

Market Indicators

Market	Indicator	End of Month Price	Previous Month Price	1 Month Change in Price	12 Months Ago Price	12 Month Change in Price
Interest Rates	Overnight Cash Rate (%)	2.50	2.50	0.00	3.50	-1.00
	3 Month BBSW (%)	2.45	2.45	0.00	2.88	-0.43
	10 Year Bond Rate (%)	3.81	3.90	-0.08	2.99	0.83
Australian Shares	All Ordinaries Index	5217.74	5125.30	1.80%	4406.34	18.41%
	S&P/ASX 200	5218.88	5134.96	1.63%	4387.02	18.96%
Property	ASX 300 A-REITS Index	1003.30	994.40	0.90%	911.50	10.07%
Regional Shares	Dow Jones Industrials (US)	15129.67	14810.31	2.16%	13437.13	12.60%
	S&P 500 (US)	1681.55	1632.97	2.97%	1440.67	16.72%
	FTSE 100 (UK)	6462.22	6412.93	0.77%	5742.07	12.54%
	STOXX 50 (EUR)	310.46	297.32	4.42%	268.48	15.64%
	TOPIX (Japan)	1194.10	1106.05	7.96%	737.42	61.93%
	Hang Seng (Hong Kong)	22859.86	21731.37	5.19%	20840.38	9.69%
Commodities	US\$ Gold Price	1328.94	1395.15	-4.75%	1772.10	-25.01%
	US\$ Oil Price – W Texas Crude	102.33	107.65	-4.94%	92.19	11.00%
	US\$ CRB Spot Commodity Index	467.57	472.96	-1.14%	497.31	-5.98%
Exchange Rates	AUD / USD	0.93	0.89	4.90%	1.04	-10.03%
	AUD / EUR	0.69	0.67	2.51%	0.81	-14.51%
	AUD / GBP	0.58	0.57	0.52%	0.64	-10.12%
	AUD / JPY	91.70	87.38	4.95%	80.90	13.35%
	TWI	71.20	69.20	2.89%	76.90	-7.41%
Volatility	VIX Index %	16.60	17.01	-0.41%	15.73	0.87%

Key Points:

- The RBA kept the overnight cash rate steady at 2.50% during the September meeting. The rate was also left unchanged during the October sitting.
- The Three Month Bank Bill Swap rate was maintained at the price level of 2.45%.
- Ten Year Bond Rates fell by -0.08%, ending the month priced at 3.81%.
- Australian equities continued their recent rise in September, with the All Ordinaries Price Index gaining 1.80% while the S&P/ASX 200 Price Index added 1.63% for the month.
- Australian Listed Property increased slightly, up by 0.90% in September as measured by the S&P/ASX 300 AREITS Price Index.
- Many of the major global equities markets recovered in September, which was an overall positive month for risk assets. Japan was the standout performer, gaining 7.96% for the month and a strong 61.93% growth in the past 12 months.
- US Equities also had a positive month, with the Dow Jones Industrials Price Index and the S&P 500 Price Index up by 2.16% and 2.97% respectively.
- The \$US price of gold had a poor month, falling by -4.75% in September to bring total losses over the past 12 months to -25.01%.
- Oil also lost in September, with the price of West Texas Crude falling by -4.94%. Overall, spot prices for commodities fell -1.14% for the month, as measured by the CRB Spot Commodity Price Index (USD).
- The Australian Dollar bounced back in September, appreciating against most major currencies. AUD rose 4.90% against USD, 2.51% against EUR and 4.95% against JPY.

Zenith Monthly Market Report

Cash, Fixed Income and Credit

Zenith Benchmarks	Index	1 Mth	1 Qtr	1 Yr	3 Yr (p.a.)	5 Yr (p.a.)	Fin YTD	Cal YTD
Australian Cash	UBSA Bank Bill	0.21	0.70	3.06	4.14	4.21	0.70	2.20
Australian Bonds	UBSA Australia Composite All Maturities	0.50	1.04	1.82	6.75	6.93	1.04	1.61
	Barclays Global: Australia TRI	0.54	0.64	-0.20	6.27	6.22	0.64	0.44
	Barclays Australian Corporate TRI	0.65	1.88	5.89	8.47	8.55	1.88	3.63
International Bonds	Barclays Global Aggregate \$A (H)	0.98	1.44	3.15	6.96	8.76	1.44	1.46
	Barclays Global Agg Treasuries TRI \$A (H)	0.87	1.35	3.40	6.59	7.99	1.35	1.84
	Barclays Global Agg Corporate TRI \$A (H)	0.91	1.76	3.39	8.12	11.34	1.76	0.86
Emerging Markets Debt	Barclays EM Hard Currency Agg TRI \$A (H)	2.21	1.99	0.89	9.16	12.59	1.99	-3.06

