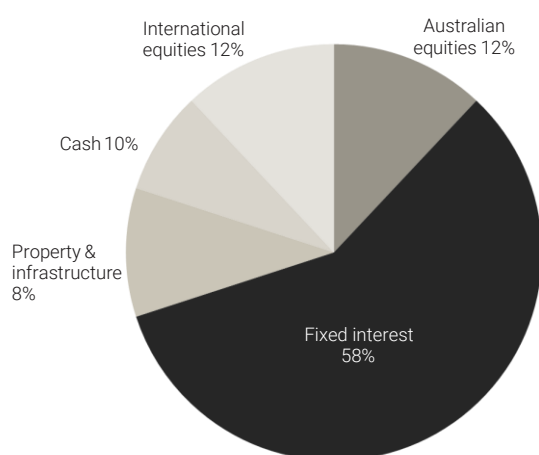


# What is the risk/return profile of a conservative portfolio?

## Asset allocation of a conservative portfolio

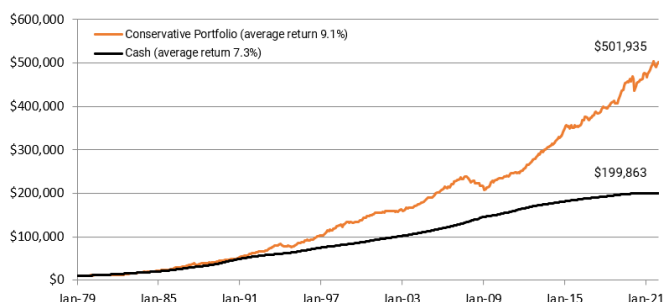
A conservative portfolio targets an asset allocation of 68% in defensive assets and 32% in growth assets:



This portfolio is recommended for investors who are uncomfortable with investment risk, and/or require modest returns to meet their objectives.

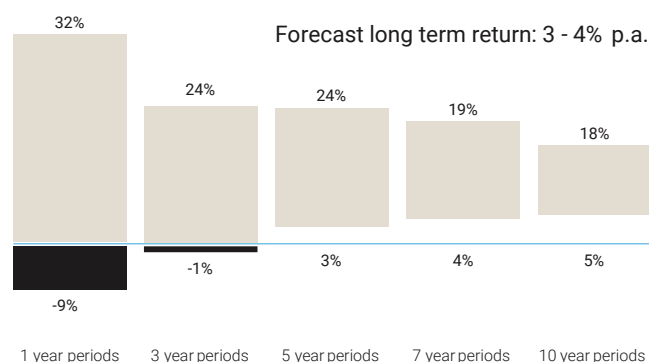
## Return on \$10,000 investment on 1 Jan 1979 to 31 December 2021 (income re-invested)

### Annual returns



\*Note: Past performance is not indicative of future performance

## Historical range of returns (per annum) Income re-invested



### Key questions about risk

Historically, how often has a portfolio with a conservative asset allocation incurred a loss?	Once in every 18 years
What has been the largest loss incurred over a 12 month period?	9%*
How long did it take for the portfolio to recover from this loss?	13 months*
Historically, what has been the likelihood this portfolio could experience two consecutive 12 month periods of negative returns?	1.36% likelihood



#### Pros

- Low likelihood of a negative return over a 12 month period
- Low variance in returns from year to year

#### Cons

- Low returns over long term
- Provides limited protection against inflation

**Important information**

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