

## 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
<b>Interest Rates</b>	Overnight Cash Rate (%)	2.50	2.50	0.00	3.00	-0.50
	3 Month BBSW (%)	2.58	2.59	-0.01	3.01	-0.43
	10 Year Bond Rate (%)	4.00	4.24	-0.24	3.45	0.55
<b>Australian Shares</b>	All Ordinaries Index	5205.10	5353.08	-2.76%	4901.01	6.20%
	S&P/ASX 200	5190.00	5352.21	-3.03%	4878.78	6.38%
<b>Property</b>	ASX 300 Property Index	974.70	971.00	0.38%	999.80	-2.51%
<b>Regional Shares</b>	Dow Jones Industrials (US)	15698.85	16576.66	-5.30%	13860.58	13.26%
	S&P 500 (US)	1782.59	1848.36	-3.56%	1498.11	18.99%
	FTSE 100 (UK)	6510.44	6749.09	-3.54%	6276.88	3.72%
	STOXX 50 (EUR)	322.52	328.26	-1.75%	287.22	12.29%
	TOPIX (Japan)	1220.64	1302.29	-6.27%	940.25	29.82%
	Hang Seng (Hong Kong)	22035.42	23306.39	-5.45%	23729.53	-7.14%
<b>Commodities</b>	US\$ Gold Price	1244.55	1205.65	3.23%	1663.65	-25.19%
	US\$ Oil Price – W Texas Crude	97.49	98.40	-0.92%	100.62	-3.11%
	US\$ CRB Spot Commodity Index	457.98	456.36	0.35%	491.52	-6.82%
<b>Exchange Rates</b>	AUD / USD	0.8756	0.8927	-1.92%	1.0437	-16.11%
	AUD / EUR	0.6492	0.6474	0.28%	0.7683	-15.50%
	AUD / GBP	0.5326	0.5389	-1.15%	0.6575	-18.99%
	AUD / JPY	89.33	93.94	-4.91%	95.32	-6.28%
	TWI	67.70	68.90	-1.74%	77.70	-12.87%
<b>Volatility</b>	VIX Index %	18.41	13.72	4.69%	14.28	4.13%

### Key Points:

- There was no RBA Monetary Policy meeting in January. Thus, the overnight cash rate remained unchanged at 2.50%.
- Australian Shares posted a negative return, with the All Ordinaries Price Index and the S&P/ASX 200 Price Index declining -2.76% and 3.03%, respectively.
- Fixed income securities remained steady with the Three Month Bank Bill Swap Rate declining by -0.01%, to finish the month priced at 2.58%.
- 10 Year Australian Bond yields finished the month at 4.00%, representing a -0.24% decline for January.
- Australian Listed Property had a slightly positive month, with the S&P/ASX 300 Property Price Index gaining 0.38%.
- Global equities made a poor start to the year, with all regions falling simultaneously. Japan was the worst performer, falling -6.27%, meanwhile the Hang Seng Index declined -5.45%. The STOXX 50 (Europe) was the best performed region, albeit retracing -1.75%.
- Commodity prices had a positive month with the US\$ CRB Spot Commodity Index gaining 0.35%. Gold made some tepid steps towards recovering some of last year's losses, posting a gain of 3.23%. The oil price retreated slightly with West Texas Intermediate price finishing at 97.49 or down 0.92% for the month.
- The AUD continued its downtrend against most of the major currencies. In particular, the AUD depreciated -1.92% against the USD, -4.91% versus the Yen and -1.15% against the British Pound. On the flipside, the AUD appreciated 0.28% versus the Euro.
- US equity market volatility spiked over 30% with the S&P VIX Index finishing the month at 18.41%.