Summary of Statistics:

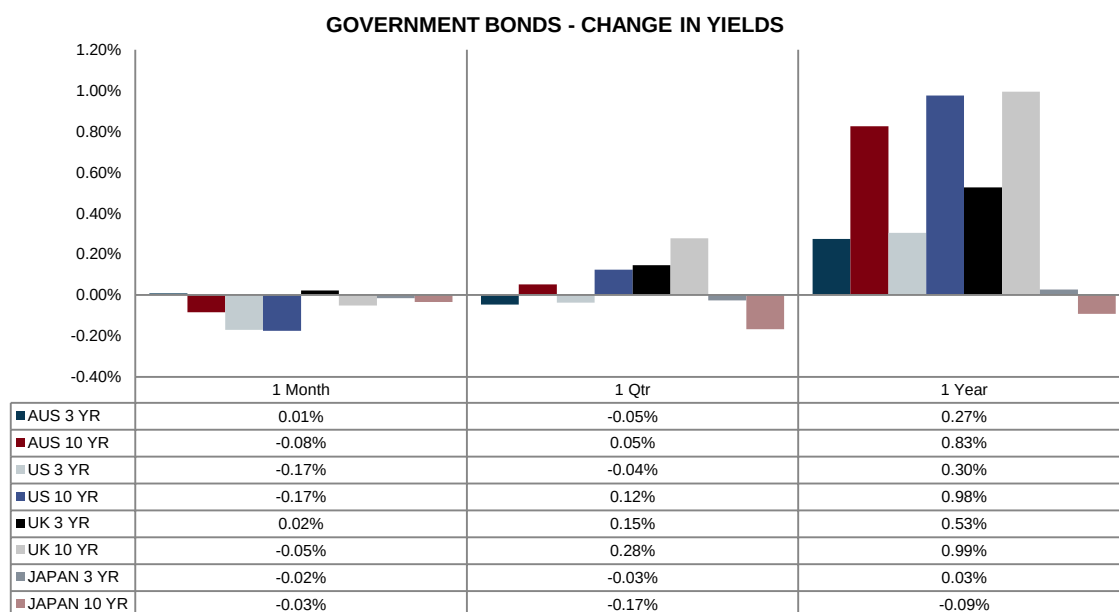
- Australian Cash gained 0.21% in September, as measured by the UBSA Bank Bill Index, ending the quarter 0.70% higher.
- Australian Bonds gained 0.50%, as measured by the UBSA Australia Composite All Maturities Index and ended the quarter 1.04% higher.
- International Bonds also had a positive month, with the Barclays Global Aggregate (Hedged) \$A closing 0.98% higher.

Commentary:

The RBA elected to keep the overnight cash rate steady at 2.50% during the September board meeting. The cash rate was also left unchanged at the October meeting. RBA Governor, Glenn Stevens, reaffirmed that Australian economic growth has remained below trend level during 2013. Slowing investment in mining, high rate of unemployment and historically high commodity prices (despite a fall in September) signal an expected continuation of slow activities in the near term.

The UBSA Australia Composite All Maturities Index gained 0.50% in September, which was largely driven by growth in the corporate bond space with the Barclays Australian Corporate Total Return Index gaining 0.65% for the month. Driving this gain was the restatement by the U.S Federal Reserve maintaining its current level of quantitative easing. The chairman of the Federal Reserve, Ben Bernanke, reiterated that there is currently no defined timeframe to cease the program and that asset purchases will only start to be reduced when US employment improves substantially in a context of price stability.

International bonds rallied upon hearing this news, with the Barclays Global Aggregate (Hedged) \$A gaining 0.98% for the month. Emerging markets debt also had a strong month, with the Barclays Emerging Markets Hard Currency Aggregated (Hedged) \$A gaining 2.21% for the month.



