

Risk vs Return

2026 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.

Calendar year market returns

	Australian shares	Australian bonds	Australian cash	INT shares	INT shares HGD	INT bonds	A-REITS
1995	20.2	18.6	8.0 ▼	25.9 ▲	22.3	20.1	12.7
1996	14.6	11.9	7.6	6.3 ▼	19.7 ▲	10.7	14.5
1997	12.2	12.2	5.6 ▼	47.8 ▲	21.2	10.5	20.3
1998	11.6	9.5	5.1 ▼	30.9 ▲	23.3	10.4	18.0
1999	16.1	-1.2	5.0	16.1	23.9 ▲	0.8	-5.0 ▼
2000	4.8	12.1	6.3	5.9	-7.9 ▼	10.1	17.9 ▲
2001	10.5	5.5	5.2	-9.1	-14.8 ▼	7.4	15.0
2002	-8.6	8.8	4.8	-27.2 ▼	-22.7	11.6	11.9
2003	15.0	3.0	4.9	-0.0 ▼	29.3 ▲	6.6	8.8
2004	27.9	7.0	5.6	10.6	15.8	8.9	32.2 ▲
2005	22.5 ▲	5.8	5.7	17.1	18.5	6.6	12.7
2006	24.5	3.1 ▼	6.0	11.8	17.6	4.4	34.1 ▲
2007	16.2 ▲	3.5	6.7	-1.9	6.4	6.6	-8.4 ▼
2008	-38.9	15.0 ▲	7.6	-25.9	-39.4	9.2	-55.3 ▼
2009	37.6 ▲	1.7 ▼	3.5	2.0	28.4	8.0	9.6
2010	1.9	6.0	4.7	-1.4 ▼	13.5 ▲	9.3	-0.7
2011	-11.0 ▼	11.4 ▲	5.0	-5.7	-2.4	10.5	-1.6
2012	19.7	7.7	4.0 ▼	14.7	19.1	9.7	32.8 ▲
2013	19.7	2.0 ▼	2.9	47.8 ▲	32.3	2.3	7.3
2014	5.3	9.8	2.7 ▼	15.0	12.4	10.4	26.8 ▲
2015	2.8	2.6	2.3 ▼	11.5	3.7	3.3	14.4 ▲
2016	11.8	2.9	2.1 ▼	8.2	10.5	5.2	13.2 ▲
2017	11.9	3.7	1.7 ▼	13.4	19.9 ▲	3.7	6.4
2018	-3.1	4.5 ▲	1.9	1.3	-7.5 ▼	1.7	3.3
2019	23.8	7.3	1.5 ▼	27.9 ▲	26.7	7.2	19.5
2020	1.7	4.5	0.4	5.6	10.3 ▲	5.1	-4.0 ▼
2021	17.6	-2.9 ▼	0.0	29.3 ▲	23.7	-1.5	27.0
2022	-1.8	-9.7	1.3 ▲	-12.2	-17.7	-12.3	-20.1 ▼
2023	12.1	5.1	3.9 ▼	23.0 ▲	21.5	5.3	16.9
2024	11.4	2.9	4.5	30.8 ▲	20.5	2.2 ▼	17.6
2025	10.7	3.2 ▼	4.0	12.4	18.4 ▲	4.4	9.7

Legend

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

30% Growth assets	70% Growth assets	90% Growth assets	
16.3	20.1	20.7	1995
10.4	12.3	13.5	1996
13.9	20.4	21.6	1997
11.2	16.4	18.0	1998
5.1	10.5	14.4	1999
8.6	6.5	4.1	2000
5.4	3.1	1.4	2001
2.0	-6.8	-11.9	2002
5.9	9.8	13.2	2003
11.6	17.4	20.2	2004
9.9	15.3	18.2	2005
9.8	15.9	19.3	2006
5.7	6.3	7.5	2007
-3.8	-22.5	-32.6	2008
9.0	17.3	22.8	2009
4.4	3.7	3.7	2010
3.6	-2.0	-5.4	2011
10.6	16.1	18.3	2012
9.1	19.1	24.5	2013
8.0	9.9	9.9	2014
3.3	4.3	4.8	2015
5.6	9.0	10.3	2016
5.9	10.3	12.4	2017
1.1	-1.0	-2.2	2018
11.0	18.6	22.7	2019
3.1	3.3	3.4	2020
4.9	13.9	19.3	2021
-8.3	-9.0	-9.1	2022
8.4	13.3	15.5	2023
7.9	14.6	17.6	2024
6.2	9.7	11.1	2025

Sample multi-asset portfolios

Average return (p.a.)	10.3%	5.7%	4.2%	10.7%	11.2%	6.4%	9.9%
Average risk (p.a.)	14.0%	5.5%	2.1%	17.6%	17.1%	5.4%	17.3%

6.6%	8.9%	9.9%
4.9%	9.6%	12.5%

Sources for the asset classes and sample portfolios are shown overleaf in the disclaimer wording.