Zenith Benchmarks	Index	1 Mth	1 Qtr	1 Yr	3 Yr (p.a.)	5 Yr (p.a.)	Fin YTD	Cal YTD
<b>Australian Cash</b>	UBSA Bank Bill	0.22	0.65	2.82	3.87	3.96	1.58	0.22
<b>Australian Bonds</b>	UBSA Australia Composite All Maturities	1.09	1.52	3.33	7.01	5.64	2.51	1.09
	Barclays Global: Australia TRI	1.26	1.28	1.91	6.59	4.45	1.57	1.26
	Barclays Australian Corporate TRI	0.95	1.68	5.26	8.27	7.33	3.83	0.95
<b>International Bonds</b>	Barclays Global Aggregate \$A (H)	1.67	1.36	4.30	7.98	8.40	3.97	1.67
	Barclays Global Agg Treasuries TRI \$A (H)	1.67	1.31	4.45	7.81	7.38	3.71	1.67
	Barclays Global Agg Corporate TRI \$A (H)	1.81	1.79	4.88	9.32	11.82	5.22	1.81
<b>Emerging Markets Debt</b>	Barclays EM Hard Currency Agg TRI \$A (H)	-0.11	-0.51	-0.98	9.68	15.44	3.82	-0.11

### Summary of Statistics:

- Australian Cash returned 0.22% in January, as measured by the UBSA Bank Bill Index, taking its one-year return to 2.82%.
- The Australian Bond Market had a positive month gaining 1.09%, as measured by the UBSA Australia Composite All Maturities Index. Within the asset class, Government Bonds was the strongest performer, gaining 1.26%, while Corporate Bonds increased by 0.95%.
- International Bonds enjoyed a strong month posting a 1.67% increase, as measured by the Barclays Global Aggregate (Hedged) \$A Index. Within the asset class, Corporate Bonds slightly out-performed Government Bonds.

### Commentary:

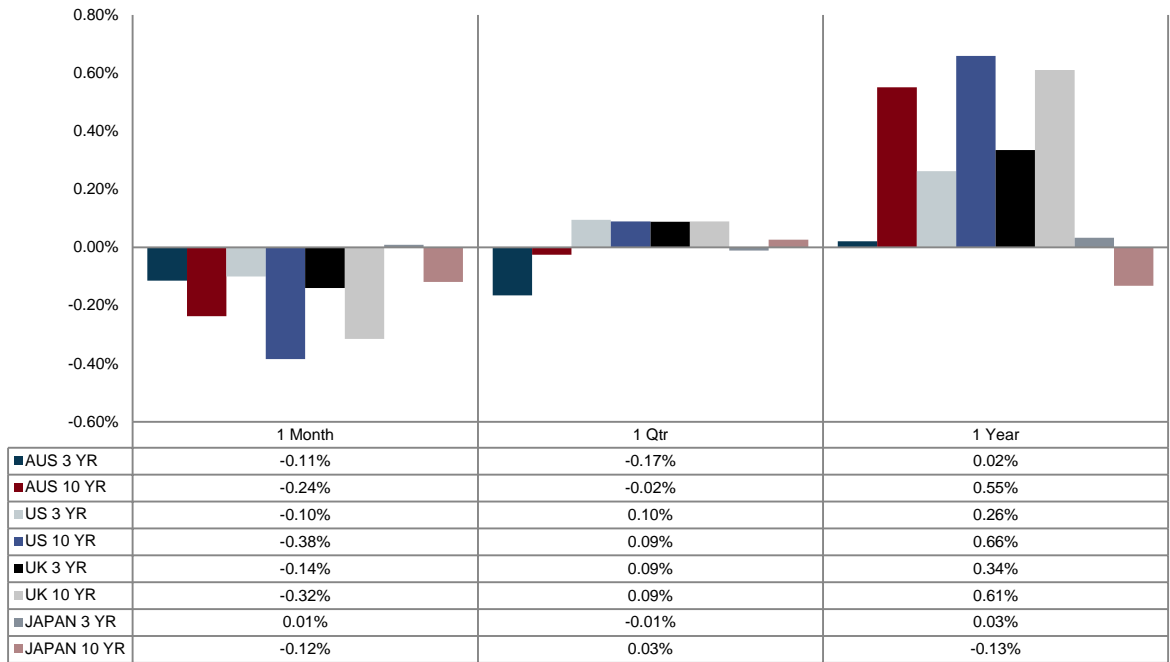
There were no changes to the RBA overnight cash rate which remained at 2.50%. The Australian dollar continues to depreciate against major currencies and is reaching a level that will assist in rebalancing the economy. Glenn Stevens, Governor of the Reserve Bank has stated that an Australian dollar at 85 U.S. cents would assist in achieving desired economic outcomes.