Zenith Monthly Market Report

Australian Shares

Zenith Benchmarks	Index	1 Mth	1 Qtr	1 Yr	3 Yr (p.a.)	5 Yr (p.a.)	Fin YTD	Cal YTD
Market Capitalisation	S&P/ASX 300 Index	2.16	10.28	23.61	8.90	7.12	10.28	15.78
	S&P/ASX 50 Leaders Index	2.04	9.90	26.06	10.63	8.44	9.90	17.78
	S&P/ASX Midcap 50 Index	3.59	10.25	22.45	4.72	2.51	10.25	12.77
	S&P/ASX Small Ordinaries Index	1.69	14.89	1.42	-2.55	0.95	14.89	-0.61
	S&P/ASX Emerging Companies Index	2.30	24.68	-17.59	-9.46		24.68	-9.90
GICS Sectors	S&P/ASX 300 Materials	2.63	17.03	0.43	-5.23	1.18	17.03	-5.64
	S&P/ASX 300 Industrials	5.95	12.92	26.00	7.33	3.16	12.92	16.10
	S&P/ASX 300 Consumer Discretionary	3.26	15.01	50.02	12.25	8.83	15.01	37.62
	S&P/ASX 300 Consumer Staples	0.69	6.07	24.36	13.91	13.94	6.07	18.18
	S&P/ASX 300 Energy	1.94	14.41	15.74	0.16	0.11	14.41	16.04
	S&P/ASX 300 Healthcare	-1.66	5.98	31.49	20.38	11.41	5.98	18.90
	S&P/ASX 300 Information Technologies	3.88	8.51	22.95	6.79	7.98	8.51	21.09
	S&P/ASX 300 Telecommunications	1.87	8.55	38.86	37.57	16.09	8.55	24.69
	S&P/ASX 300 Financials ex Property	2.72	10.88	40.71	19.57	15.92	10.88	30.30
	S&P/ASX 300 Utilities	1.58	5.83	17.23	13.98	10.20	5.83	9.44
	S&P/ASX 300 Property	0.93	0.17	16.36	12.01	0.78	0.17	8.81

Summary of Statistics:

- Australian Equities continued their recent upward trend in September with the S&P/ASX 300 Accumulation Index gaining 2.16%.
- The S&P/ASX Midcap 50 Index was the leading performer on a market capitalisation basis, rising 3.59% in September. This brought the annual figure up to 22.45%. Large cap companies also did well, returning 2.04% for the month and 26.06% in the last 12 months.
- On a sector basis Industrials and Consumer Discretionary continued to rally with the sectors up 5.95% and 3.26% respectively. Information Technologies also did well, gaining 3.88% for the month.
- The worst performing sector in September was Healthcare, losing -1.66% in September.

Commentary:

Australian equities continued their recent growth, ending the month 2.16% higher as measured by the S&P/ASX 300 Accumulation Index. Over the last 12 months, the index has posted strong returns, gaining 23.61%. This rally has been encouraged by the large cap and mid cap companies, respectively contributing 26.06% and 22.45% in the past year. One of the major factors driving these gains was the chase of stronger real returns in more secure assets offered by larger listed companies.

The removal of political uncertainty, after the Liberal party's win on Election Day (7th September) boosted both business and consumer confidence. Consumer Discretionary continued to post strong returns, gaining 3.26% in September, bringing the total up to 50.02% in the last year. The Information Technologies sector also did well, rising 3.88%, with Silex Systems Ltd (+16.73%) being the standout performer.

Strong Chinese manufacturing data also encouraged greater economic activity in Australia. Leading the gains in September was the Industrials sector, posting a positive return of 5.95% as measured by S&P/ASX 300 Industrials. Top performing companies included Emeco Holdings Ltd and Hills Holdings Ltd, with each gaining 28.21% and 20.14% for the month.

