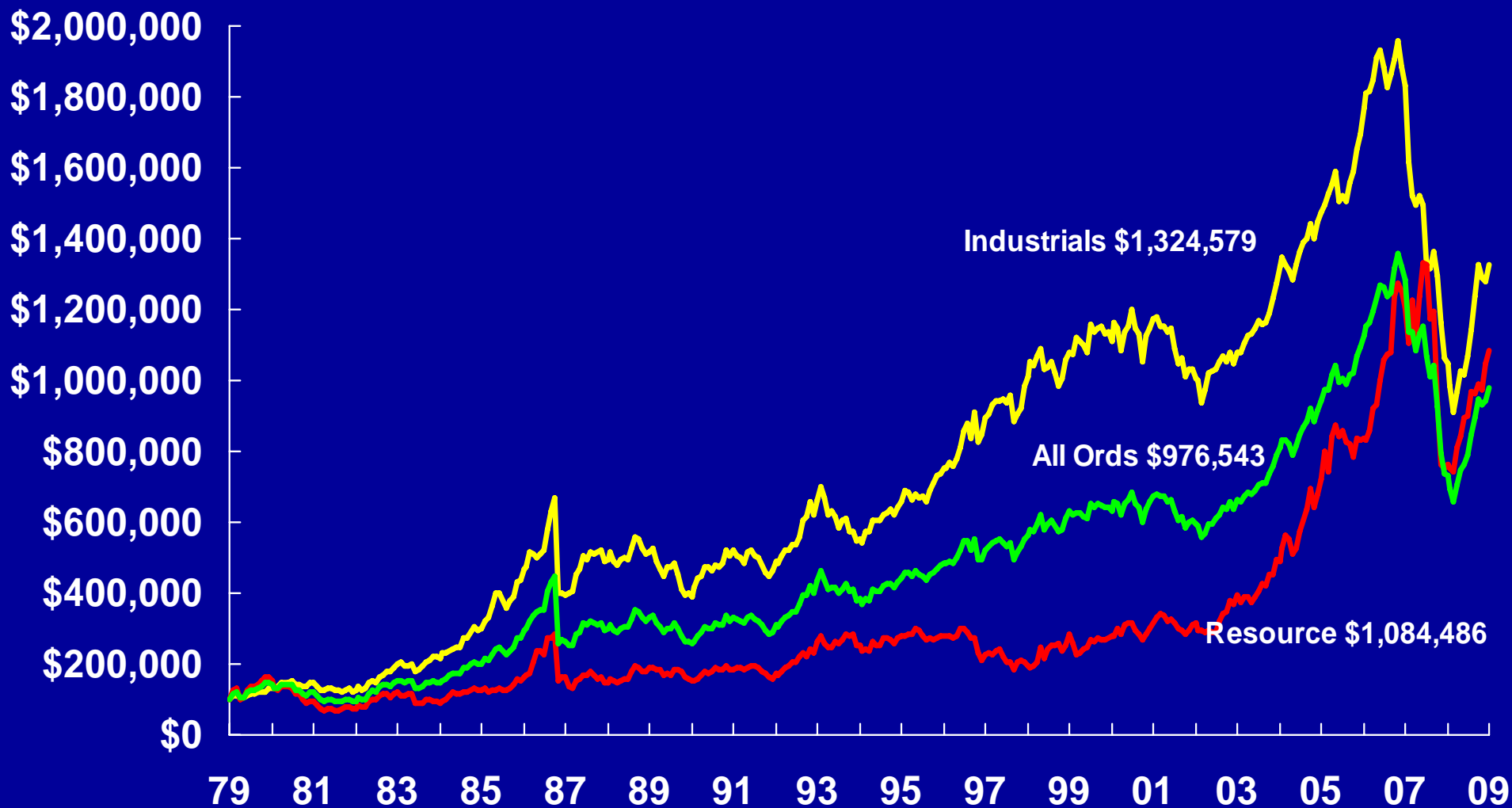
Source: MLC

Data: Industrials represented by S&P/ASX 200 Industrials Accum Index (All Industrials Accum Index used prior to April 2000)