Australian Bonds performed well in January, building on December's gains. Government Bonds gained 1.26%, under-pinned by falling yields with the 10 Year Government Bond Yield retracing -0.24% during January. Australian corporate bonds underperformed government bonds as credit spreads widened over the course of the month. This is represented by the iTraxx Australia Index (credit spread index linked to 25 Australian investment grade companies), which rose from 98.2 to 105.8 over the course of the month.

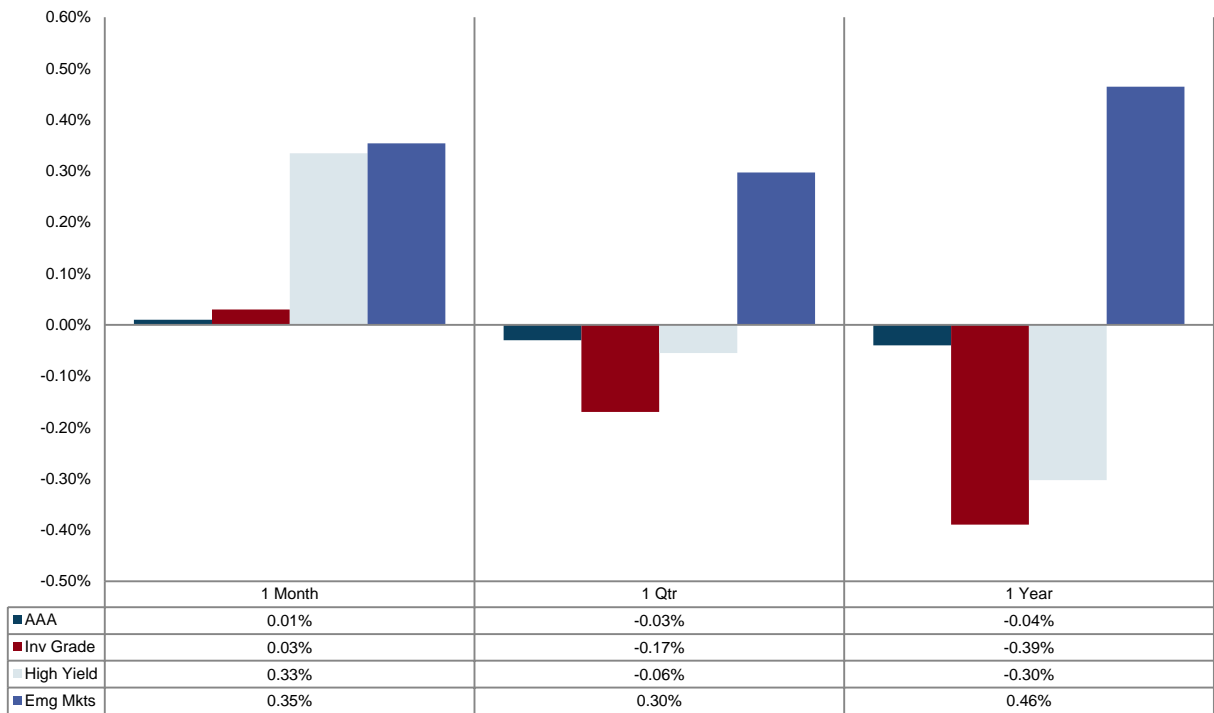
In January, the US Federal Reserve maintained its December 2013 positioning by announcing a further \$10 billion reduction in asset purchases. The Fed will now be buying \$US35 billion in Treasury bonds per month and \$US30 billion in mortgage backed securities. The Fed also expects to keep the Fed Funds target rate near zero well past the time the unemployment rate declines below 6.5%. US 10 Year Government Bond Yields fell by 0.38% in January which under-pinned a gain in the Barclays Global Aggregate Treasuries \$A (Hedged) Index of 1.67%. Coincidentally, Global Bonds increased by the same amount (1.67%) in January as measured by the Barclays Global Aggregate \$A (Hedged) Index.