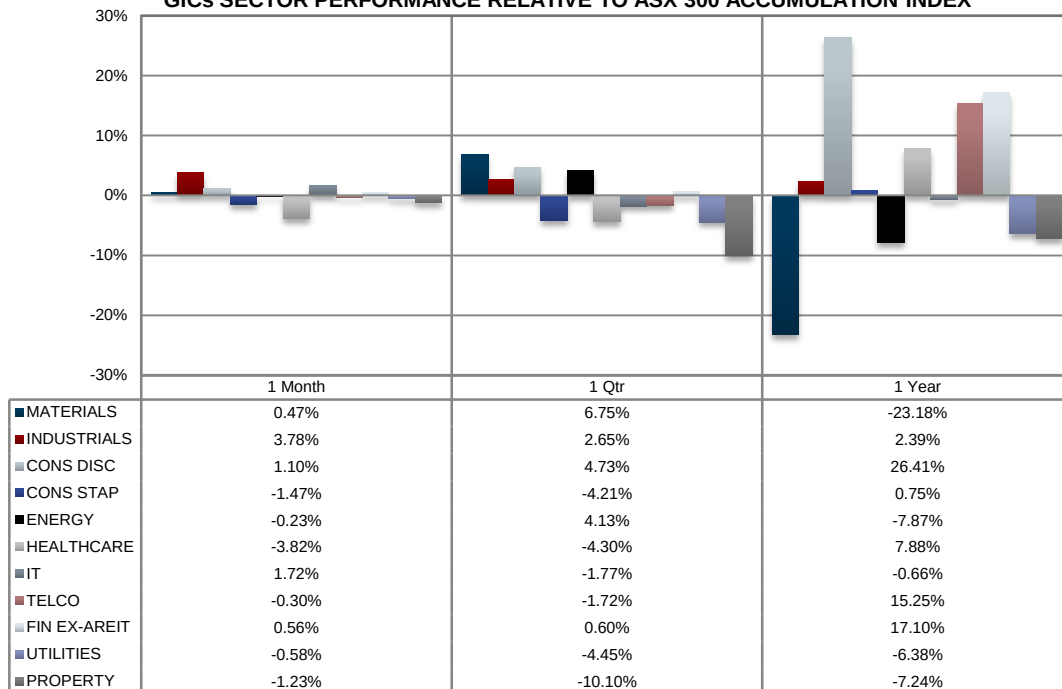
The Healthcare sector had the most significant drag on performance, declining by -1.66%. The strongest contributor to this slide, Prima Biomed Ltd, slumped -58.33% last month after its failed ovarian cancer treatment research.

Materials have been recovering in the past quarter (17.03%), yet still need to catch up with the broader market. S&P/ASX 300 Materials underperformed the S&P/ASX 300 Index by -23.18% in the past year.

Zenith Monthly Market Report

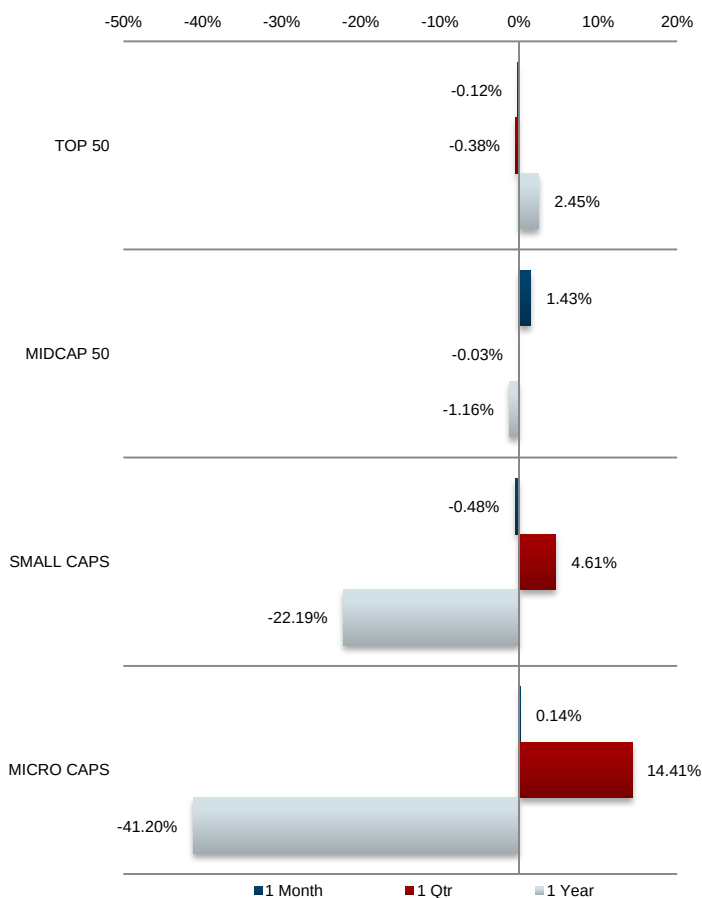
Australian Shares

GICs SECTOR PERFORMANCE RELATIVE TO ASX 300 ACCUMULATION INDEX



This chart shows GICs Sector performance relative to the ASX 300 Index, over the past 1 month, 1 quarter and 1 year time periods. GICs Sector weightings for the ASX 300 Index, as at 31 May 2010 were as follows: Materials 25%; Industrials 7%; Consumer Discretionary 4%; Consumer Staples 9%; IT 1%; Telecommunication Services 4%; Financials ex-AREIT 33%; Property 6%; Energy 7%; Utilities 1%; Healthcare 4%.

