

SHAREMARKETS WILL BOUNCE BACK

PATIENCE IS REWARDED

Consecutive negative calendar year returns are generally always followed by a significant bounce back

No one knows when a bear market will end. What we do know is that once sentiment changes, markets tend to recover so quickly that investors waiting to get back into markets will more than likely miss out on substantial returns. It is therefore critical to maintain a diversified and well-positioned portfolio to take advantage of a market recovery.

THE MARKETS WILL BOUNCE BACK

Historical trends tell us the markets will bounce back. The question is when, and by how much?

As an example, the Australian Sharemarket experienced consecutive negative returns in 1981 and 1982. However in 1983 the market bounced back in a big way climbing 66.8%. In 2003 we also saw evidence of this bounce back phenomenon in action with the Australian market climbing 19% and the US sharemarket rallying 26% from their lows in March. The historical trends above tell us that the markets will bounce back from the current bear market - the question is just when, and by how much.

UNITED STATES SHAREMARKET CALENDAR YEAR RETURNS. Sources: 1841-2002, Siegel, J., Stocks for the Long Run, "Stocks - nominal - total market returns: 1802-2002."; 2003 S&P 500 Price Index. AUSTRALIAN SHAREMARKET CALENDAR YEAR RETURNS. Sources: 1970-1979: Value-weighted index of the highest capitalisation industrial shares; 1980-1999: ASX All Ordinaries Accumulation Index; 1999-2003: S&P/ASX 300 Accumulation Index (formerly the All Ordinaries Index). Russell Investment Management Ltd ABN 53 068 338 974, AFS Licence 247185 ("RIM") has been appointed by Aon Superannuation Pty Limited ABN 83 057 982 822, AFS Licence 237465 ("the trustee"), the trustee of the Aon Master Trust ABN 68 964 712 340, to manage Aon Master Trust investments. This document has been written by RIM. The information contained in this document has been compiled from sources considered to be reliable, but is not guaranteed. The information is of a general nature only. It does not take into account your individual objectives, financial situation or needs and should not be used, relied upon or treated as a substitute for specific professional advice. You should obtain your own independent professional advice before making any decision in relation to your particular requirements or circumstances. Past performance is not indicative of future performance. The trustee does not warrant the accuracy, completeness or currency of this information and can accept no liability for any loss incurred in any way whatsoever by any person who may rely on this information. Any potential investor should consider the latest Aon Master Trust Product Disclosure Statement available at aonmastertrust.com.au or by phoning 1300 880 588. RIM or its associates, officers or employees may have interests in the financial products referred to in this information by acting in various roles including broker or advisor, and may receive fees, brokerage or commissions for acting in these capacities. In addition, RIM or its associates, officers or employees may buy or sell the financial products as principal or agent. All rights reserved. *Sharemarket returns are for the six months to 30 June 2008. R_Poster_Bounce_AON_V1_1108