MOTIVATED MONEY

Price Indices

Value of \$100,000 invested December 1979 - 2009



Accumulation Indices

Value of \$100,000 invested December 1979 -2009



Source: MLC



Australian Shares

Value* of \$1,000 Invested Dec 1979-2009



All Ords \$33,699

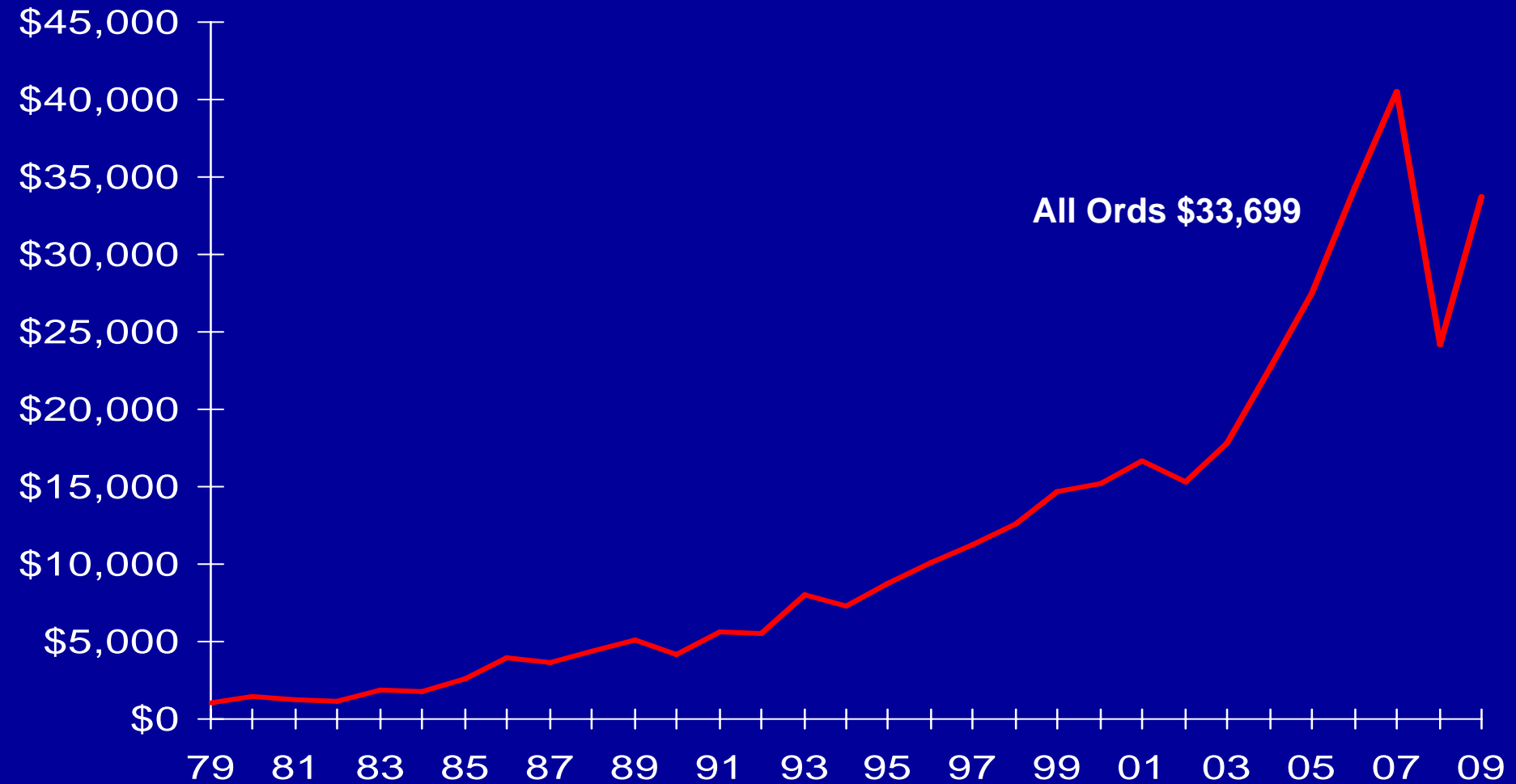
Source:MLC

* Plotted monthly

MOTIVATED MONEY

Australian Shares

Value* of \$1,000 Invested Dec 1979-2008



All Ords \$33,699

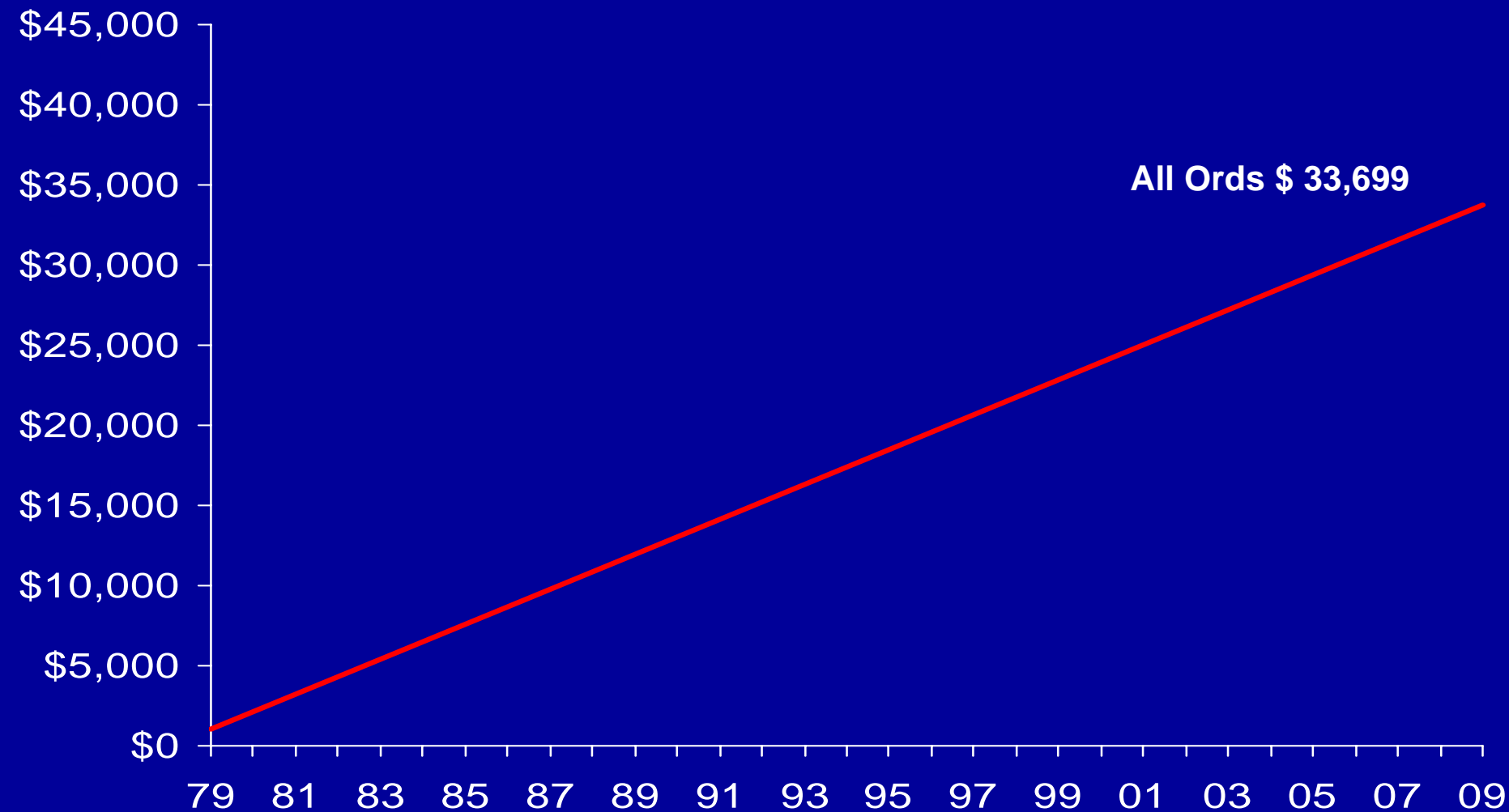
Source:MLC

* Plotted annually

MOTIVATED MONEY

Australian Shares

Value* of \$1,000 Invested Dec 1979 - 2009

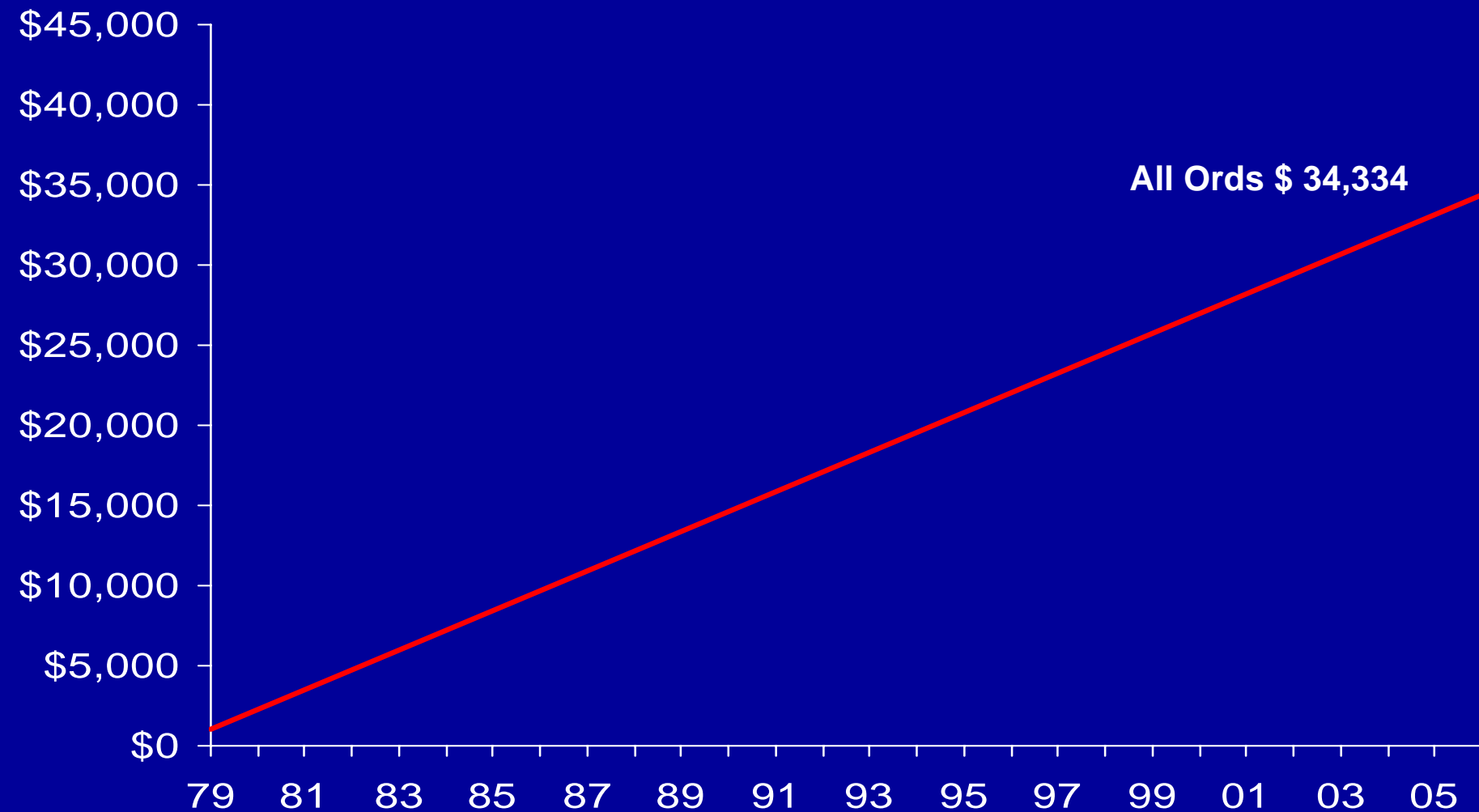


Source:MLC

* Plotted twice

MOTIVATED MONEY

Australian Shares Value* of \$1,000 Invested Dec 1979 - 2006

