



# Investing in Direct Property

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20 January 2009

## Investment Performance since 2000

	Aust shares	Global shares	A-REITs	Aust fixed interest	Direct real estate	Cash
2000	5.0	2.8	19.7	12.4	11.6	5.9
2001	10.1	-9.4	14.6	4.5	10.3	5.1
2002	-8.1	-26.8	11.8	9.2	9.5	4.6
2003	15.9	0.1	8.8	2.8	12.0	4.8
2004	27.6	11.0	32.0	6.8	13.1	5.3
2005	21.1	16.8	12.5	5.5	13.8	5.5
2006	25.0	11.9	34.0	2.4	17.2	5.8
2007	18.0	-1.7	-8.4	4.0	18.5	6.4
2008	-40.3	-24.1	-54.0	19.1	10.6*	6.7
<b>Average (%pa)</b>	<b>5.9</b>	<b>-3.3</b>	<b>3.8</b>	<b>7.3</b>	<b>12.9</b>	<b>5.6</b>

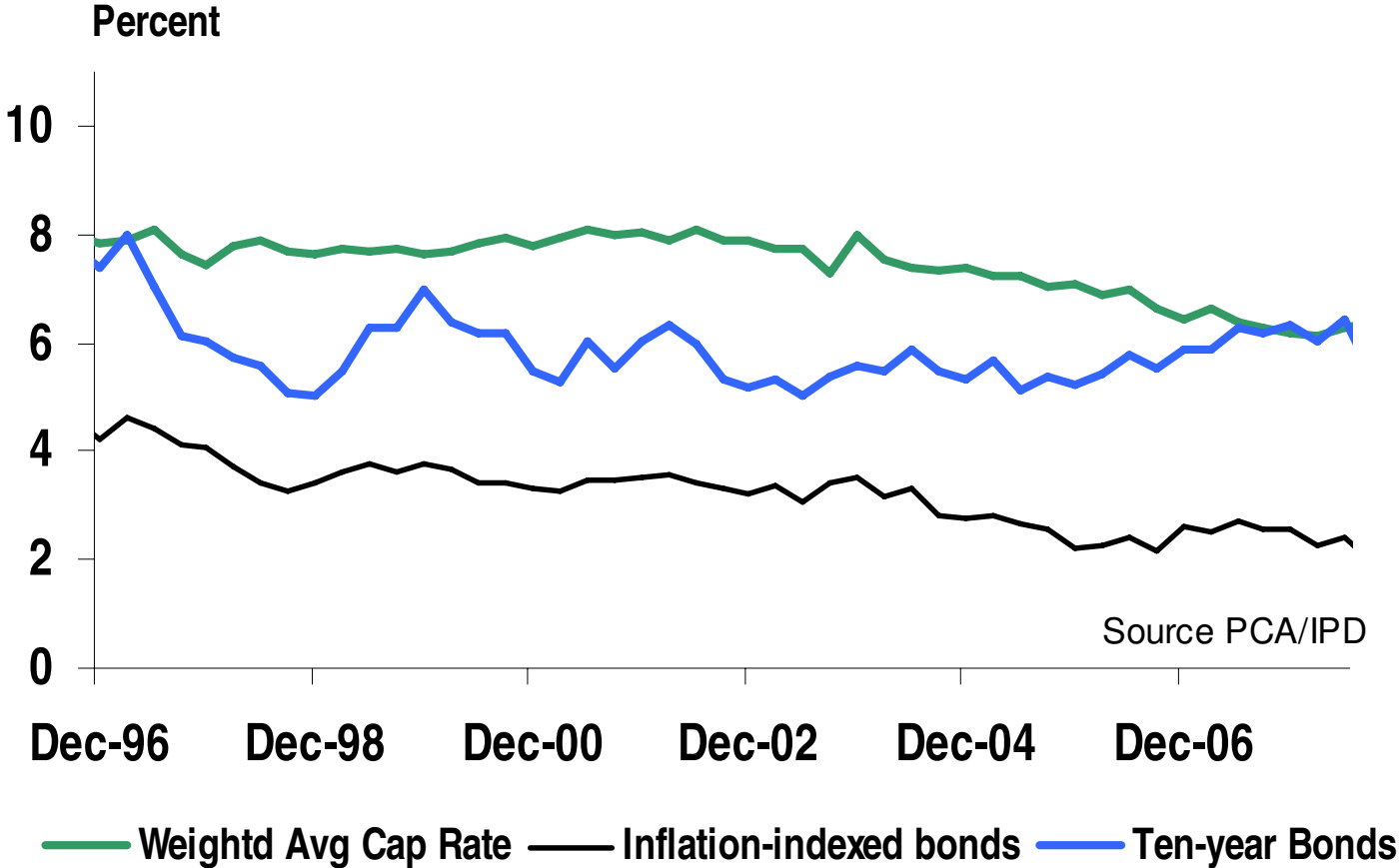
\* Data to Sep 08

Source: UBS, MSCI, Comsec, PCA/IPD

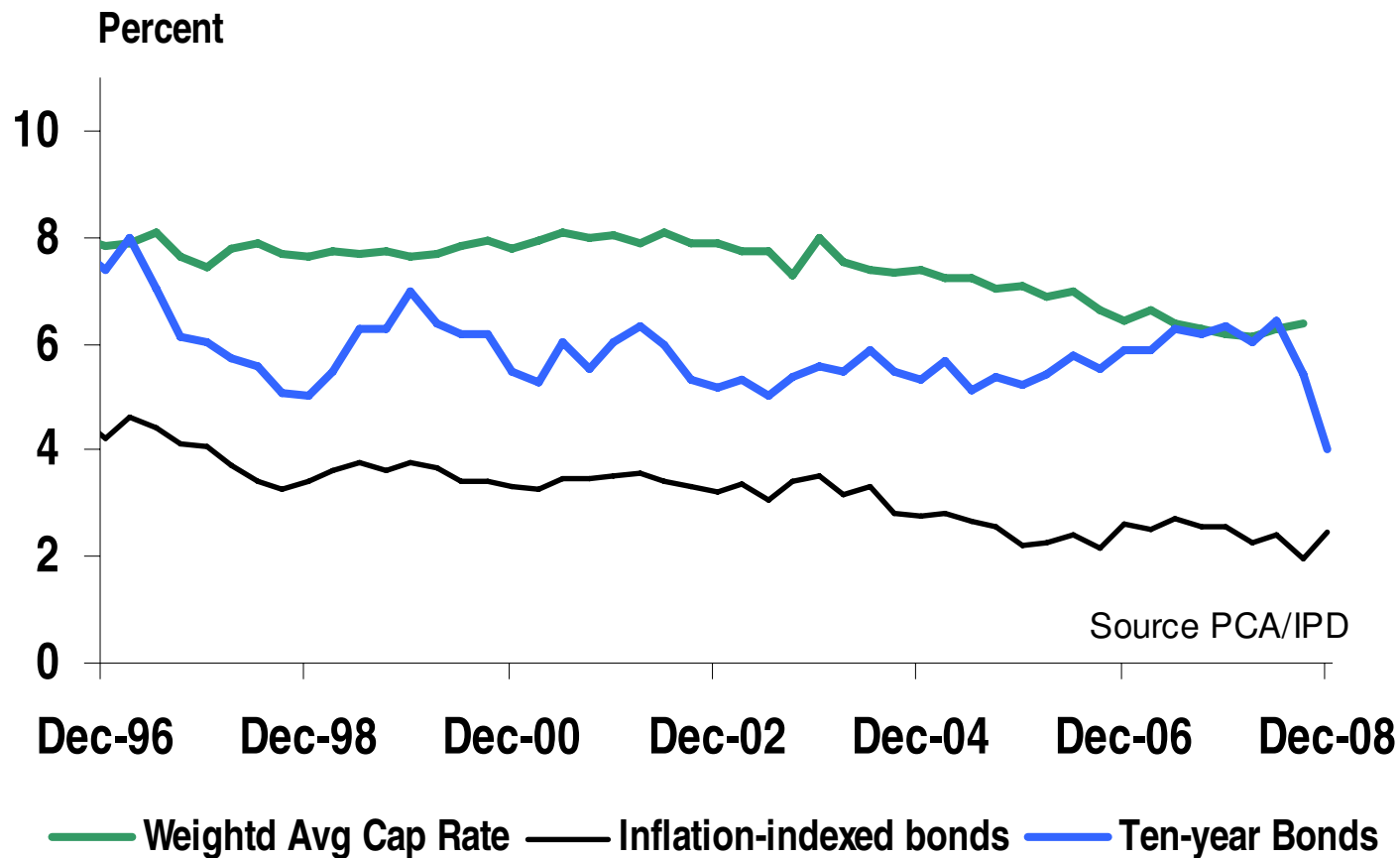
# Key Points

- **Nothing that we could have done in Australia would have provided immunity from the global financial tsunami that 2008 delivered, but**
- **In the real estate sector we would have done much better had we been serious about basic financial theory**
- **In other words – theory matters.**

# AUSTRALIA: CAPITALISATION RATES AND BOND RATES



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