LARGE, MID AND SMALL CAP PERFORMANCE RELATIVE TO ASX 300 ACCUMULATION INDEX



This chart shows market capitalisation segmental performance relative to the S&P/ASX 300 Accumulation Index.

Zenith Monthly Market Report

International Shares

Zenith Benchmarks	Index	1 Mth	1 Qtr	1 Yr	3 Yr (p.a.)	5 Yr (p.a.)	Fin YTD	Cal YTD
International Shares - Unhedged	MSCI World Ex-Au (\$A)	-0.06	5.77	34.02	13.28	4.12	5.77	30.77
	MSCI World (\$A)	0.01	5.90	33.69	13.13	4.23	5.90	30.23
	MSCI Small Cap World Ex Aus (\$A)	1.83	9.25	41.92	15.95	8.68	9.25	36.82
	MSCI AC World (\$A)	-1.14	4.07	33.66	12.15	3.79	4.07	29.25
International Shares - Local Currency	MSCI World ex-Au (Local Currency)	3.79	6.29	22.25	12.19	7.37	6.29	18.95
	MSCI World (Local Currency)	5.00	8.18	20.21	11.82	7.84	8.18	17.29
	MSCI World S. Cap ex-Au (Loc. Curr.)	6.91	11.60	27.61	14.61	12.44	11.60	23.23
	MSCI AC World (Local Currency)	3.79	6.31	20.18	10.85	7.38	6.31	16.41
Regional Shares - Local Currency	MSCI North America	3.11	5.62	18.14	14.56	8.92	5.62	18.43
	MSCI Asia	6.10	5.32	30.49	8.18	5.68	5.32	18.36
	MSCI AC Asia ex-Japan	4.02	5.36	7.61	3.09	9.88	5.36	2.43
	MSCI China	5.27	12.16	12.72	0.19	8.64	12.16	-0.10
	MSCI Europe	3.64	8.12	20.62	8.07	6.37	8.12	14.72
	MSCI Emerging Markets	4.22	5.63	5.82	2.74	8.18	5.63	0.47
	MSCI India	3.46	-0.18	3.95	-0.59	9.59	-0.18	-0.41
	MSCI Japan	8.36	5.36	65.85	14.91	3.51	5.36	41.08
Global Gold Shares in \$A	FTSE Gold Mines	-13.30	4.94	-47.93	-24.24	-10.77	4.94	-38.99
Global Resources in \$A	HSBC Global Mining	-1.56	13.38	-10.52	-10.20	-2.41	13.38	-13.56

Summary of Statistics:

- International Shares improved in September with most major regional equities markets recording gains. The MSCI World ex-Australia (Local Currency) gained 3.79%, while the MSCI World Ex-Australian Index (Unhedged) lost -0.06% for the month. The unhedged index was disadvantaged from the rising Australian dollar.
- Global small cap companies outperformed the broader global index, posting returns of 1.83%, as measured by MSCI Small Cap World Ex Aus (Unhedged).
- On a regional basis, most countries reported gains. Japan was the strongest performer, gaining 8.36% for the month and bringing the annualised return to 65.85% in the last 12 months.
- Gold stocks suffered a loss of -13.30% in September, bringing the yearly returns down to -47.93%.

Commentary:

Global equities rebounded in September, in response to positive news from the US Federal Reserve. Despite the improvement in recent US economic activity and labour market conditions, the Fed is still looking for more evidence that such progress will be sustained before making any monetary policy changes. Thus the current monthly purchase of \$85 billion in treasury and mortgage-backed securities has been maintained. US Equities naturally contributed strongly to these gains with the S&P 500 Index rising by 2.97% for the month, while the Dow Jones Industrials Index added 2.16%.

Driven by this renewed confidence, emerging markets received temporary relief in September. MSCI Emerging Markets (Local Currency) was up 4.22% for the month. Chinese equities had another good month on strong manufacturing data, posting a 5.27% gain, as measured by MSCI China Index (Local Currency). HSBC Manufacturing PMI rose to a six-month high of 51.1 (a number above 50 signifies expansion while below 50 signifies contraction).

Among positive data coming from most regions, Japan was the standout performer posting 8.36% for the month in local currency. Winning the right to stage the Olympic Games in 2020 earlier in the month boosted Japan's economic activity. Since the end of last year, when Shinzo Abe got reappointed as the new prime minister, Japan has gone through some aggressive economic reforms. Japanese equity markets did well in the last 12 months, returning 65.85%, as measured by MSCI Japan Index (Local Currency).