Higher risk debt performed poorly in January following the US Fed's further "tapering" decision for its quantitative easing policy with spreads for high yield bonds and emerging market bonds increasing by 0.33% and 0.35% respectively for the month.

GOVERNMENT BONDS - CHANGE IN YIELDS



GLOBAL CORPORATE DEBT - CHANGE IN SPREADS



Zenith Benchmarks	Index	1 Mth	1 Qtr	1 Yr	3 Yr (p.a.)	5 Yr (p.a.)	Fin YTD	Cal YTD
<b>Market Capitalisation</b>	S&P/ASX 300 Index	-3.00	-3.52	10.58	7.32	12.76	10.58	-3.00
	S&P/ASX 50 Leaders Index	-3.02	-3.56	12.85	9.34	13.51	10.48	-3.02
	S&P/ASX Midcap 50 Index	-3.00	-1.66	6.83	2.86	10.36	10.80	-3.00
	S&P/ASX Small Ordinaries Index	-2.76	-5.49	-7.39	-6.17	8.57	11.55	-2.76
	S&P/ASX Emerging Companies Id.	0.83	-5.99	-16.69	-14.56		20.91	0.83
<b>GICS Sectors</b>	S&P/ASX 300 Materials	-1.80	-0.25	-4.07	-7.34	6.43	20.73	-1.80
	S&P/ASX 300 Industrials	-2.12	-3.22	8.32	5.98	11.02	11.34	-2.12
	S&P/ASX 300 Consumer Disc.	-4.51	-3.79	25.20	12.23	16.96	13.58	-4.51
	S&P/ASX 300 Consumer Staples	-3.06	-4.25	11.48	14.05	16.52	4.14	-3.06
	S&P/ASX 300 Energy	-3.84	-7.01	2.05	-4.21	4.73	6.63	-3.84
	S&P/ASX 300 Healthcare	0.25	1.18	21.90	18.99	12.75	12.04	0.25
	S&P/ASX 300 IT	-2.61	-3.34	4.07	5.47	12.65	6.97	-2.61
	S&P/ASX 300 Telcos.	-1.93	-0.52	22.91	35.96	19.07	12.56	-1.93
	S&P/ASX 300 Financials ex Prop.	-4.63	-4.76	22.90	18.29	22.65	11.86	-4.63
	S&P/ASX 300 Utilities	0.75	-0.89	6.89	14.73	11.74	6.03	0.75
	S&P/ASX 300 Property	0.41	-3.55	3.18	11.19	11.20	-0.83	0.41

### Summary of Statistics:

- Australian Equities declined by -3.00% in January, as measured by the S&P/ASX 300 Accumulation Index.
- On a market capitalisation basis the S&P/ASX 50 Leaders Index retraced by -3.02% while the Midcap 50 Index and the Small Ordinaries Index declined by -3.00% and -2.76%, respectively. On a positive note, the S&P / ASX Emerging Companies Index returned 0.83%.
- On a sector basis, Utilities was the leading performer in January, with the S&P/ASX 300 Utilities Index recording a gain of 0.75%.
- Financials (ex-Property) was the weakest performer with the S&P/ASX 300 Financials (ex-Property) Index falling by -4.63%.

### Commentary:

Australian equities declined in January against a backdrop of soft economic data. The S&P/ASX 300 Accumulation Index recorded a loss of -3.00%. During the month, China's HSBC Flash PMI showed the first signs of contraction in over six months and emerging market currencies exhibited heightened volatility. Domestically, muted retail sales figures and a slight increase in the unemployment rate weighed on investor sentiment.