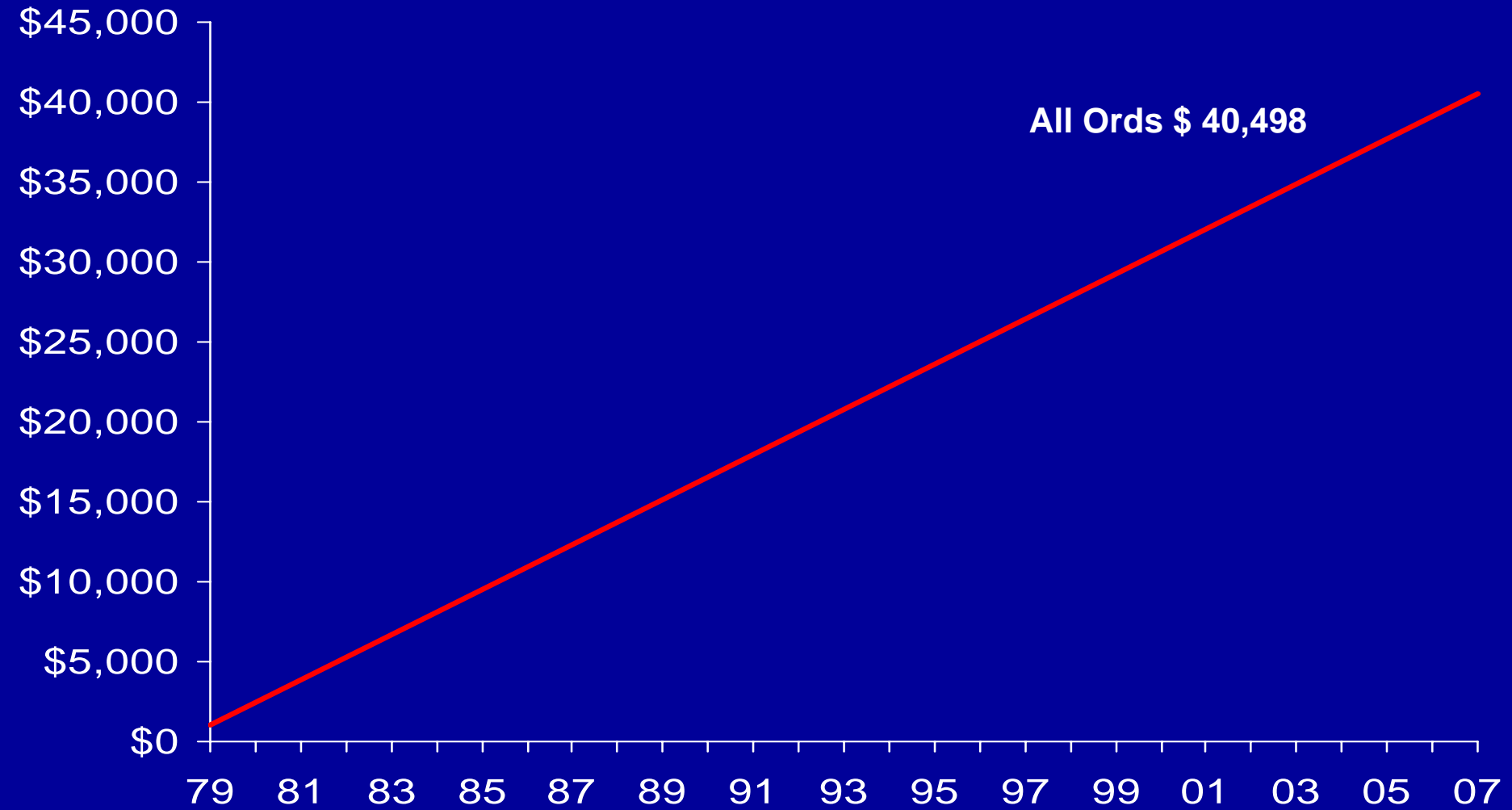


Source:MLC

* Plotted twice

MOTIVATED MONEY

Australian Shares Value* of \$1,000 Invested Dec 1979 - 2007

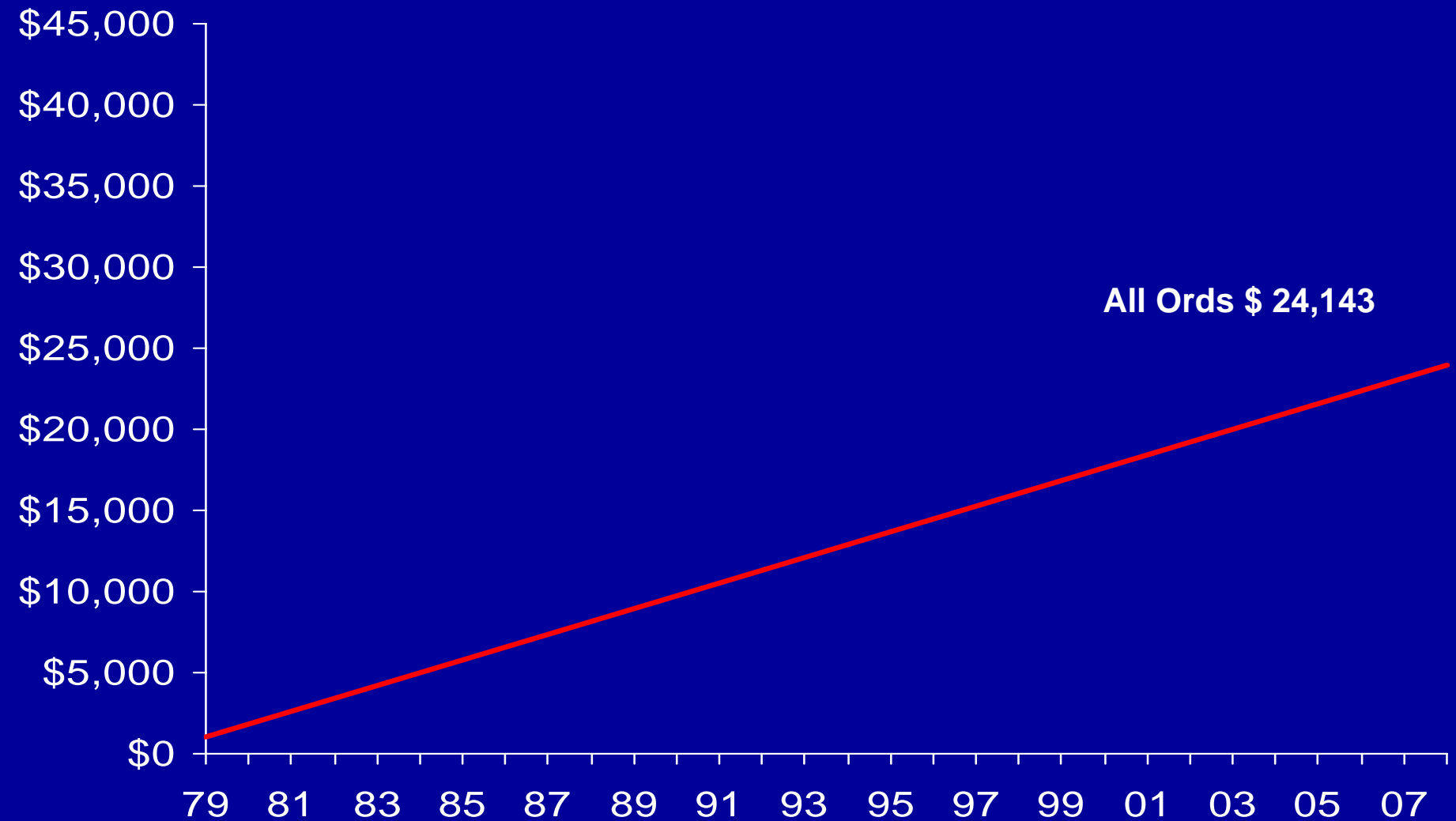


Source:MLC

* Plotted twice

MOTIVATED MONEY

Australian Shares Value* of \$1,000 Invested Dec 1979 - 2008



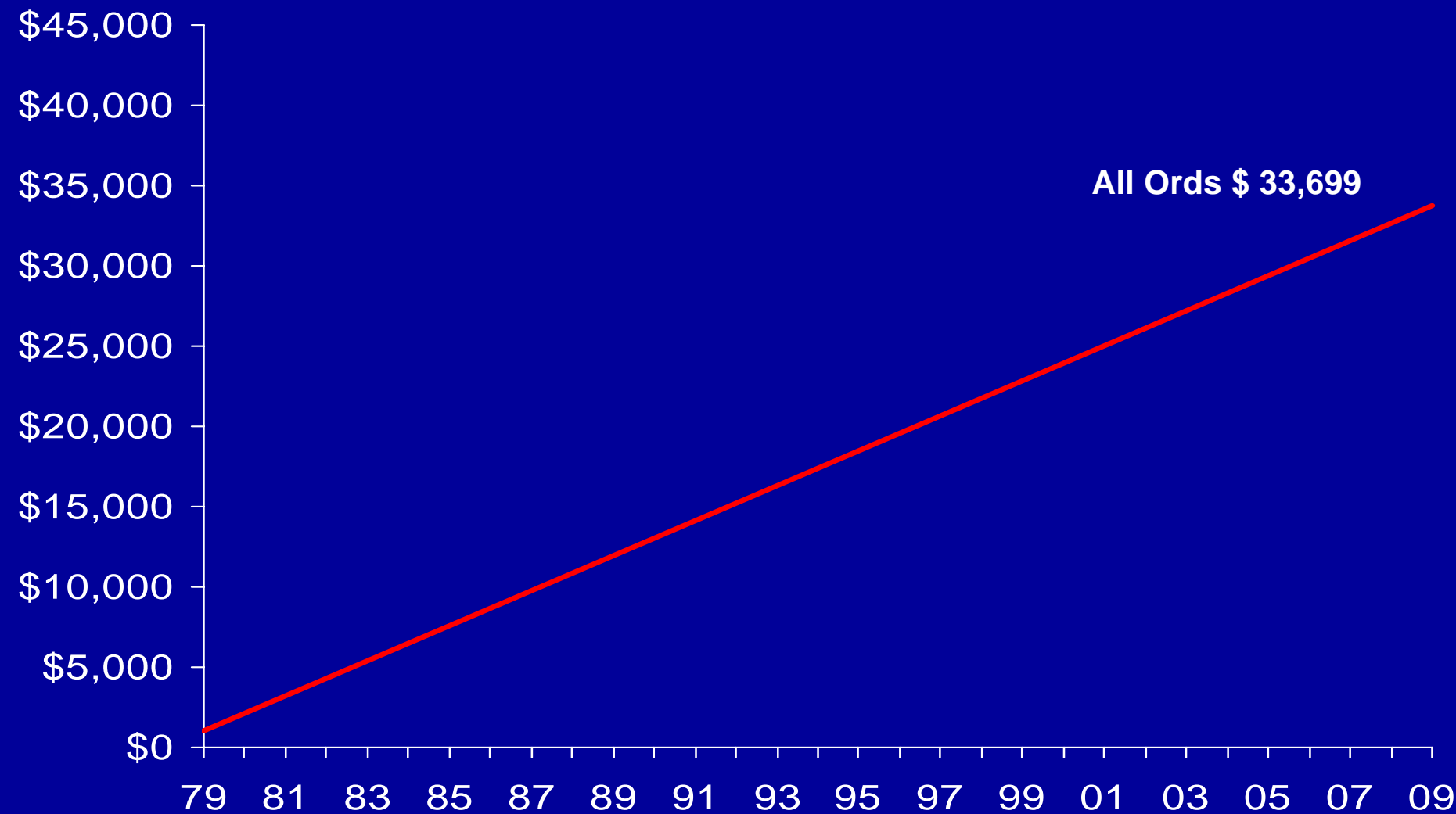
Source:MLC

* Plotted twice

MOTIVATED MONEY

Australian Shares

Value* of \$1,000 Invested Dec 1979 - 2009



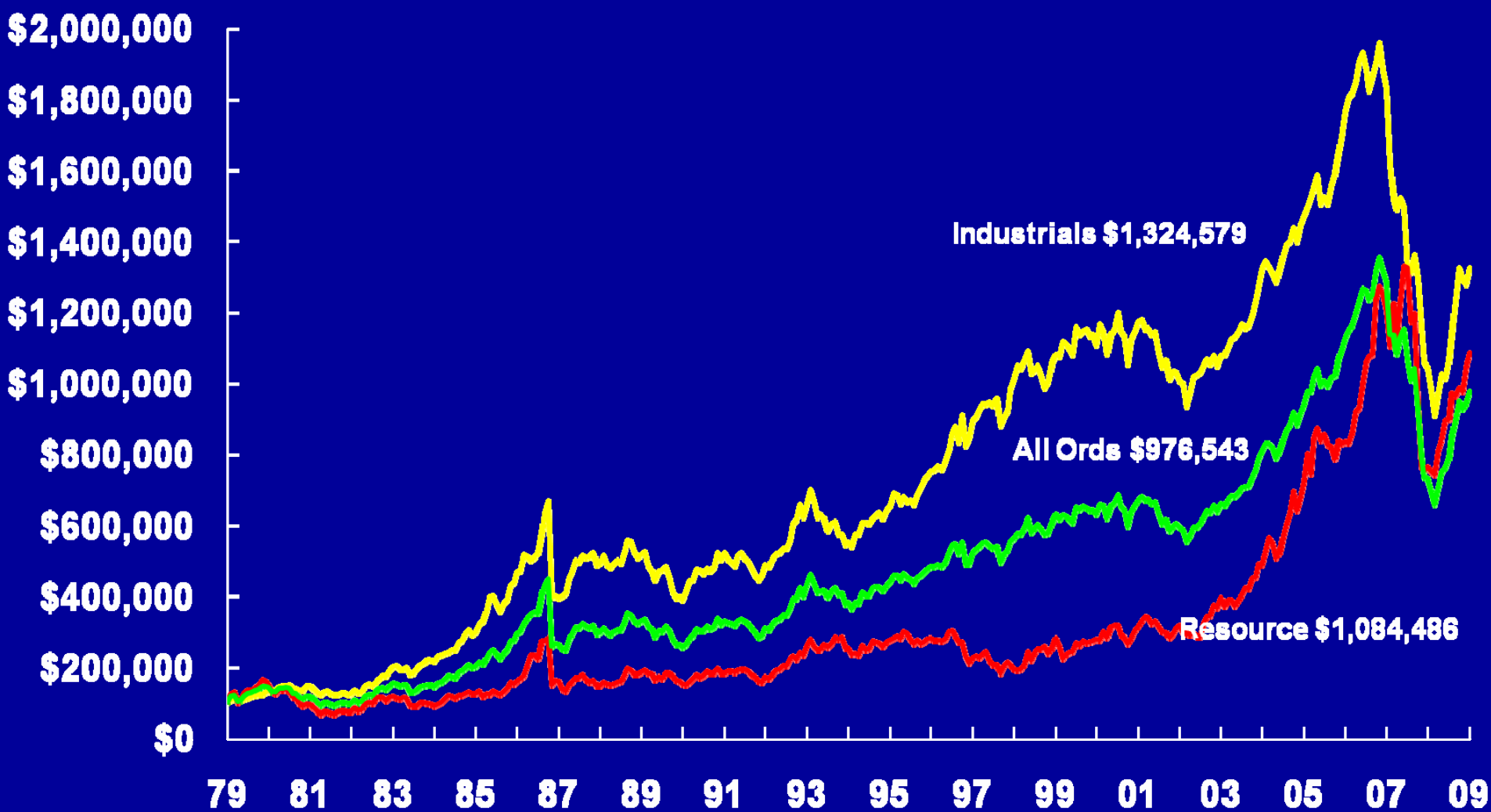
Source:MLC

* Plotted twice

MOTIVATED MONEY

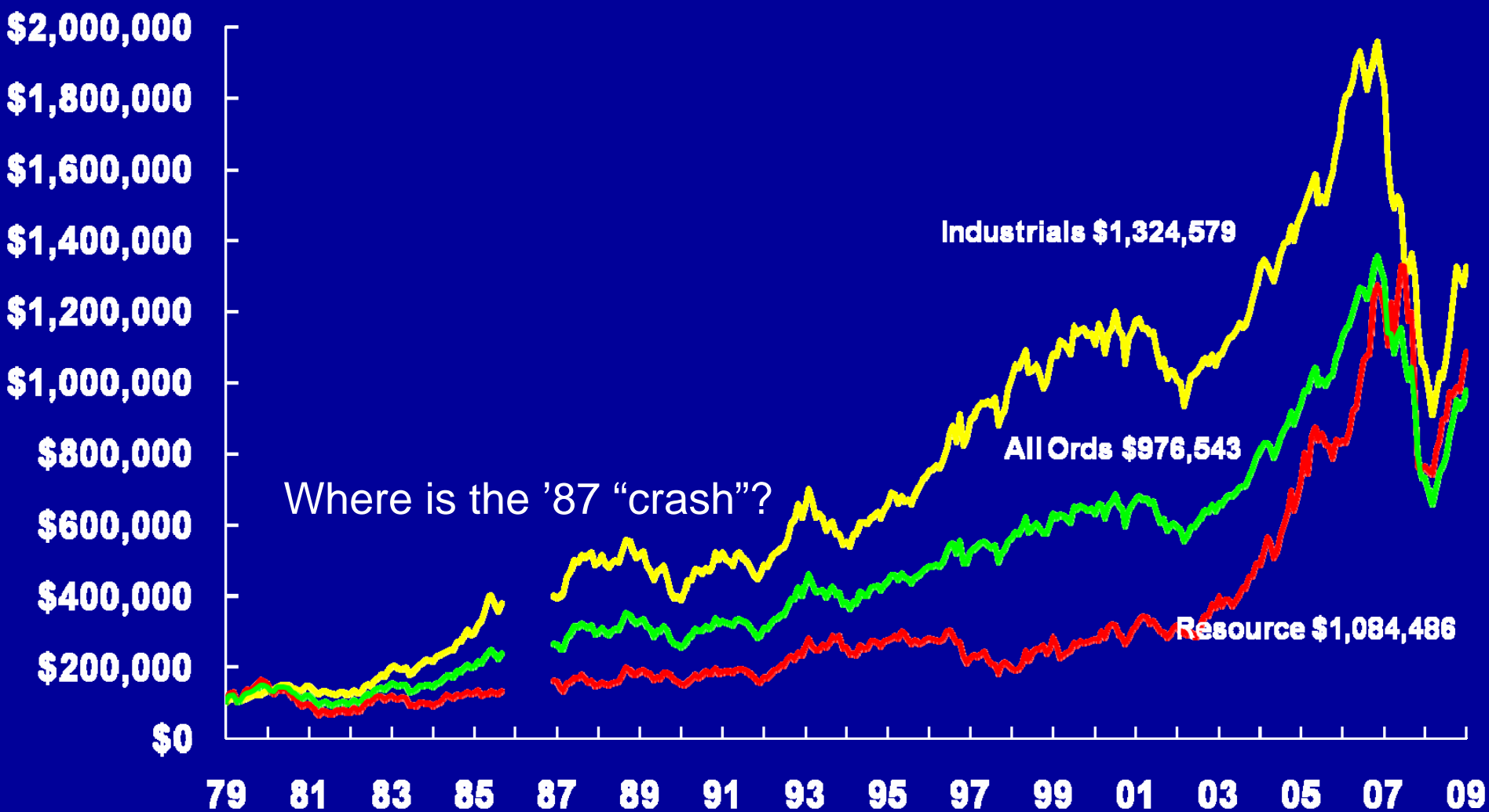
Price Indices

Value of \$100,000 invested December 1979 - 2009