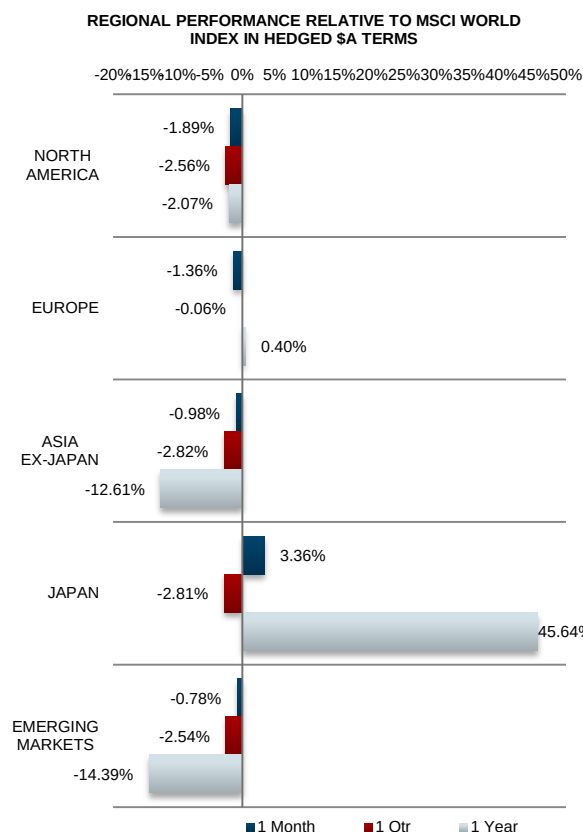
As with the Australian market, Industrials & Consumer Discretionary were also the best performing sectors globally, returning 5.86% and 5.74% respectively in the last month. Global resources didn't do as well. FTSE Gold Mines Index declined -13.30% for the month. Triggering losses in these sectors was the strong depreciation of commodities prices, with the US\$ CRB Spot Commodity Index and US\$ Gold Price falling -1.14% and -4.75% respectively.

