

RISK VS RETURN 2023 EDITION



Different asset classes – like shares, bonds and property securities – carry different levels of risk and return. Investing in a single asset class is risky when you consider no one asset class consistently outperforms on a regular basis.

Our goal at Russell Investments is to strategically diversify your portfolio across asset classes, investment strategies, managers and styles, thereby aiming to reduce risk and help you weather every season of the market.

Our multi-asset, open architecture approach means no matter which asset, strategy or style is in favour at any given time, the complementary blending of asset classes, strategies, styles and managers can help provide more consistent returns through all environments.

Legend

- ▲ Highest return (per year)
- ▼ Lowest return (per year)

	Calendar year market returns					Sample multi-asset portfolios						
	NZ EQUITIES (%)	NZ CASH (%)	NZ BONDS (%)	GLOBAL BONDS (%)	GLOBAL SHARES (%)	CONSERVATIVE (%)	BALANCED (%)	GROWTH (%)				
1992	10.8	7.1	▲	11.8	10.9	▼	-0.1	8.3	6.7	3.4		
1993	▲	47.8	▼	6.6	13.5	16.0		23.3	19.0	22.0	27.9	
1994	▼	-7.2	▲	6.4	-2.8	-1.8		1.3	-1.1	-1.0	-0.9	
1995		20.1	▼	9.4	13.2	21.4	▲	24.5	20.1	21.1	22.9	
1996		17.3		9.8	▼	8.8	13.0	▲	22.9	14.8	16.7	20.6
1997	▼	4.3		7.8	6.8	12.8	▲	27.0	14.3	16.3	20.3	
1998	▼	-4.4		8.1	14.1	13.1	▲	23.4	13.9	14.6	16.1	
1999		16.4		4.8	0.1	▼	-0.1	▲	27.8	4.7	14.9	20.2
2000	▼	-12.2		6.5	▲	11.1	9.9	-8.7	5.9	-1.9	-5.6	
2001	▲	14.1		6.1	4.8	9.0	▼	-13.1	5.7	-1.1	-4.6	
2002		0.6		5.7	8.7	▲	12.4	▼	-21.6	6.1	-6.1	-11.8
2003		27.2	▼	5.6	6.4	7.4	▲	30.1	11.6	20.5	25.0	
2004	▲	23.4		6.1	▼	5.5	9.4	16.3	11.1	14.4	16.1	
2005		11.9		7.2	▼	6.9	8.1	▲	21.3	10.4	14.9	17.2
2006	▲	21.0		7.7	▼	4.2	6.0	20.2	8.8	14.6	17.5	
2007	▼	1.1		8.5	3.9	8.5	▲	8.9	8.3	7.9	7.7	
2008		-31.5		8.8	▲	15.8	11.2	▼	-37.0	0.2	-19.4	-28.0
2009		19.4		3.4	▼	1.7	7.8	▲	26.7	11.3	18.4	22.0
2010		6.2	▼	3.0	7.0	7.6	▲	12.1	8.5	9.9	10.5	
2011		3.5		2.9	▲	13.3	8.1	▼	-3.6	6.2	2.1	0.1
2012	▲	25.1	▼	2.7	4.8	8.4		17.8	10.6	15.0	17.2	
2013		18.6		2.7	▼	-2.0	2.2	▲	31.8	7.1	17.7	23.3
2014	▲	22.6	▼	3.4	7.8	11.1		13.6	12.0	13.7	14.6	
2015	▲	15.1	▼	3.4	5.5	4.5		4.7	5.1	6.1	6.6	
2016		10.1	▼	2.5	3.5	5.8	▲	11.5	6.9	8.1	10.5	
2017	▲	23.6	▼	2.0	5.5	4.0		20.2	9.2	12.6	19.4	
2018	▲	6.0		2.0	4.6	1.8	▼	-7.1	0.5	-0.7	-3.2	
2019	▲	31.6	▼	1.7	4.9	7.5		26.7	12.9	17.2	25.8	
2020	▲	14.6	▼	0.6	5.4	5.4		11.2	7.1	8.5	11.3	
2021		0.2		0.4	▼	-6.2	-1.2	▲	24.2	4.1	8.1	16.1
2022		-11.3	▲	2.2	▼	-9.1	-11.7	▼	-17.6	-11.7	-12.9	-15.4
Average return (p.a.)	11.9%	3.8%	4.5%	5.6%	11.6%	7.0%	8.8%	10.7%				
Average risk (p.a.)	14.9%	2.5%	5.6%	5.1%	17.0%	5.6%	10.2%	13.6%				

Sources for the asset classes and sample diversified portfolios are as follows: NZ Shares: Russell NZ Domestic Gross Index (Replaced with S&P NZX 50 Gross including imputation credits from June 2016). NZ Cash: S&P/NZX 90-day Bank Bill Index. NZ Bonds: S&P/NZX NZ Government Bond Index. Global Bonds: Bloomberg Global Aggregate Total Return Index Hedged NZD. Global Share: MSCI World NZ\$ Hedged. The diversified portfolios are hypothetical only and are calculated by a weighted average of the asset class index returns shown using sample asset allocations. Sample diversified portfolios are rebalanced monthly. For more information on the composition of the sample portfolios, please contact Russell Investments on 09 357 6633. Average return is measured by the arithmetic average percentage per annum. These returns are shown on a gross basis. The information contained in this publication was prepared by Russell Investment Group Limited on the basis of information available at the time of preparation. It has been compiled from sources considered to be reliable, but is not guaranteed. This publication provides general information only and should not be relied upon in making an investment decision. Before making an investment decision, you need to consider whether this information is appropriate to your objectives, financial situation and needs. All investments are subject to risks. Past performance is not a reliable indicator of future performance. Copyright © 2023 Russell Investments. All rights reserved. This information contained on this website is proprietary and may not be reproduced, transferred, or distributed in any form without prior written permission from Russell Investments.