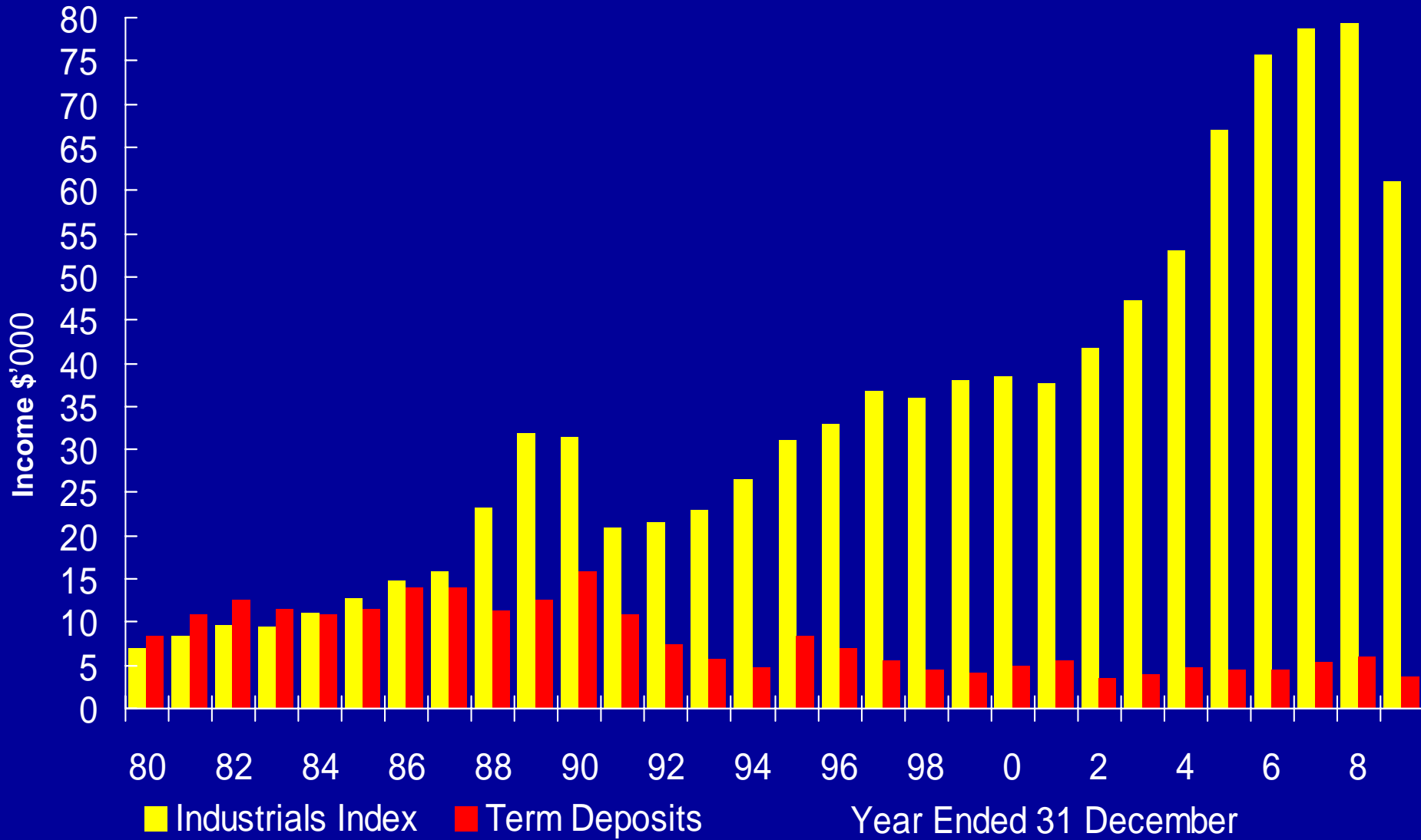


Price Indices

Value of \$100,000 invested December 1979 -2009



Income Return on \$100,000 invested December 1979-2009

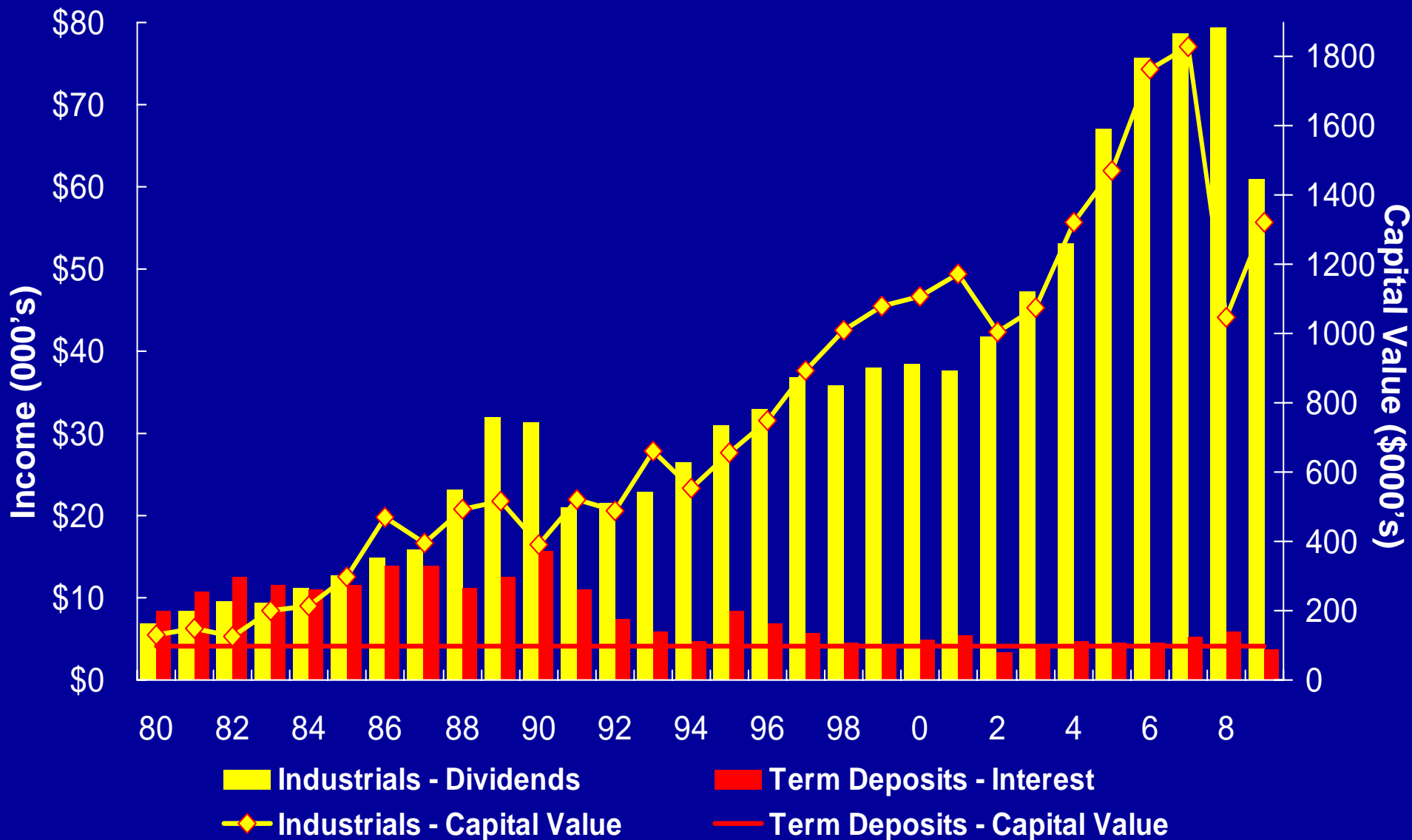


Source: MLC

Data: Industrials represented by S&P/ASX 200 Industrials Accum Index (All Industrials Accum Index used prior to April 2000)

MOTIVATED MONEY

Return on Investment of \$100,000 December 1979-2009

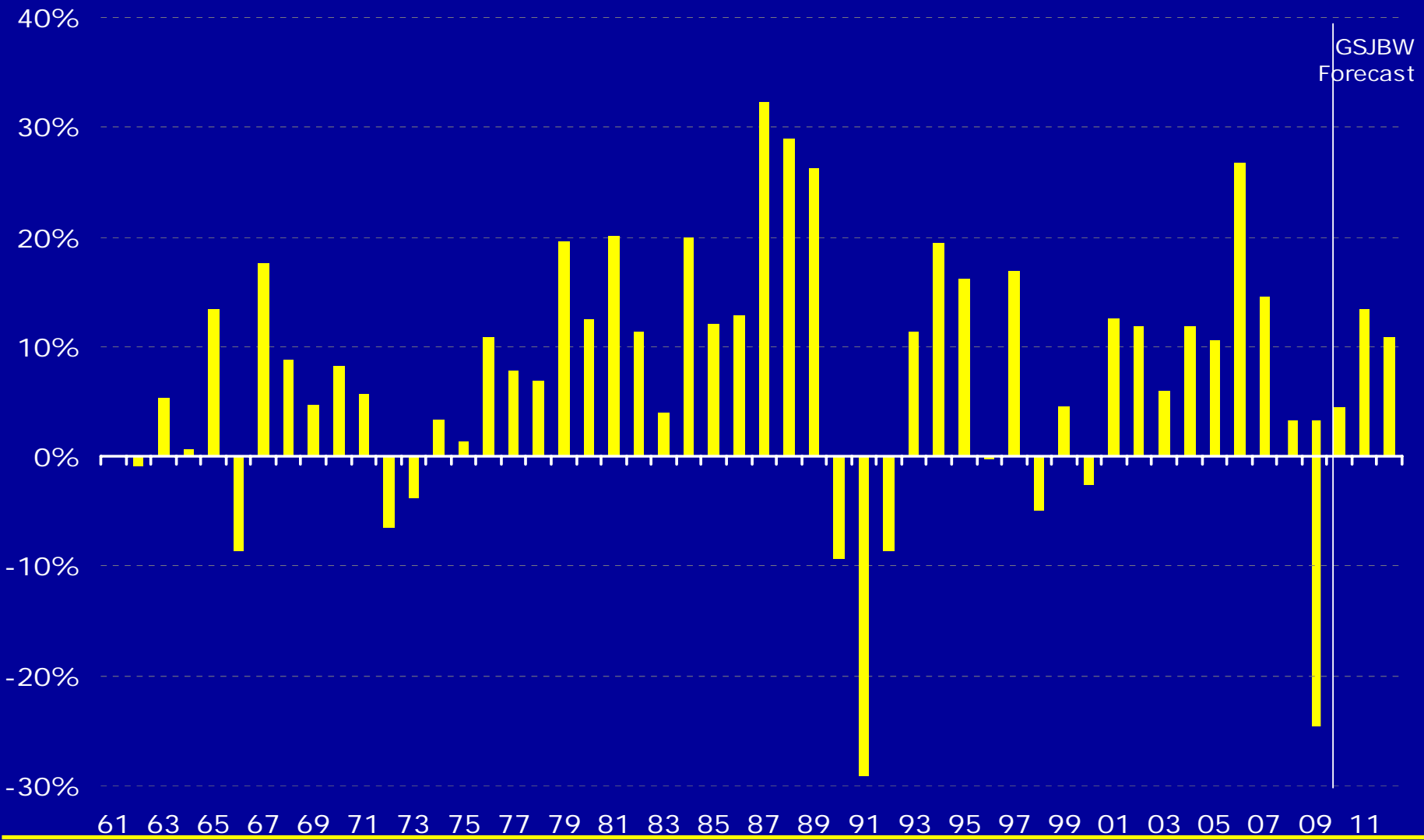


Source: MLC

Data: Industrials represented by S&P/ASX 200 Industrials Price Index
(All Industrials Price Index used prior to April 2000)

MOTIVATED MONEY

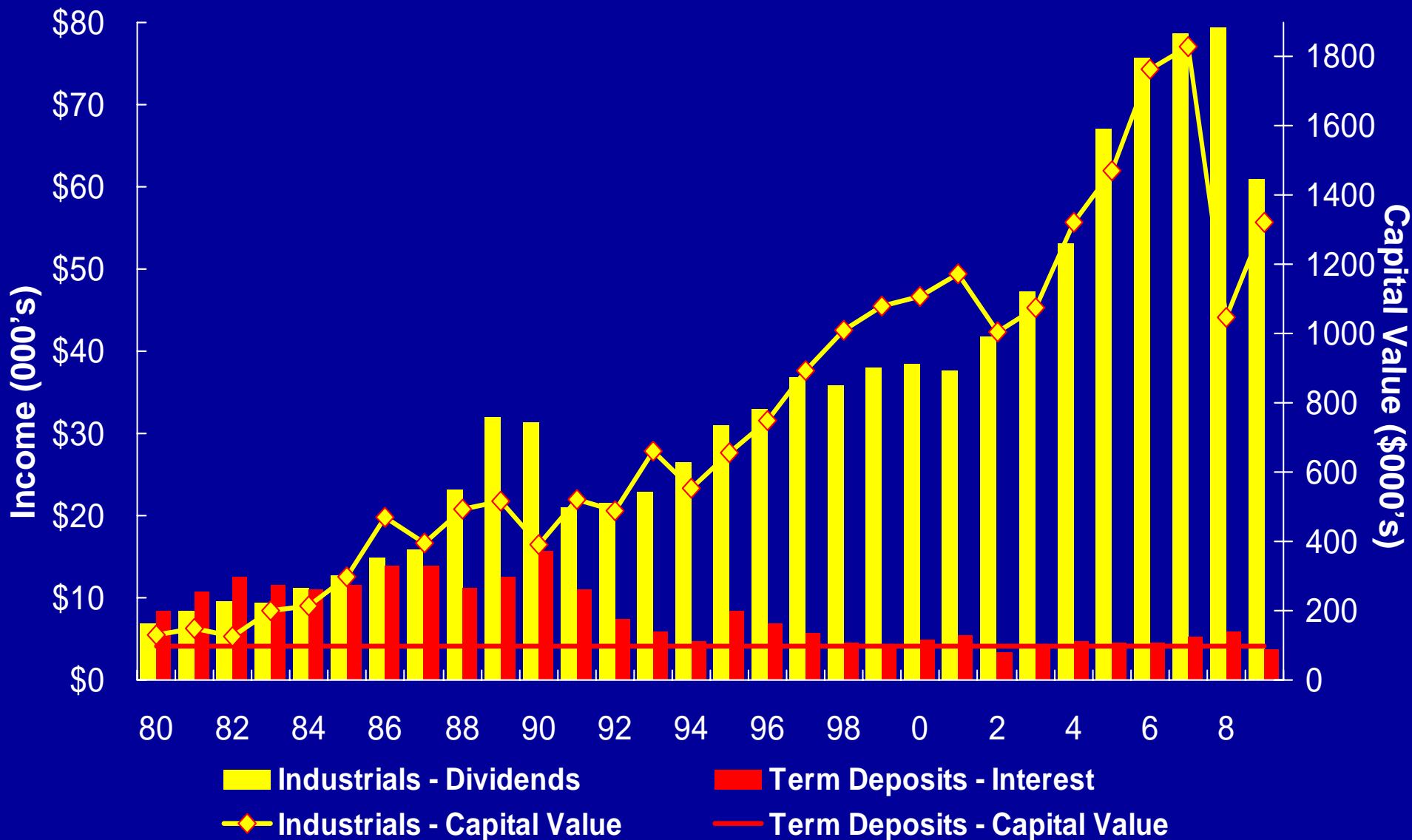
ASX 200 Industrials Dividend per Share - year-on-year growth