Zenith Monthly Market Report

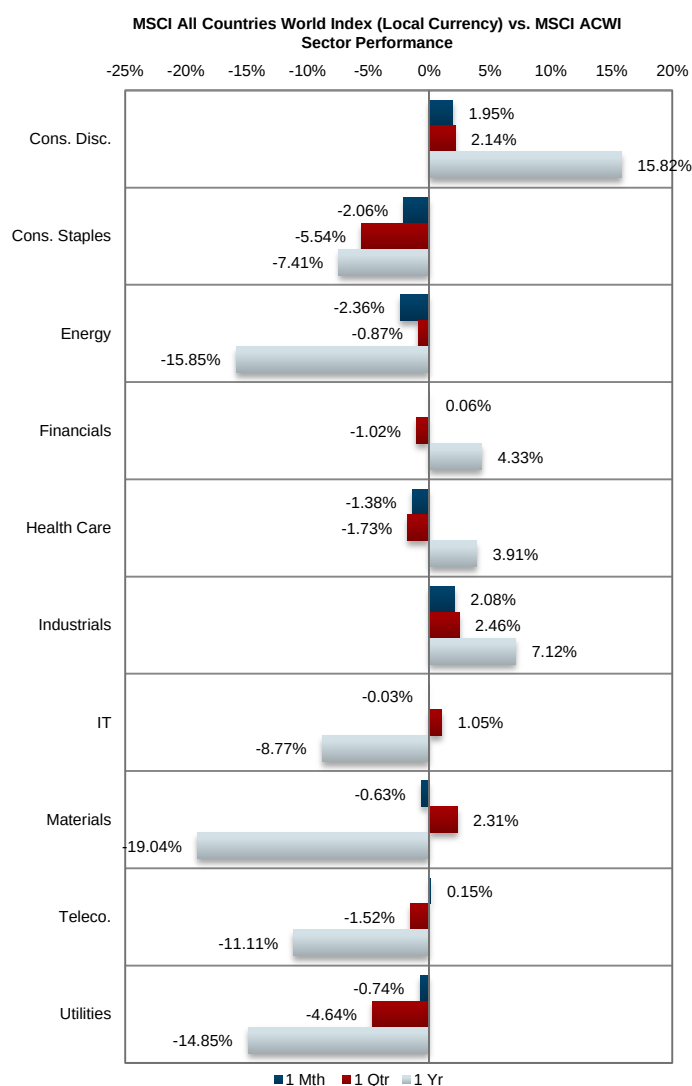
International Shares

Zenith Benchmarks	Index	1 Mth	1 Qtr	1 Yr	3 Yr (p.a.)	5 Yr (p.a.)	Fin YTD	Cal YTD
Currency Spot Rates	AUD / USD	4.90	2.18	-10.03	-1.11	3.39	2.18	-10.07
	AUD / EUR	2.51	-1.78	-14.51	-0.90	4.20	-1.78	-12.30
	AUD / GBP	0.52	-3.96	-10.12	-2.05	5.38	-3.96	-9.75
	AUD / JPY	4.95	1.22	13.35	4.40	1.79	1.22	2.00

Investors should note that investments in any international assets are subject to the risk of currency fluctuations. If a foreign investment is unhedged, the gain / loss from the relevant currency pair should be deducted from the return of the asset to calculate the approximate return of the investment.



This chart shows regional performance relative to the MSCI World Index in \$A terms, over 1 month, 1 quarter and 1 year time periods. Regional weightings for the MSCI World Index, as at 31 May 2010 were as follows: North America 58%; Europe 29%; Asia ex-Japan 2%; Japan 11%. N.B. Emerging Markets is not part of the index.



Zenith Benchmarks	Index	1 Mth	1 Qtr	1 Yr	3 Yr (p.a.)	5 Yr (p.a.)	Fin YTD	Cal YTD
Industry Sectors -	MSCI ACWI Consumer Discretionary Index	5.74	8.45	36.00	16.89	12.94	8.45	27.31
Local Currency	MSCI ACWI Consumer Staples Index	1.73	0.78	12.77	11.22	8.48	0.78	11.86
	MSCI ACWI Energy Index	1.43	5.44	4.33	5.41	1.68	5.44	6.91
	MSCI ACWI Financials Index	3.85	5.29	24.52	5.72	-0.07	5.29	14.81
	MSCI ACWI Health Care Index	2.41	4.58	24.09	16.04	9.26	4.58	23.59
	MSCI ACWI Industrials Index	5.86	8.78	27.30	9.72	6.21	8.78	19.41
	MSCI ACWI IT Index	3.75	7.37	11.41	10.55	8.69	7.37	13.75
	MSCI ACWI Materials Index	3.16	8.62	1.14	-2.23	1.50	8.62	-3.78
	MSCI ACWI Teleco. Services Index	3.94	4.79	9.07	4.89	4.15	4.79	13.41
	MSCI ACWI Utilities Index	3.05	1.67	5.33	-0.59	-2.81	1.67	6.44

Zenith Monthly Market Report

Property & Infrastructure

Zenith Benchmarks	Index	1 Mth	1 Qtr	1 Yr	3 Yr (p.a.)	5 Yr (p.a.)	Fin YTD	Cal YTD
Australian Listed Property	S&P/ASX 300 Property	0.93	0.17	16.36	12.01	0.78	0.17	8.81
	FTSE E/N Australia	3.36	-1.29	0.54	6.99	-1.74	-1.29	-3.40
Global Listed Prop. \$A (H)	FTSE E/N Dev.	4.68	1.63	16.57	11.23	3.94	1.63	8.51
Global Listed Prop. (LC)	FTSE E/N North America	0.85	-6.51	-0.82	12.14	6.74	-6.51	-0.72
	FTSE E/N Euro Zone	5.26	4.79	15.89	5.81	6.71	4.79	4.45
	FTSE E/N UK	5.89	8.44	18.99	15.62	0.76	8.44	12.36
	FTSE E/N Developed Asia	5.44	3.06	11.61	10.46	11.90	3.06	4.63
	FTSE E/N Japan	9.23	9.18	41.17	20.50	10.93	9.18	28.49
Australian Listed Infra.	S&P/ASX 300 Utilities	1.58	5.83	17.23	13.98	10.20	5.83	9.44
Global Listed Infra. \$A (H)	UBS Global Infra. & Utilities	5.02	5.04	22.75	14.61	9.45	5.04	17.74
Global EM Listed Infra - \$A (H)	UBS EM Infra. & Utilities	2.46	1.83	9.60	-0.57	1.18	1.83	7.36

Summary of Statistics:

- Global listed property had a positive month, returning 4.68% as measured by the FTSE EPRA NAREIT Developed Total Return Index (Hedged \$A).
- The Japanese property market once again stood out among its peers, returning 9.23% in local currency.
- Global listed infrastructure also performed better, with the UBS Global Infrastructure and Utilities Index (Hedged \$A) ending the month 5.02% higher.
- The Australian property market increased slightly, up only 0.93% in September, as measured by the S&P/ASX 300 Property Accumulation Index.