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Sources for the asset classes and sample portfolios are as follows: (1) Australian Shares : S&P/ASX 300 Accum Index. (2) Australian Bonds: Bloomberg AusBond Composite 0+ Yr Index, 2004 Commonwealth Bank All Series All Maturities. (3) Cash: Bloomberg Aus-Bond Bank Bill Index. (4) International Shares: MSCI World Index – Net; Russell Developed Large Cap index prior to 1 October 2018; (5) International Bonds: Barclays Global Aggregate Index \$A Hedged. Saloman Smith Barney World Government Bond Index \$A Hedged. (6) A-REITs: S&P/ASX 300 A-REIT Index. (7) International Shares Hedged: MSCI World Index – 100% Hedged to AUD - Net; Russell Developed Large Cap index - AUD Hedged prior to 1 October 2018. (8) Emerging Market Debt: J.P. Morgan EMBI Global Core Index (AUD Hedged) - AUD. (9) Global High Yield: Bank of America Merrill Lynch High Yield Constrained AUD Hedged Index*. *Constrained indexes limit individual issuer concentrations to 2%; the High Yield 100 are the 100 largest bonds. (10) Global Listed Infrastructure: S&P Global Infrastructure AUD Hedge NET TR Index. (11) From 1994-2012 – 30% Growth Fund Consists: 15% Australian Shares, 25% Australian Bonds, 30% Cash, 10% International Shares, 15% International Bonds, 5% Property Securities. From 2013-2016 – 30% Growth Fund Consists: 14.0% Australian Shares, 25% Australian Bonds, 30% Cash, 5% International Shares, 5.0% International Shares Hedged, 15% International Bonds, 2.5% Property Securities, 0% Global EM Debt \$AH, 2% Global High Yield \$AH, 1.5%Global Listed Infra \$AH. From 2017 to 2018 – 30% Growth Fund Consists: 12.0% Australian Shares, 25.0% Australian Bonds, 30% Cash, 5% International Shares, 5% International Shares Hedged, 15% International Bonds, 2.5% Property Securities, 2% Global EM Debt \$AH, 2% Global High Yield \$AH, 1.5%Global Listed Infra \$AH. From 2019-2021 – 30% Growth Fund Consists: 12% Australian Shares, 25% Australian Bonds, 20% Cash, 7% International Shares, 3.0% International Shares Hedged, 25% International Bonds, 3% Property Securities. From 2022 Onwards – 30% Growth Fund Consists: 10% Australian Shares, 25% Australian Bonds, 20% Cash, 9% International Shares, 3% International Shares Hedged, 25% International Bonds, 5% Property Securities, 0% Global EM Debt \$AH, 2% Global High Yield \$AH, 1.0%Global Listed Infra \$AH. (11) From 1994-2012 – 70% Growth Fund Consists: 32% Australian Shares, 15% Australian Bonds, 5% Cash, 20% International Shares, 10% International Shares hedged, 10% International Bonds, 8% Property Securities. From 2013-2016 – 70% Growth Fund Consists: 31.0% Australian Shares, 15% Australian Bonds, 5.0% Cash, 14% International Shares, 14.0% International Shares Hedged, 10% International Bonds, 4% Property Securities, 0% Global EM Debt \$AH, 5% Global High Yield \$AH, 2%Global Listed Infra \$AH. From 2017 to 2018 – 70% Growth Fund Consists: 29.0% Australian Shares, 15.0% Australian Bonds, 5.0% Cash, 14.0% International Shares, 14.0% International Shares Hedged, 10.0% International Bonds, 4% Property Securities, 2% Global EM Debt \$AH, 5% Global High Yield \$AH, 2%Global Listed Infra \$AH. From 2019-2021 – 70% Growth Fund Consists: 28% Australian Shares, 15% Australian Bonds, 5% Cash, 19.5% International Shares, 7.5%, International Shares Hedged, 10.0% International Bonds, 6% Property Securities. From 2022 Onwards – 70% Growth Fund Consists: 27.0% Australian Shares, 10.0% Australian Bonds, 5% Cash, 23.6% International Shares, 7.9% International Shares Hedged, 15.5% International Bonds, 6% Property Securities, 0% Global EM Debt \$AH, 2% Global High Yield \$AH, 3.0%Global Listed Infra \$AH. (14) From 1994-2012 – 90% Growth Fund Consists: 42% Australian Shares, 7% Australian Bonds, 3% Cash, 20% International Shares, 20% International Shares hedged, 0% International Bonds, 8% Property Securities. From 2013-2016 – 90% Growth Fund Consists: 40.0% Australian Shares, 6% Australian Bonds, 4.0% Cash, 19.0% International Shares, 19.0% International Shares Hedged, 4.5% Property Securities, 0% Global EM Debt \$AH, 5% Global High Yield \$AH, 2%Global Listed Infra \$AH. From 2017 to 2018 – 90% Growth Fund Consists: 38.0% Australian Shares, 6.0% Australian Bonds, 4.0% Cash, 19.0% International Shares, 19.0% International Shares Hedged, 4.5% Property Securities, 2% Global EM Debt \$AH, 5% Global High Yield \$AH, 2%Global Listed Infra \$AH. From 2019-2021 – 90% Growth Fund Consists: 40.0% Australian Shares, 3% Australian Bonds, 4% Cash, 30.0% International Shares, 9% International Shares Hedged, 3.0% International Bonds, 4.5% Property Securities. From 2022 Onwards – 90% Growth Fund Consists: 32.5% Australian Shares, 5.0% Australian Bonds, 2% Cash, 30.8% International Shares, 10.3% International Shares Hedged, 7.5% International Bonds, 7.3% Property Securities, 0% Global EM Debt \$AH, 1.5% Global High Yield \$AH, 3.3%Global Listed Infra \$AH. The sample managed portfolios are hypothetical only and is calculated by a weighted average of the asset class index returns. Sample portfolios are rebalanced annually. For more information on the composition of the sample portfolios, please contact Russell Investments on +612 9229 5111. Average return is measured by the arithmetic average percentage per annum. 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. 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