Source: IRESS, GJSBW Research estimates.



Return on Investment of \$100,000 December 1979-2009

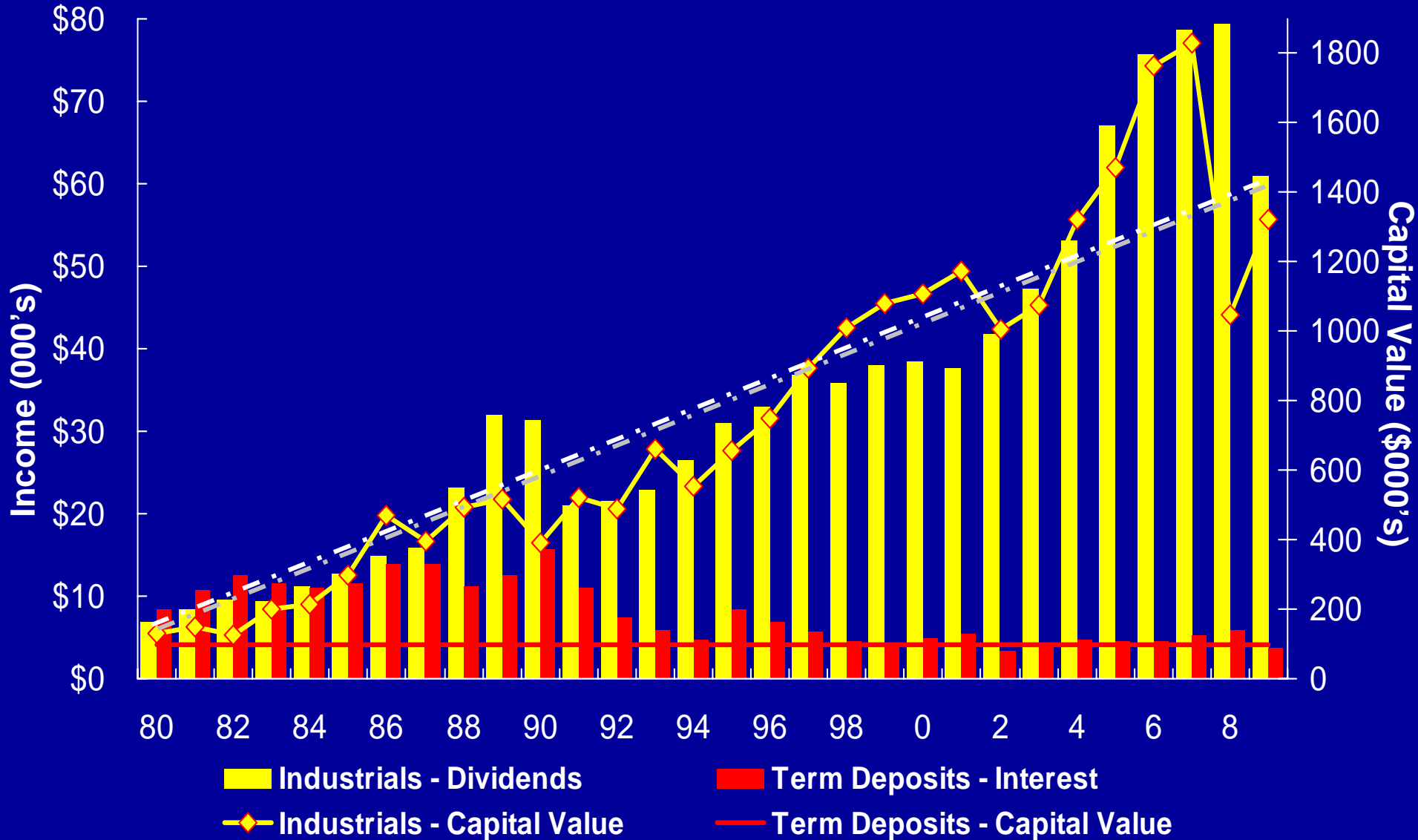


Source: MLC

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Return on Investment of \$100,000 December 1979-2009

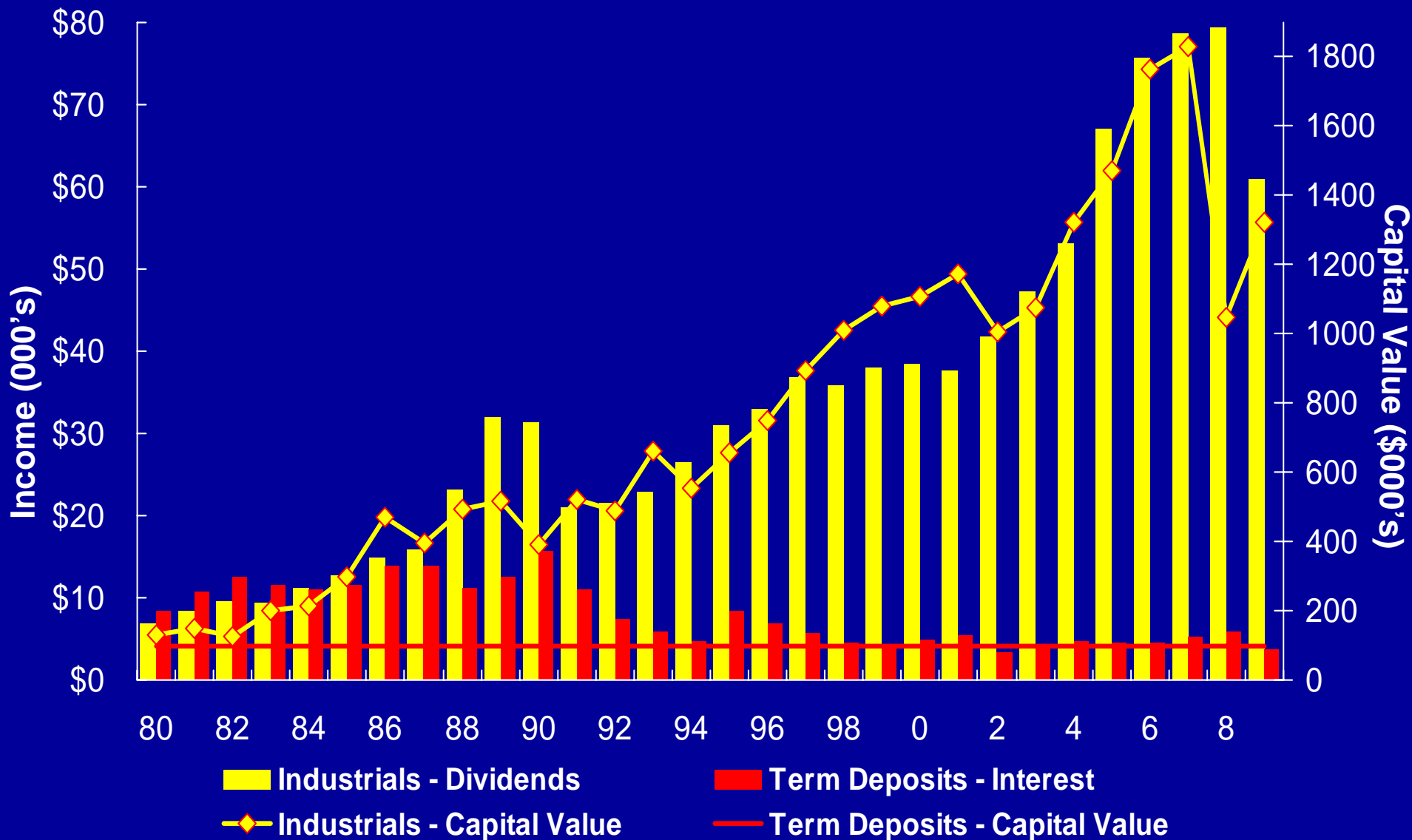


Source: MLC

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Return on Investment of \$100,000 December 1979-2009

