

# Understanding risk and return

SUNCORP



Suncorp Advice



SHARES

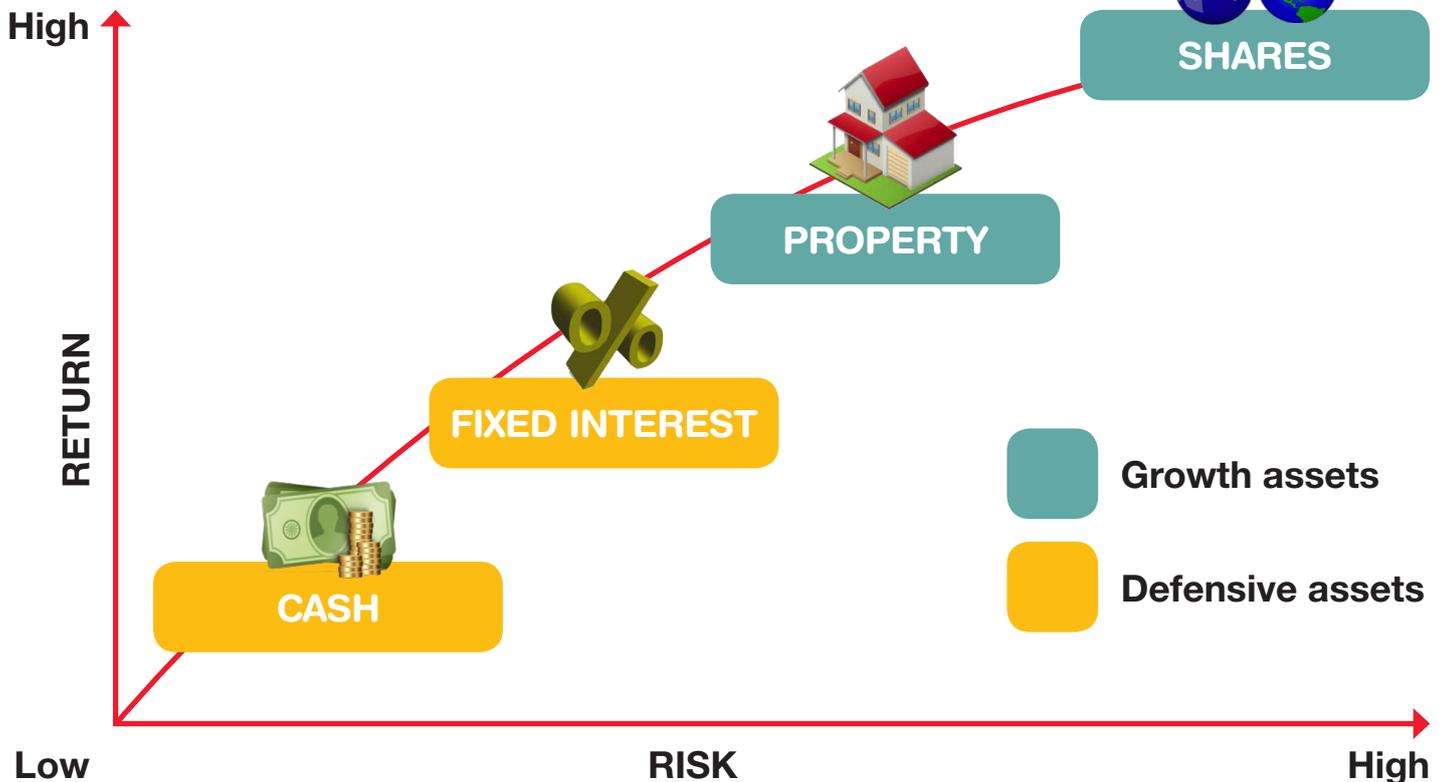
PROPERTY

FIXED INTEREST

CASH

Growth assets

Defensive assets



<b>Cash</b> (Defensive asset)	Cash is the least volatile of all the asset classes. Returns are generally stable, however returns on cash investments alone may not be enough for you to achieve your long term goals and may, over time, become eroded in value by the effect of inflation. Cash investments may include bank deposits and short term debit instruments issued by governments and companies.  <b>Minimum time frame: No minimum</b>
<b>Fixed Interest</b> (Defensive asset)	Fixed interest generally aims to provide higher returns than cash, but with a relatively low degree of fluctuation in capital values when compared with property and shares. Fixed interest investments may include debt issued by governments or companies.  <b>Minimum time frame: Generally 1-3 years</b>
<b>Property</b> (Growth asset)	Property is a growth asset with greater risk of fluctuations in returns than cash or fixed interest. However, historically, property has had lower variability in returns than shares. Investments may include direct property or indirect property via real estate trusts and companies.  <b>Minimum time frame: Generally 5-6 years</b>
<b>Shares</b> (Growth asset)	Shares represent a part ('shared') ownership in a company and are considered the riskiest of the main asset classes, as their value tends to fluctuate the most. However, historically, and over the long term, returns from shares have outperformed those of other asset classes. Share funds can comprise either Australian or international shares.  <b>Minimum time frame: Generally 5-6 years</b>
<b>Alternative</b> (Growth asset)	Alternative assets are investments that are not classified or their returns may not be correlated to the traditional asset classes of cash, fixed interest, property or shares. Typically, they may involve investments in asset classes (eg: gold, infrastructure or private equity) or investments strategies (eg: financial instruments such as exchange traded or over the counter (OTC) derivatives) or trading techniques that aren't liquid and require specialised skills to manage.  <b>Minimum time frame: Generally 6-7 years</b>

The risk indicators and minimum suggested timeframes used for each asset class are illustrative only.

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