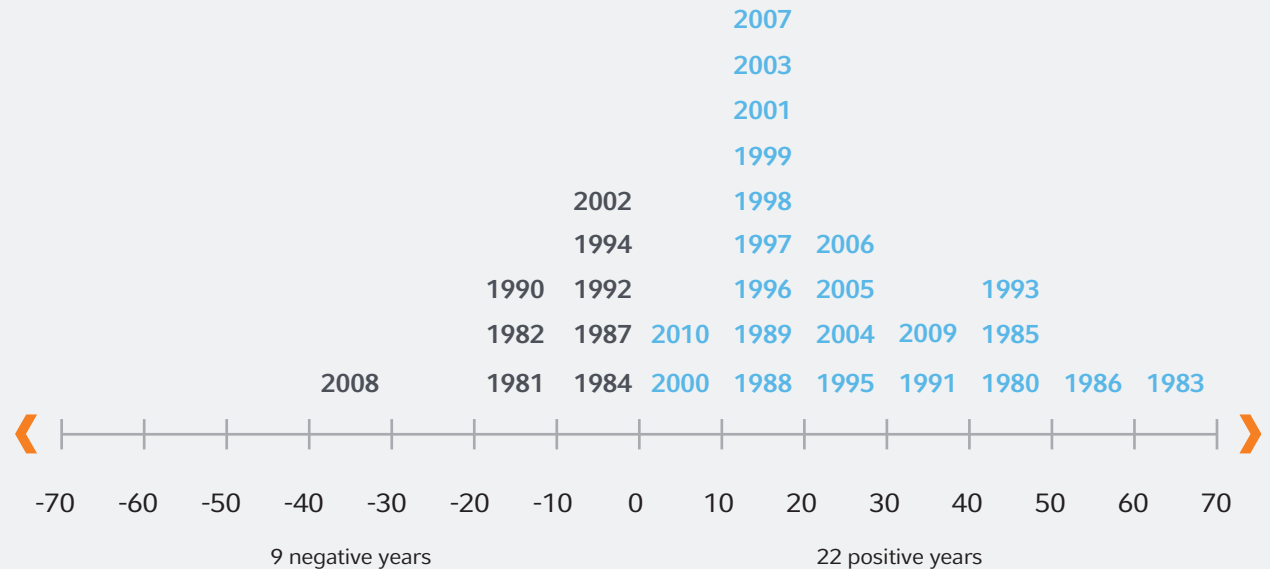


# Positives outweigh the negatives

We've seen some volatile periods in sharemarkets of late, but a look at historical performance tells us that overall, the years of positive investment returns outweigh the years with negative returns.

The Australian sharemarket is a good long-term source of investment returns and recent market events should not deter investors with long-term strategies.

Annual rates of return (%) of Australian shares (1980-2010)



Following strong returns of 37.6% in 2009, the Australian sharemarket continued to deliver positive returns of 1.9% in 2010.

Over the 30-year period, the years of positive sharemarket returns have outweighed those with negative returns.

The diagram above shows that, on the whole, the Australian sharemarket can be a good long-term source of investment returns.

Investors should consider the cyclical nature of the Australian sharemarket and not let short-term performance deter from longer-term goals.

Source: S&P/ASX 300 Accumulation Index and ASX All Ordinaries Accum Index prior to 31 March 2000. The returns shown are those of the index. Past performance is no guarantee of future results.

Series: Market update  
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