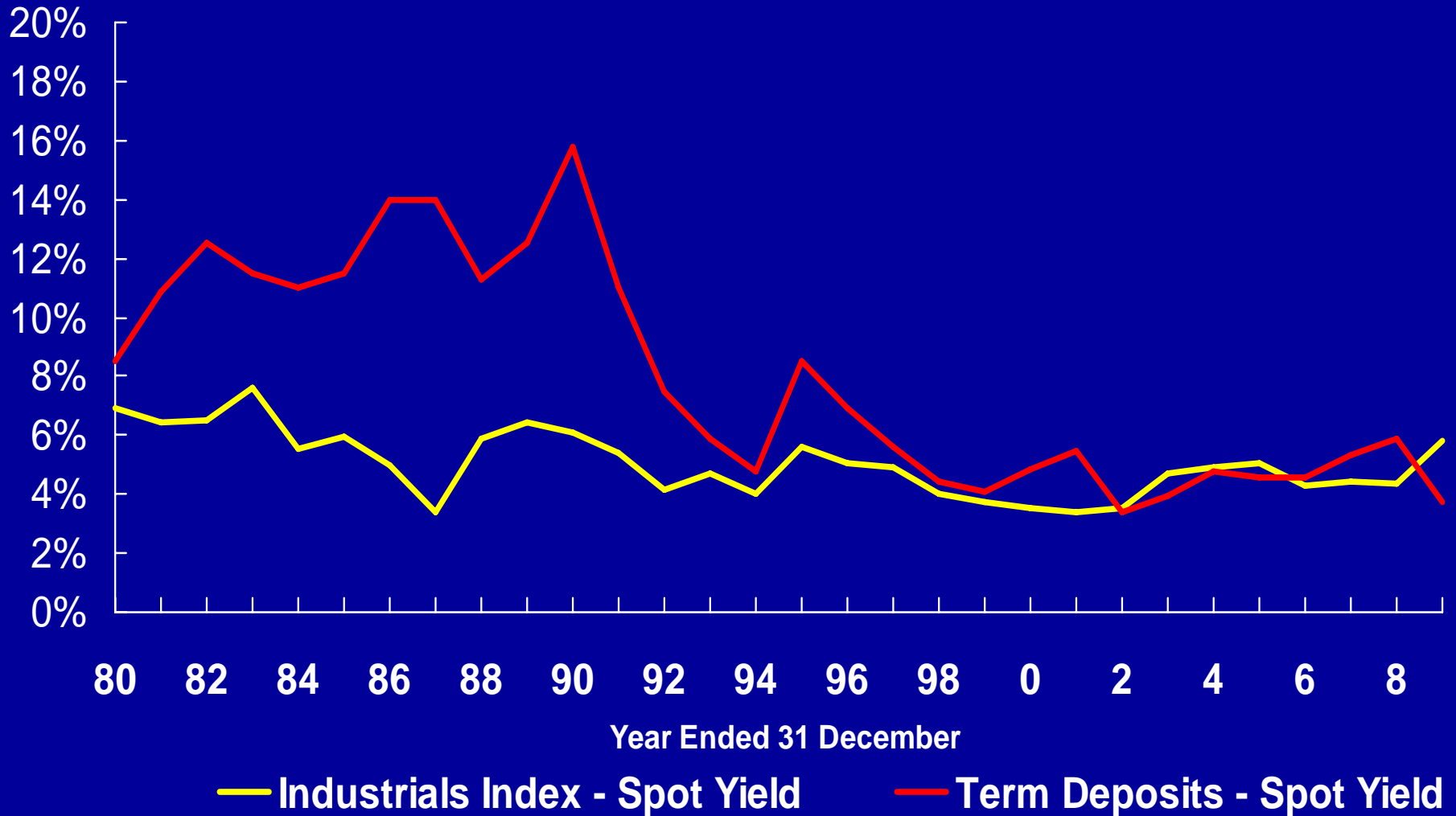


Source: MLC

Data: Industrials represented by S&P/ASX 200 Industrials Price Index
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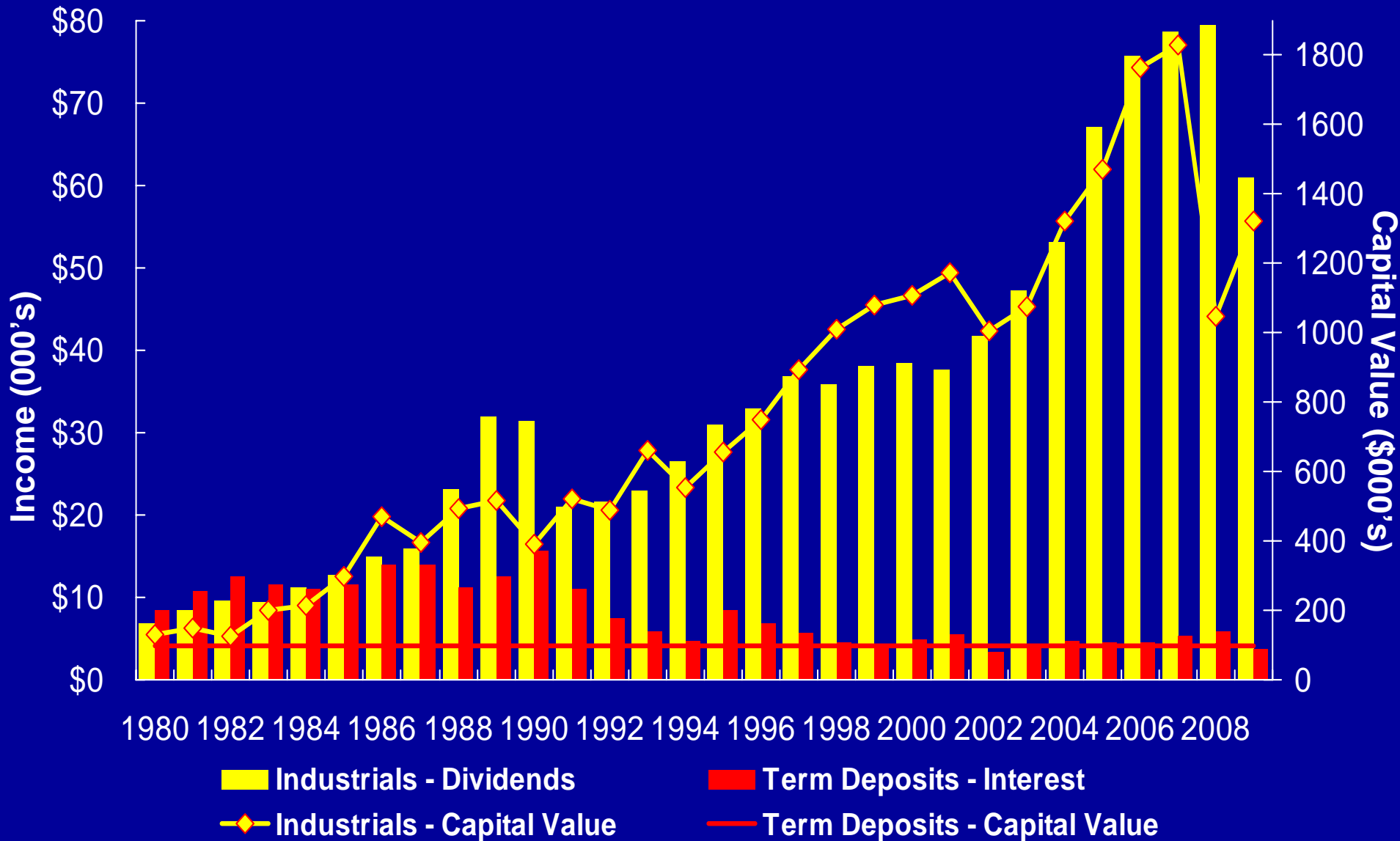
Yield of Investments from December 1979-2009



Source: MLC

Data: Industrials represented by S&P/ASX 200 Industrials Accum Index
(All Industrials Accum Index used prior to April 2000)

Return on Investment of \$100,000 December 1979-2009

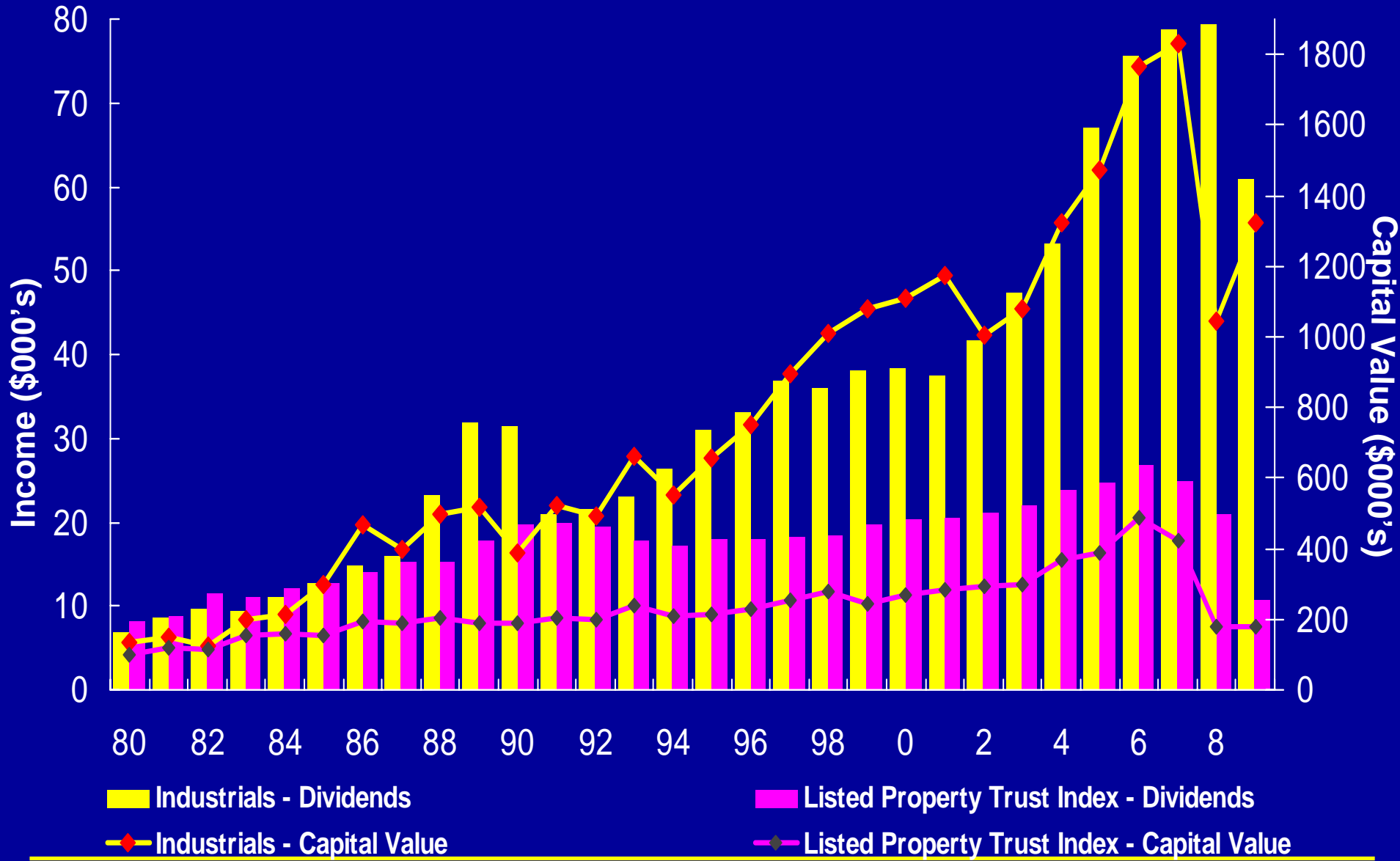


Source: MLC

Data: Industrials represented by S&P/ASX 200 Industrials Price Index
(All Industrials Price Index used prior to April 2000)



Return on Investment of \$100,000 December 1979-2009

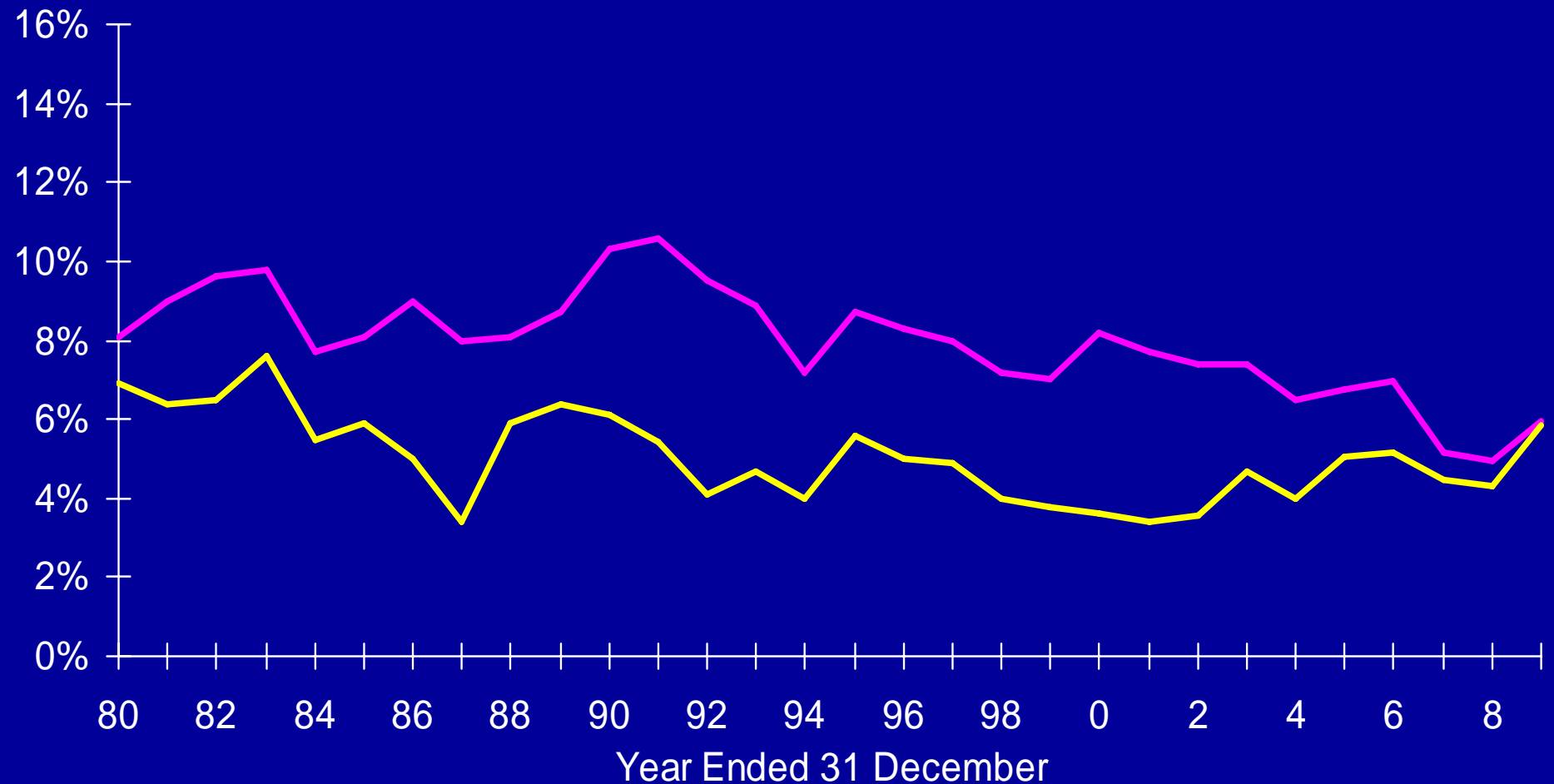


Source: RBA, Reuters

Data: Industrials represented by S&P/ASX 200 Industrials Accum Index (All Industrials Accum Index used prior to April 2000)