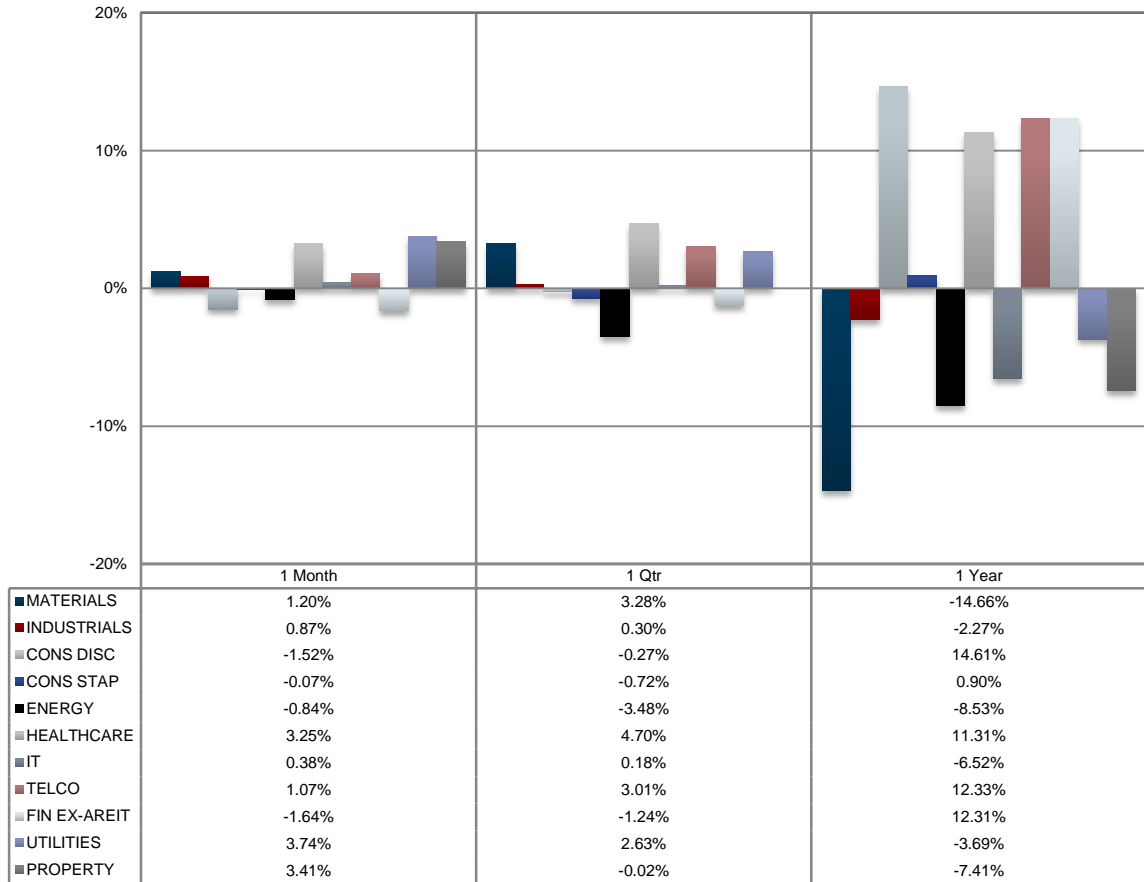
Investment spending in the resources sector continued to decline and manufacturing activities have been slow over recent months. Toyota announced to stop building cars in Australia by the end of 2017 in early February this year, joining Ford and Holden's decisions to pull out by 2016 and 2017 respectively. The ACTU has estimated that Australia will lose up to 50,000 direct skilled jobs and approximately \$A21 billion will be wiped from the economy.

The S&P/ASX Midcap 50 Index and the S&P/ASX Small Ordinaries Index posted negative returns in January, falling 3.00% and 2.76%, respectively. Interestingly the S&P/ASX Emerging Markets Index delivered a positive return of 0.83%. Over the last twelve months the S&P/ASX Small Ordinaries Index has trailed the broader larger cap index by 18.0%.

The Financials sector contributed the majority of January's decline, with the Top 4 banks accounting for over 1.5% of index losses. ANZ, CBA and Westpac were the three largest detractors for the month. The Utilities and Healthcare sectors provided minor respite with CSL and Sydney Airport two of the better performed stocks.

