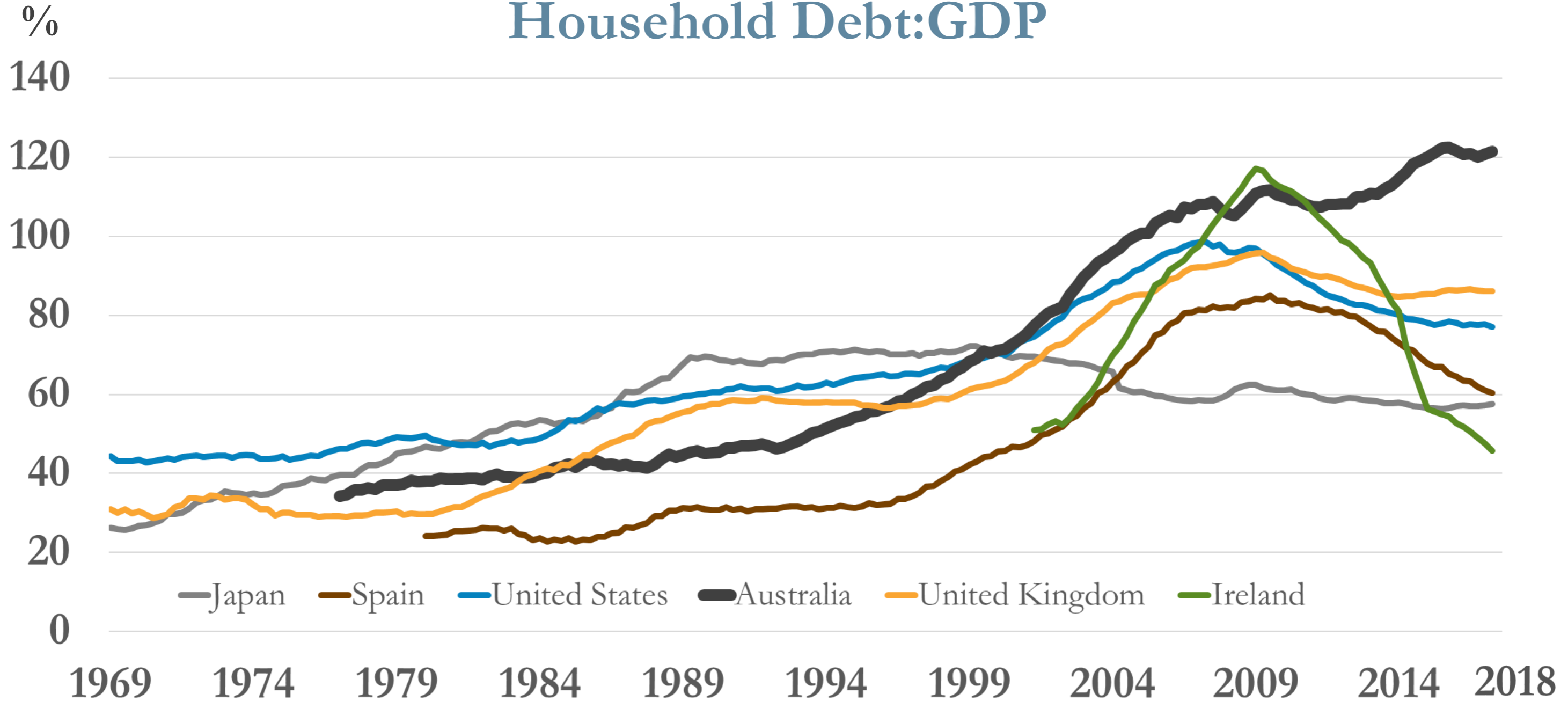


The Lessons of History

Australia Compared with Other Markets

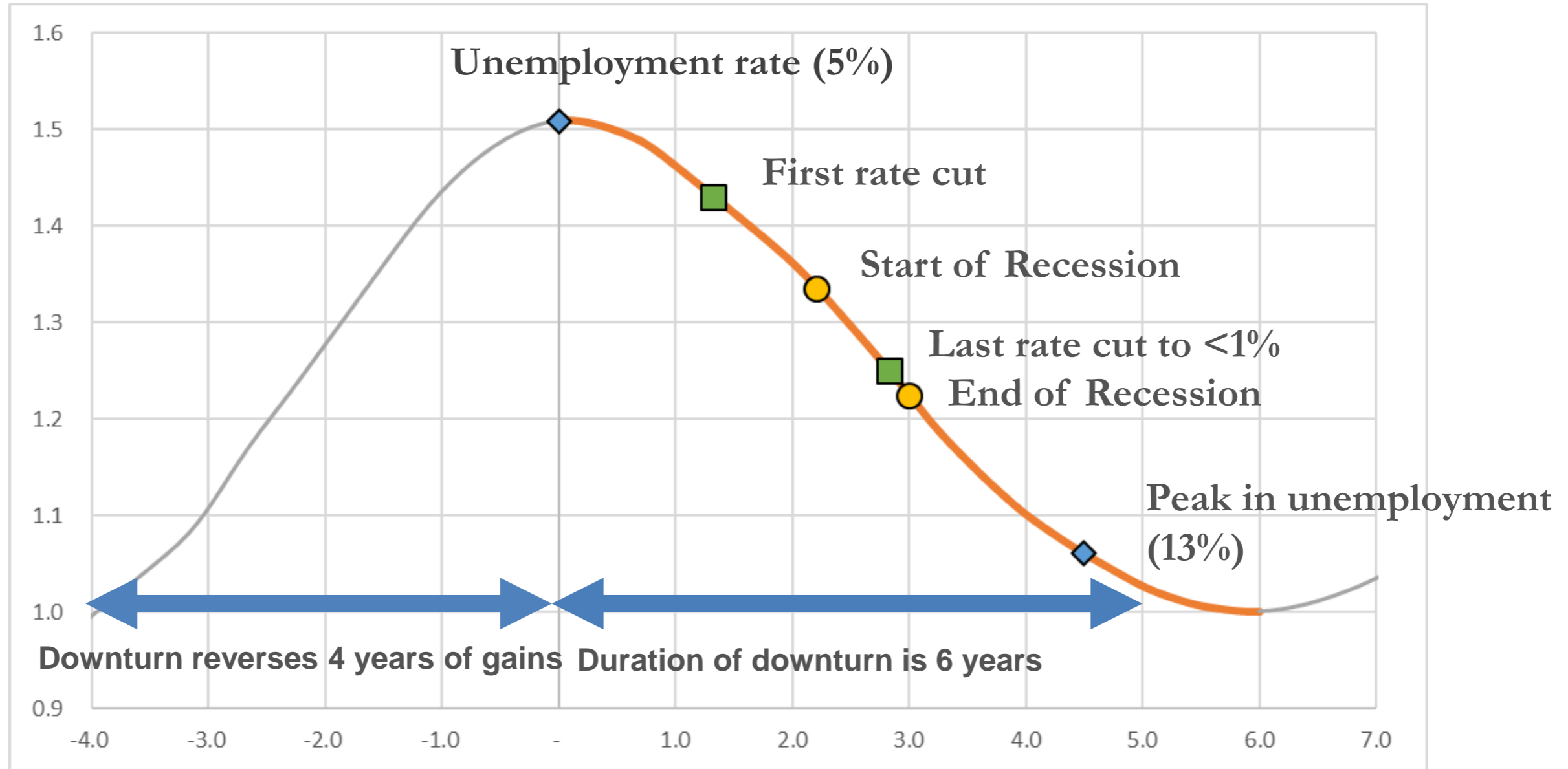
Household Debt:GDP



Lessons from History

Schematic based on averages from Japan, US, Ireland, UK and Spain

Home Price Index



Years

*Annual data for Greater Tokyo and quarterly data for Spain. Monthly data for US, Irish and English home prices. Source: FRED, Federal Reserve Bank of St. Louis, Haver, Irish Central Statistics Office, StatBank, HM Land Registry at Gov.UK, Instituto Nacional de Estadística, The Nikkei Shimbun via Japan Property Central.

Balance Sheet Recessions have been long and result in low interest rates

Rates at Historic Lows

	In this cycle rates reached a	Latest Change in CPI (yoy)	Inflation Target	Today's Cash Rate	Today's 10Yr Bond Yield
US	>220 yr low	2.2%	About 2%	2.50%	2.63%
Japan	>1,000 yr low	0.9%	2%	-0.10%	-0.04%
Euro Zone	>500 yr low	1.9%	Under 2%	0.00%	0.08%
UK	>500 yr low	2.2%	2%	0.75%	1.15%