Yield of Investments from December 1979-2009

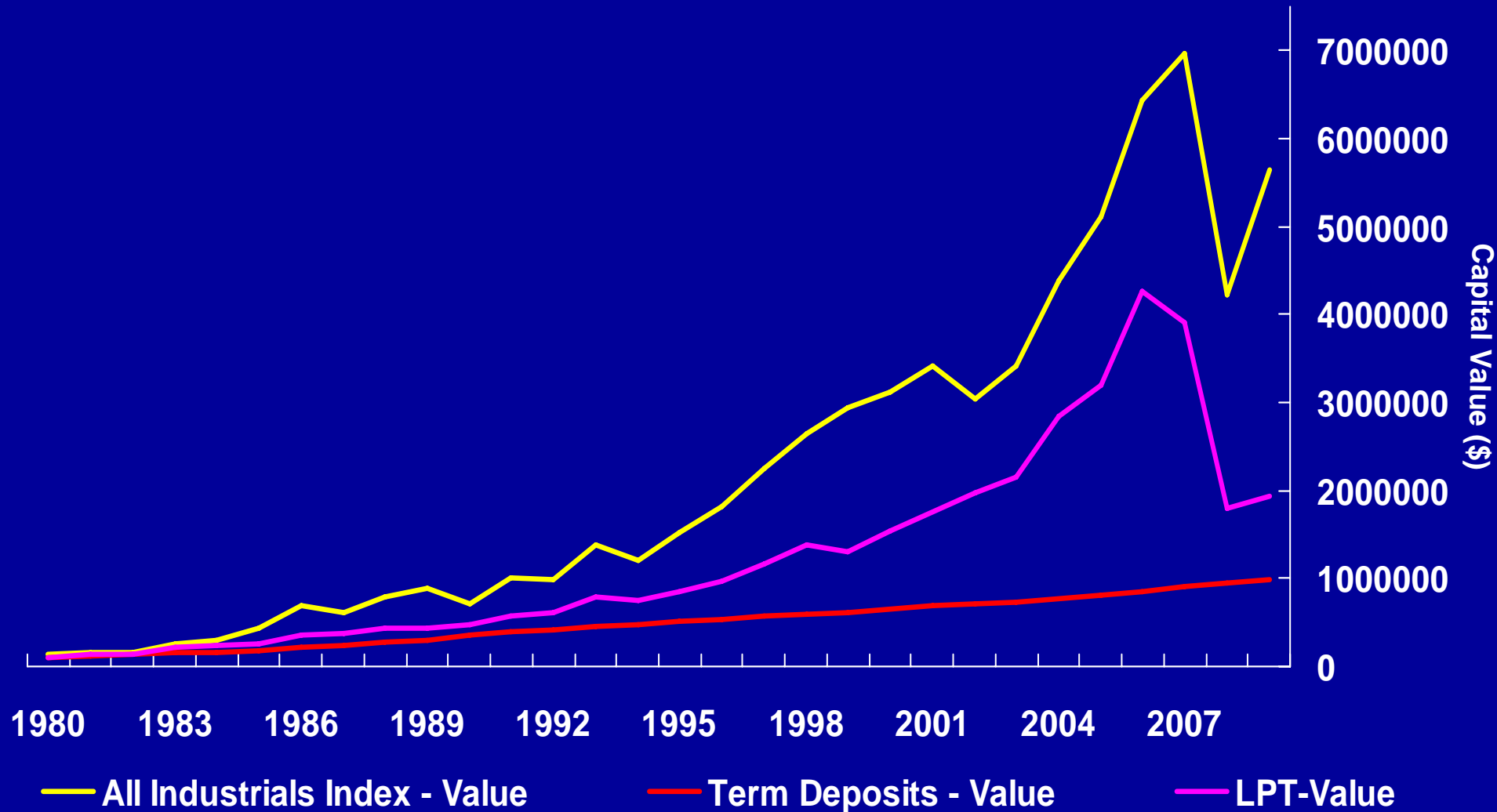


ASX Listed Prop Trust Index - Spot Yield

All Industrials Index - Spot Yield

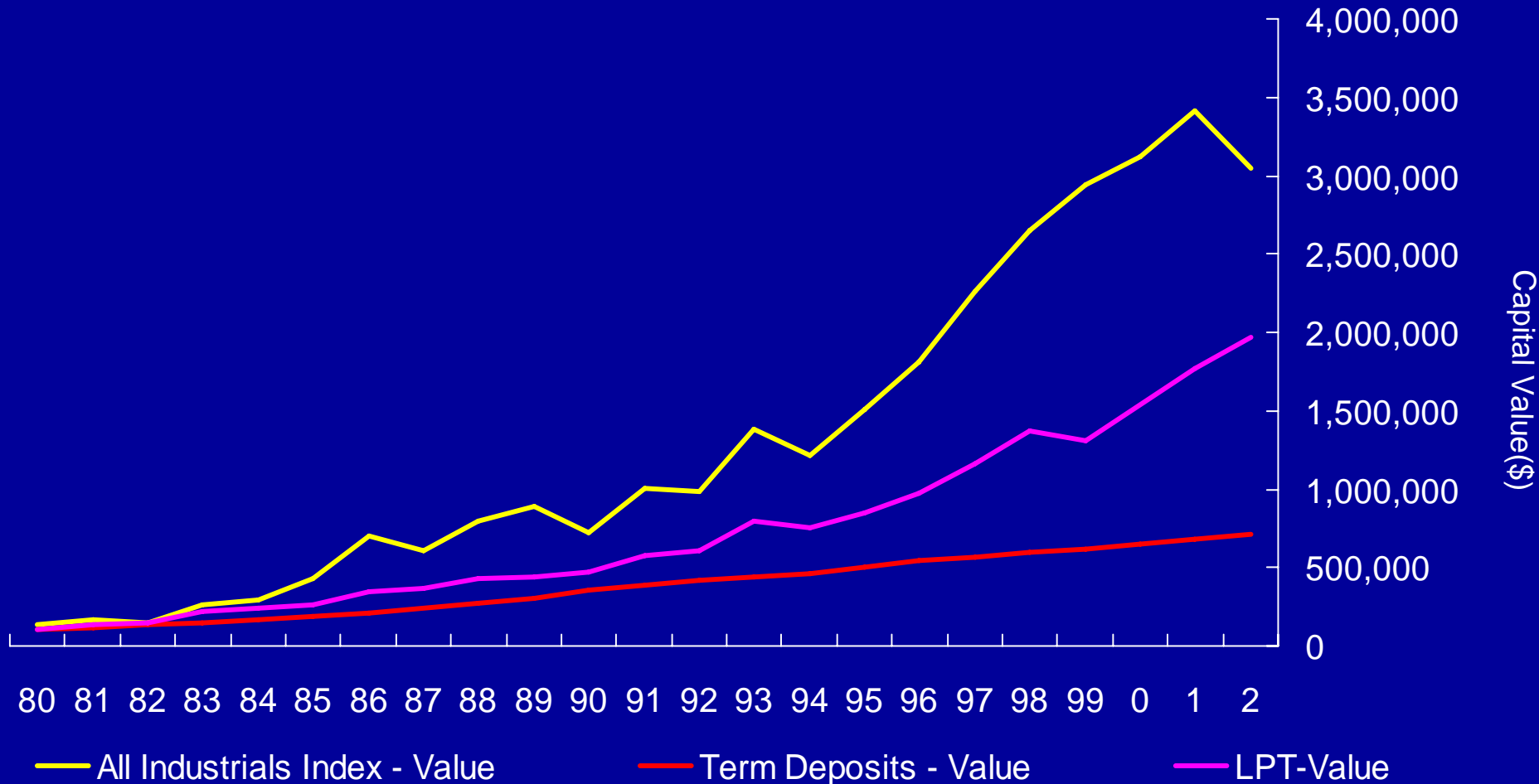
Data Source: MLC

Return on Investment of \$100,000 Dec 1979-2009 with Income Reinvested



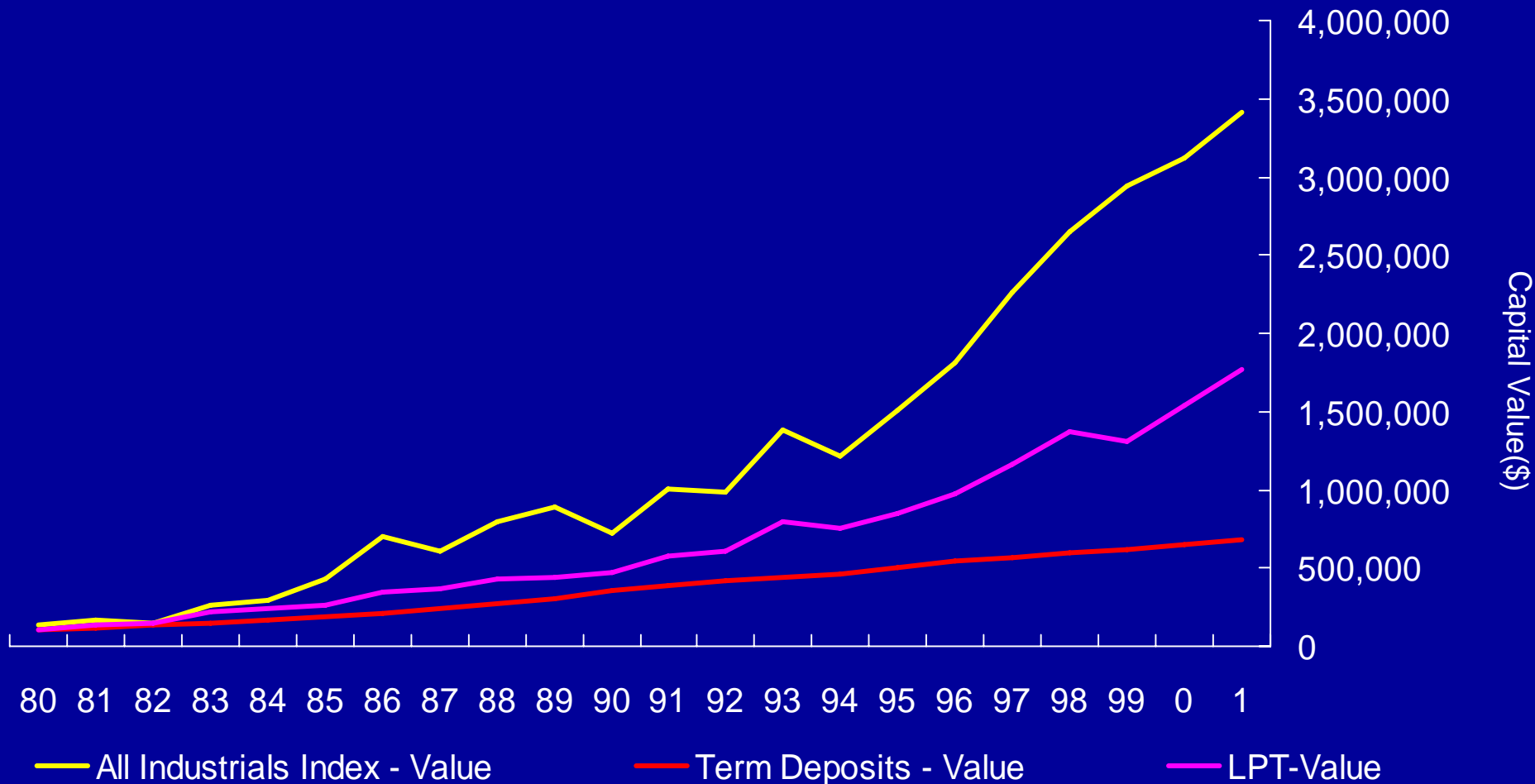
Source: RBA, Reuters

Return on Investment of \$100,000 Dec 1979-2002 with Income Reinvested



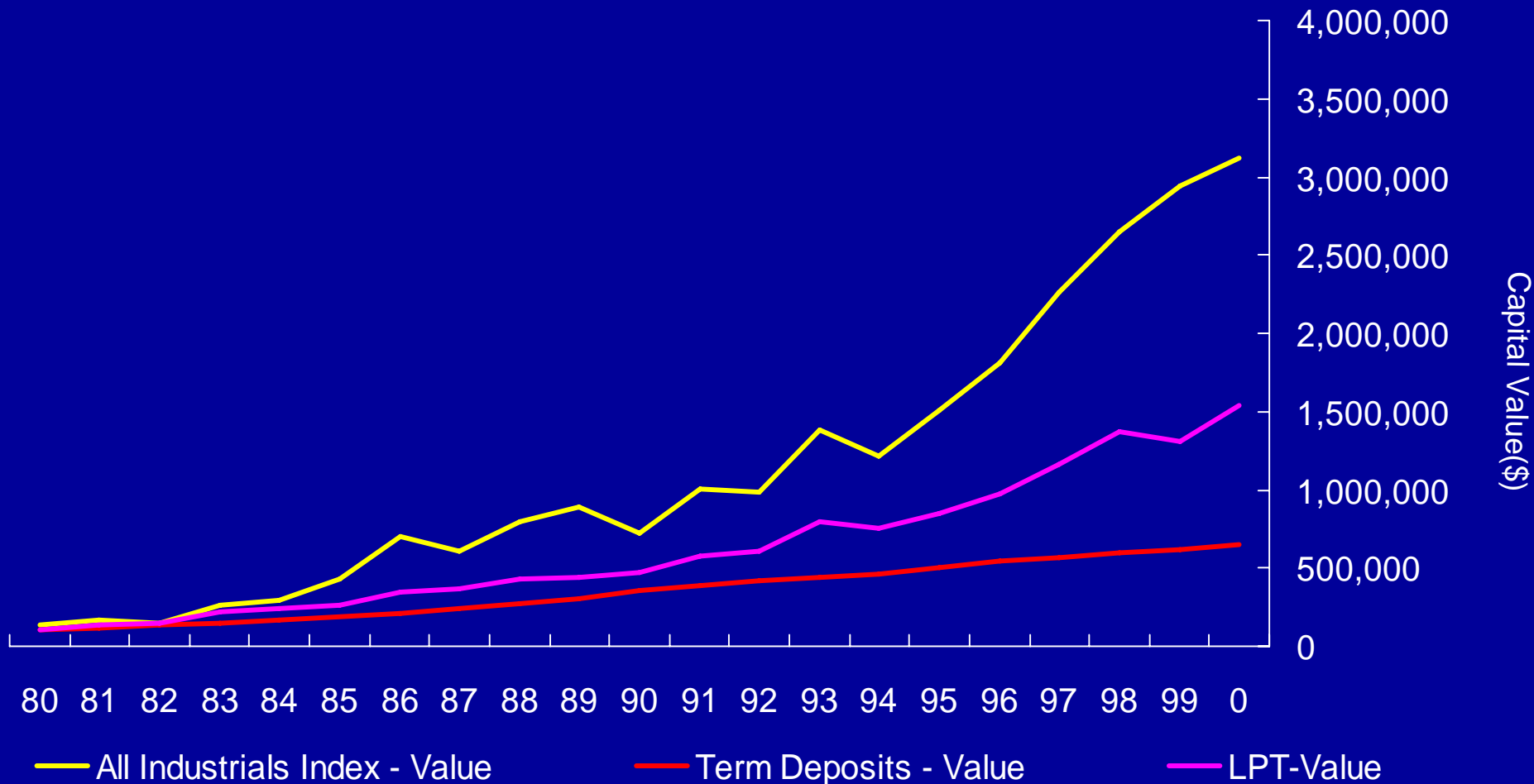
Source: RBA, Reuters

Return on Investment of \$100,000 Dec 1979-2001 with Income Reinvested



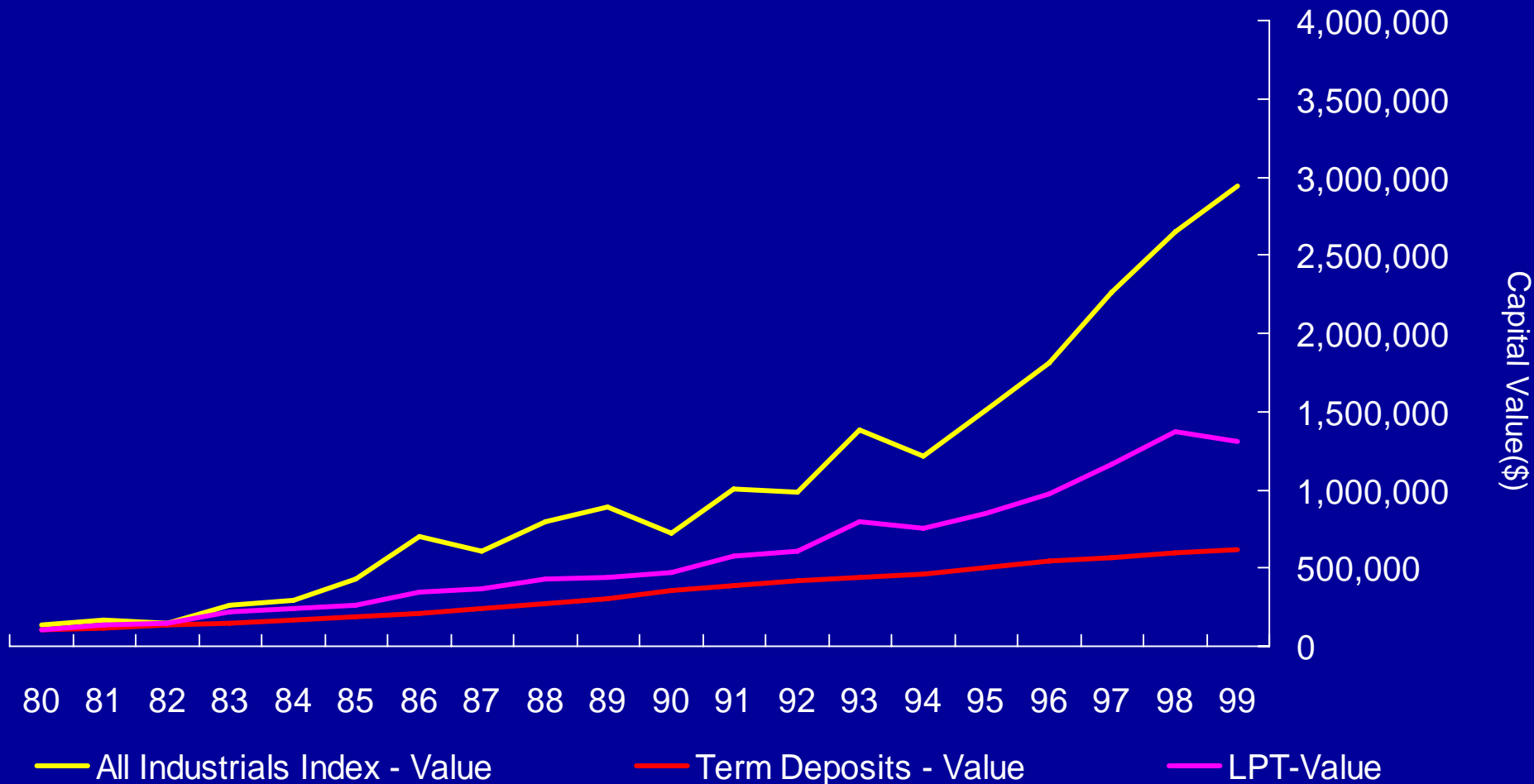
Source: RBA, Reuters

Return on Investment of \$100,000 Dec 1979-2000 with Income Reinvested



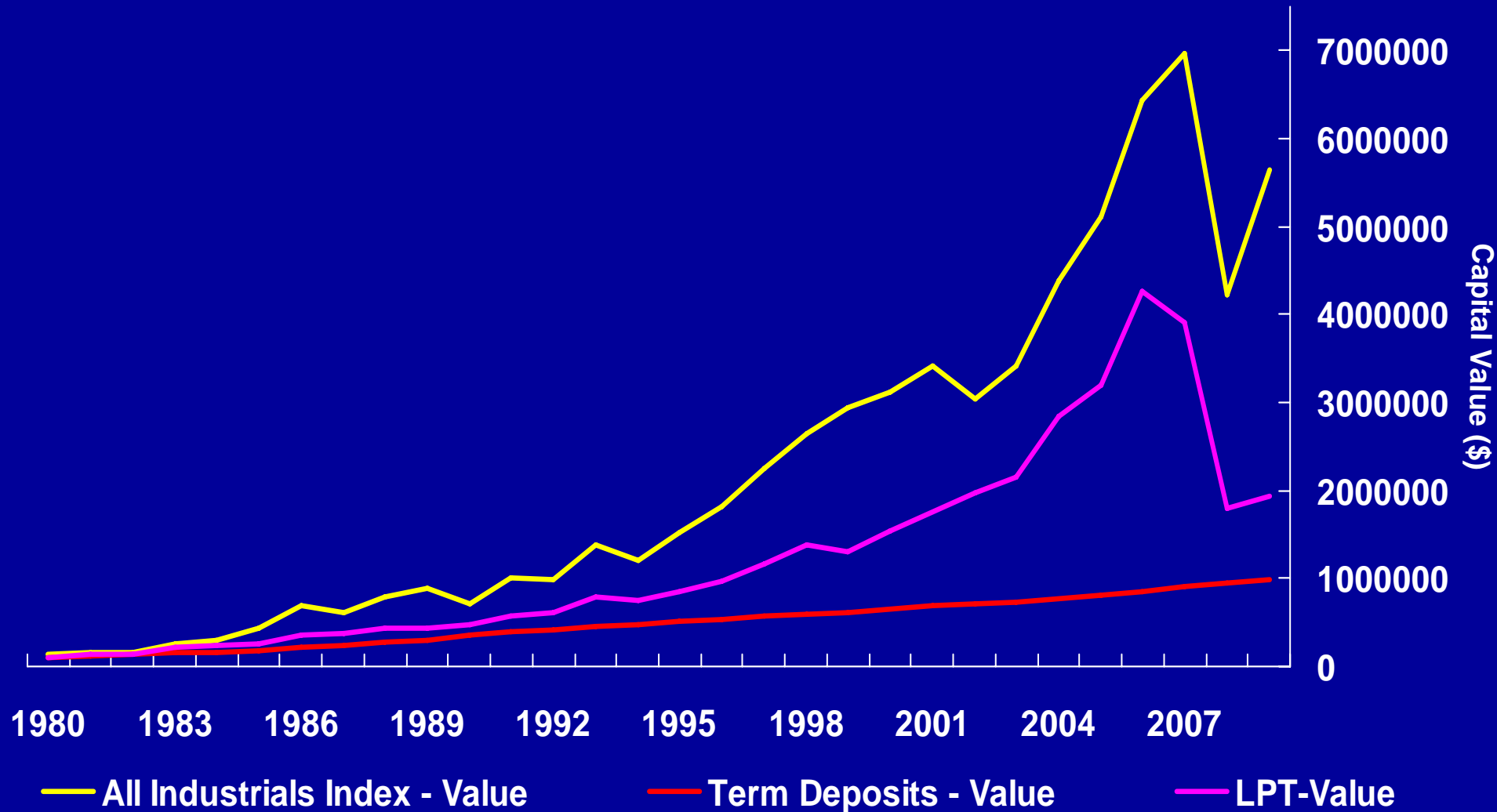
Source: RBA, Reuters

Return on Investment of \$100,000 Dec 1979-1999 with Income Reinvested



Source: RBA, Reuters

Return on Investment of \$100,000 Dec 1979-2009 with Income Reinvested



Source: RBA, Reuters

The best of both worlds

Important note

This analysis has not been prepared by Perpetual Group. The views expressed in the article are the opinions of the author at the time of writing and do not constitute a recommendation to act. It is for the use of financial advisers only, it is general information and is not intended to provide you with financial advice. Any information referenced in the article is believed to be accurate at the time of compilation and is provided by the author in good faith.



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