Australian Shares

GICs SECTOR PERFORMANCE RELATIVE TO ASX 300 ACCUMULATION INDEX

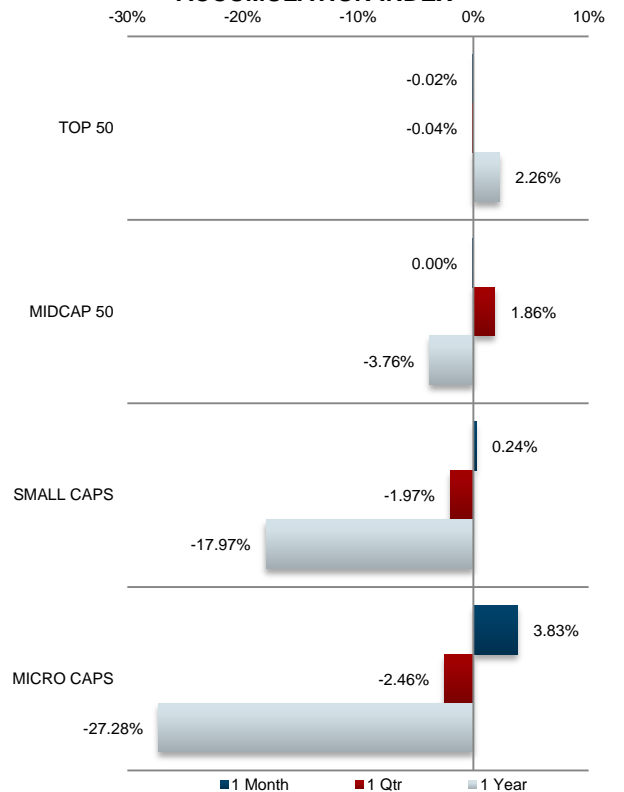


This chart shows GICs Sector performance relative to the ASX 300 Index, over the past 1 month, 1 quarter and 1 year time periods. GICs Sector weightings for the ASX 300 Index, as at 31 January 2014 were as follows: Materials 17%; Industrials 7%; Consumer Discretionary 5%; Consumer Staples 8%; IT 1%; Telecommunication Services 5%; Financials ex-AREIT 37%; Property 7%; Energy 6%; Utilities 2%; Healthcare 5%.



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

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



Zenith Benchmarks	Index	1 Mth	1 Qtr	1 Yr	3 Yr (p.a.)	5 Yr (p.a.)	Fin YTD	Cal YTD
<b>International Shares - Unhedged</b>	MSCI World Ex-Au (\$A)	-1.20	9.05	39.83	14.48	9.03	18.29	-1.20
	MSCI World (\$A)	-1.26	8.62	38.76	14.25	9.14	18.03	-1.26
	MSCI Small Cap Wd Ex Aus (\$A)	0.63	11.00	46.75	16.29	14.78	23.43	0.63
	MSCI AC World (\$A)	-0.92	8.77	38.29	14.01	7.97	16.20	-0.92
<b>International Shares - Local Currency</b>	MSCI World ex-Au (Local Cy)	-3.25	1.08	18.59	10.27	15.31	11.69	-3.25
	MSCI World (Local Currency)	-3.70	0.08	16.07	9.28	16.27	12.50	-3.70
	MSCI Wd S. Cap ex-Au (Loc. Cy)	-1.86	2.28	22.76	11.24	22.28	17.65	-1.86
	MSCI AC World (Local Currency)	-3.37	0.22	15.68	9.05	15.02	10.76	-3.37
<b>Regional Shares - Local Currency</b>	MSCI North America	-3.15	1.96	20.11	12.28	17.92	12.46	-3.15
	MSCI Asia	-5.41	-1.17	13.18	5.99	12.40	5.94	-5.41
	MSCI AC Asia ex-Japan	-4.13	-4.17	-0.50	1.35	15.32	4.47	-4.13
	MSCI China	-6.57	-5.38	-7.02	-1.02	12.42	8.76	-6.57
	MSCI Europe	-2.25	-0.78	13.04	6.91	12.60	11.98	-2.25
	MSCI Emerging Markets	-4.45	-5.42	-2.51	1.02	14.00	3.92	-4.45
	MSCI India	-2.55	-2.11	3.78	4.75	18.63	6.04	-2.55
	MSCI Japan	-6.71	2.23	31.79	12.10	11.11	7.70	-6.71
<b>Gold Shares in \$A</b>	FTSE Gold Mines	12.84	1.30	-32.94	-22.01	-14.67	5.47	12.84
<b>Resources in \$A</b>	HSBC Global Mining	-0.02	1.95	-8.67	-12.37	3.14	17.75	-0.02