Commentary:

The Australian property market was up 0.93% in September, underperforming the broader Australian share market by 1.23%. Ingenia Communities Group was the strongest performing security within the index, posting a one month gain of 25.40%. Laggards were Aspen Group (-8.33%) and Cromwell Property Group (-4.98%).

International listed property had a strong month, with the global benchmark index gaining 4.68%. Japan was the strongest performer in the property market, rallying 9.23% in September to bring the yearly total up by 41.17%. With more economic activity in Japan, investors are more willing to take on risk. After being selected as the 2020 Olympic host, property has benefited and is expected to expand leading up to the games.

Australian listed infrastructure underperformed the global index, gaining only 1.58% for the month, while the global equivalent gained 5.02%. Emerging markets infrastructure also underperformed, adding only 2.46%.

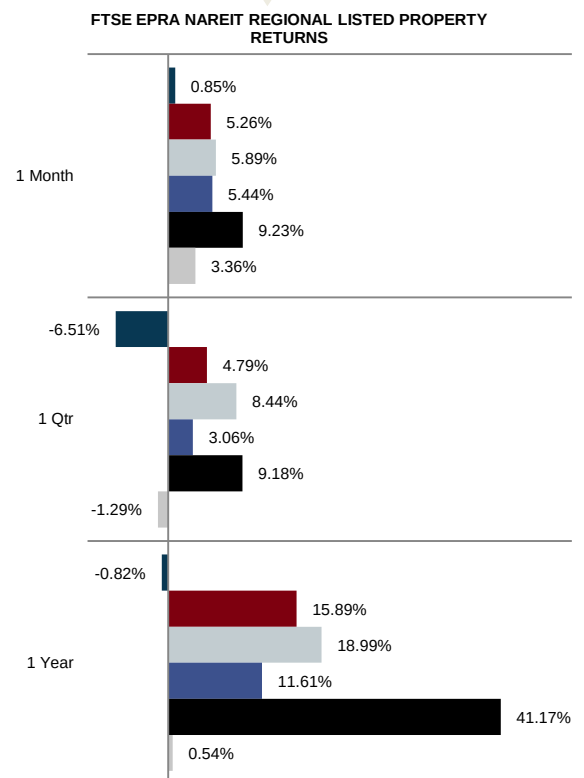
Author:

Bei Cao

Zenith Investment Partners

☎ (03) 9642 3320 📄 Data source: Bloomberg

This chart shows Regional performance relative to the FTSE EPRA/NAREIT Index over 1 month, 1 quarter and 1 year time periods. Regional weightings for the FTSE Index, as at 31 May 2010 were as follows: North America 46%; Europe ex-UK 10%; UK 5%; Asia ex-Japan 20%; Japan 10%; Australia 9%.



	1 Year	1 Qtr	1 Month
■ NORTH AMERICA	-0.82%	-6.51%	0.85%
■ EURO ZONE	15.89%	4.79%	5.26%
■ UK	18.99%	8.44%	5.89%
■ ASIA	11.61%	3.06%	5.44%
■ JAPAN	41.17%	9.18%	9.23%
■ AUSTRALIA	0.54%	-1.29%	3.36%

DISCLAIMER: This report is prepared exclusively for clients of Zenith Investment Partners (Zenith). The report contains recommendations and advice of a general nature and does not have regard to the particular circumstances or needs of any specific person who may read it. Each client should assess either personally or with the assistance of a licensed financial adviser whether the Zenith recommendation or advice is appropriate to their situation before making an investment decision. The information contained in the report is believed to be reliable, but its completeness and accuracy is not guaranteed. Opinions expressed may change without notice. Zenith accepts no liability, whether direct or indirect arising from the use of information contained in this report. No part of this report is to be construed as a solicitation to buy or sell any investment. The performance of the investment in this report is not a representation as to future performance or likely return. The material contained in this report is subject to copyright and may not be reproduced without the consent of the copyright owner. Zenith usually receives a fee for assessing the fund manager and product(s) described in this document against accepted criteria considered comprehensive and objective.