



MEDIA RELEASE

17 April 2007

Listed investments lead the way

Listed investments, including Australian listed property trusts (LPTs) and shares, have once again provided the best 'real' returns for local investors over the past two decades, according to the 2007 ASX/Russell Long-Term Investing Report.

The Report, commissioned by the ASX and prepared by Russell's investment consulting team, investigates the performance of a range of investments over the past 10 and 20 years. The performance comparison takes into account the impact of personal tax rates, the tax treatment of various assets, and the spectrum of costs associated with different investments, in an effort to show investors the real-life impact of tax and borrowing on ultimate investment returns.

Now in its 10th year, the Report found that Australian LPTs outperformed all other sectors, delivering the best after-tax returns at the lowest and highest marginal rates, for both the ten and twenty year periods. Similarly, global listed property outperformed other asset classes such as Australian residential investment property and fixed interest.

Australian shares outperformed overseas shares, with returns bolstered significantly by the favourable tax treatment of shares compared to property and cash.

Those at the lowest marginal tax rate have gained the most with after tax returns almost equal to pre-tax performance, thanks to the franking credits system used by investors to offset tax already paid on company profits against the tax on their dividends.

Taking gearing into account, returns from both Australian shares and residential property increased by around three percent per annum. However, shares outperformed residential investment over the last decade at both the lowest and highest marginal tax rates.

Peter van Steensel, ASX General Manager Marketing, said the report provided valuable information for investors considering their medium to long-term investment strategies:

"We are very pleased to see that the three top performing investments over the 10 year period were all ASX-listed investments - Australian listed property, Global listed property and Australian shares. The returns on each of these three investment classes were at least three times the rate of inflation. This performance reflects the underlying strength and continued growth of the Australian securities market. This growth is mirrored in the record highs recently experienced in our benchmark index, the S&P/ASX 200, breaking through the psychologically significant 6000 point barrier."

Andrew Pease, Investment Strategist for Russell Investment Group, said the Report taught some critical investment lessons: "Investors need to keep in mind that markets move in cycles and that the landscape changes significantly as the cycles evolve," he said.

“Although listed property has shown very strong returns in the last 10 years, the Australian market has shifted radically over time, becoming more concentrated and less diverse. The growth of the Real Estate Investment Trust (LPT) markets in Europe, continuing development in Asia and strong performance of US property markets are now also translating into increased opportunities for Australian investors.

Many investors would no doubt be surprised with the finding that shares have done better than residential property. This means that the best strategy for investors is to take a diversified exposure across all asset classes and not just invest in one asset class in the hope that it produces the best returns over the next decade. Importantly, investors should take care not to base their expectations on the past decade's returns.”

The complete Report may be found on the ASX website at:

http://www.asx.com.au/about/pdf/asx_russell_long_term_investing_report_2006.pdf

And on-demand web-cast and summary may be found on the Russell website at:

<http://www.russell.com/au/investmentperformance/>

For further information:

ASX Media:

Kerrin Oshry
Corporate Relations Adviser
Tel: +61 2 9227 0410
Email: kerrin.oshry@asx.com.au
www.asx.com.au/media

Russell Media:

Craig Morris
Director, Marketing
Tel: +61 2 9229 5120 / 0413 274 037
Email: cmorris@russell.com
www.russell.com.au

Christine Harris
Honner Media
Tel: +61 9231 0111 / 0414 621 163
Email: christine@honnermedia.com.au

About ASX: As one of the world's top-10 listed exchange groups, measured by its market capitalisation, the ASX Group was created through the merger of the Australian Stock Exchange and the Sydney Futures Exchange. The ASX Group operates under the brand Australian Securities Exchange. The Australian Securities Exchange spans the markets for corporate control, capital formation and price discovery and functions as an operator, supervisor, central counterparty clearer and payments system facilitator. The diverse domestic and international customer base of the Australian Securities Exchange includes issuers of a variety of listed securities, corporates, investment banks, trading banks, fund managers, hedge funds, commodity trading advisers and proprietary and retail traders. More information on ASX can be found on our website www.asx.com.au

About Russell: Russell Investment Group is a global firm offering investors a full range of tailored solutions. Russell's investment programs, which include a master trust, provide a manager-of-manager approach based on a research driven evaluation of outside money managers. A leader in global investment strategy, Russell advises clients on more than A\$3.2 trillion in assets and delivers investment programs to more than 2,200 institutional clients in 44 countries. Russell manages approximately A\$248 billion in assets in a variety of multi-manager funds. Founded in 1936, Russell is a subsidiary of Northwestern Mutual and is headquartered in Tacoma, Washington, USA with additional offices in New York, Toronto, London, Paris, Amsterdam, Singapore, Sydney, Melbourne, Auckland, Tokyo and Johannesburg. More information can be found on our website, www.russell.com.au

Issued by Russell Investment Management Ltd ABN 53 068 338 974, AFS Licence 247185 ("RIM"). This document provides general information only and has not been prepared having regard to your objectives, financial situation or needs. Before making an investment decision, you need to consider whether this information is appropriate to your objectives, financial situation and needs. The information has been compiled from sources considered to be reliable, but is not guaranteed. Past performance is not a reliable indicator of future performance. RIM is the issuer of units in the Russell Funds. An invitation to apply for units in the Russell Funds is made by RIM in a Product Disclosure Statement ("PDS"). Any potential investor should consider the latest PDS in deciding whether to acquire, or to continue to hold, an investment in any Russell Fund. The PDS can be obtained by visiting www.russell.com.au or by phoning (02) 9229 5111. MKT/1250/0407