

## Australian Shares – Quarterly Report



OCT—DEC 2008

Shares offer good potential to grow your money over longer time periods. But, share prices can also rise and fall a lot in short spaces of time – sometimes in one day. Just remember that what goes down, usually goes back up and the sharemarket is famous for doing this. At the end of the day, history shows us that if you're investing for the long term, you'll usually recover any short term losses.

### Quarter 4 review.

The S&P/ASX300 recorded its lowest annual return in over 20 years, ending the quarter lower at 18.5%.

The worsening global economic outlook and more earnings downgrades at home caused major panic. Many Australian companies have been hit hard by the bad news overseas, prompting some to raise money by issuing shares in their companies.

To try and restore confidence and inject cash back into our economy, the Reserve Bank slashed interest rates by 2.75% to 4.25% and the Government introduced a \$A10.4 bn aid package.

### Outlook – still uncertain.

Compared to other sharemarkets, our market held up fairly well during 2008. But, we've still felt the pinch of overseas events. Investors remain nervous as to whether our interest rate cuts and monetary aid will be enough to outweigh the global economic downturn.

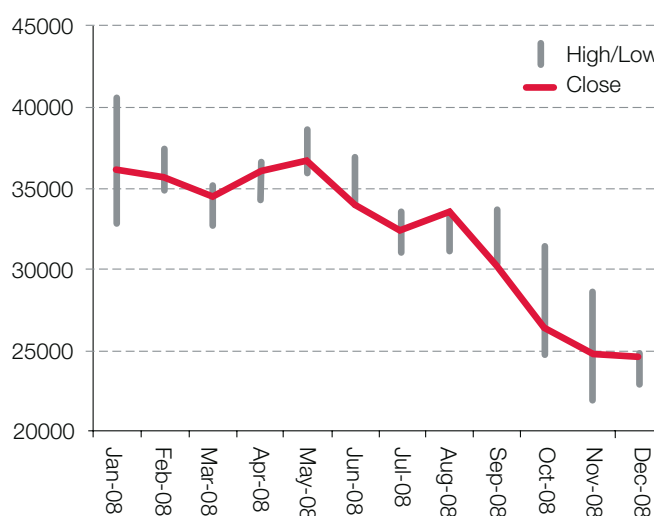
#### Confidence boosters.

The Government's aid package, hints of more rate cuts and lower petrol prices will help to lift spirits. Another potential plus will be how well China's \$US586bn infrastructure package will impact us and the rest of the world.

#### Confidence bursters.

Volatility will continue to reign until the global outlook stabilises, company balance sheets return to healthier levels and equity issuances decrease.

S&P/ASX 300 Accumulation Index



### The legal bits.

This market report has been prepared by Virgin Money Financial Services Pty Ltd ABN 51 113 285 395 AFSL 286869 ('we') for Trust Company Superannuation Services Limited ABN 49 006 421 638 AFSL 235153 RSE L0000635 as Trustee for Virgin Super RSE R1001440. The info is current as at 1 January 2009, and applies to money matters in general, not you specifically. The info source is a third party provider. We haven't verified its accuracy so we can't guarantee that it is correct, and accept no liability for inaccuracies, errors or omissions. Before deciding whether Virgin Super fits your financial objectives, situation or needs, we suggest a quiet word with a financial adviser. Important note is that past performance is not indicative of future performance.