### Summary of Statistics:

- International Shares posted negative returns in January with the MSCI World ex-Australia (Local Currency) Index falling -3.25%. The depreciating Australian dollar pared back some of the losses for unhedged exposures with the MSCI World ex-Aust Index (AUD) falling only -1.20%.
- On a regional basis, Japan was the worst performer, losing -6.71% for the month as measured by the MSCI Japan (Local Currency) Index.
- Europe was the best performed region albeit it still posted a decline of -2.25% as measured by the MSCI Europe (Local Currency) Index.
- Gold stocks enjoyed a strong rally in January with the FTSE Gold Mines (\$A) Index returning 12.84%

### Commentary:

Global equities started the year on a negative footing with weak Chinese manufacturing data and policy actions in emerging markets, creating an uneasy backdrop for investors. The China HSBC Manufacturing Index fell to below 50 for the first time in six months. Meanwhile, a rout in emerging market currencies forced central banks in Turkey, India and South Africa to raise interest rates to support their currencies. The Argentinian peso fell by approximately 19% for January. Overall, the MSCI World ex-Australia (Local Currency) Index retraced by 3.25%

In the US, the Federal Reserve maintained its December 2013 positioning by announcing a further \$10 billion reduction in asset purchases. While this was largely anticipated by the market, investors were more concerned by the China slowdown and the emerging market machinations. The deteriorating sentiment was reflected by a spike in the VIX Index which increased by 30%. The Dow Jones Industrial Index and S&P 500 Index fell 5.30% and 3.56%, respectively.

Japanese equities continued its roller coaster ride, falling -6.71% for the month. Notwithstanding this, the Japan market has returned 31.79% for the 12-months ending January 2014 (as measured by the MSCI Japan (Local Currency) Index).

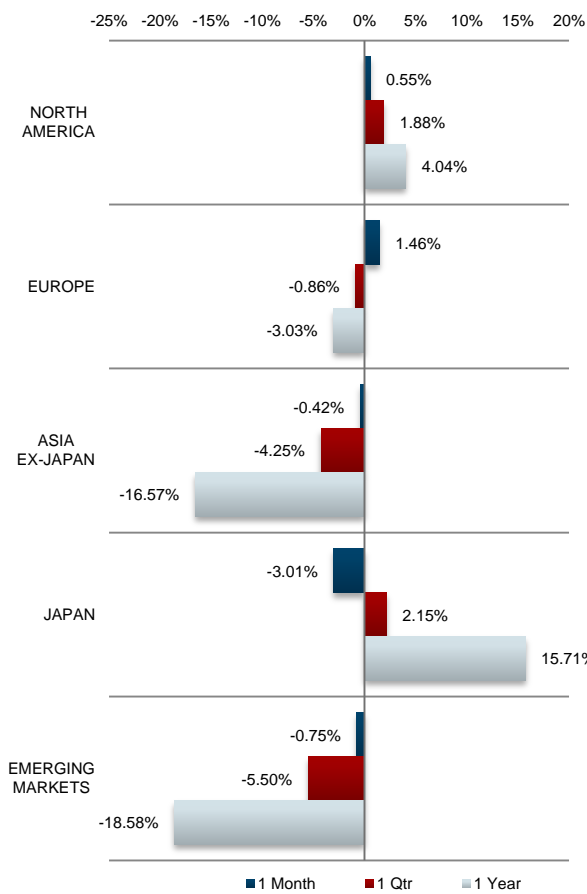
Reaffirming its 'safe haven' status, gold increased by approximately 3.5% over the month in USD terms. Gold continues to trade 25% below the price levels observed 12 months earlier.

## Zenith Monthly Market Report International Shares

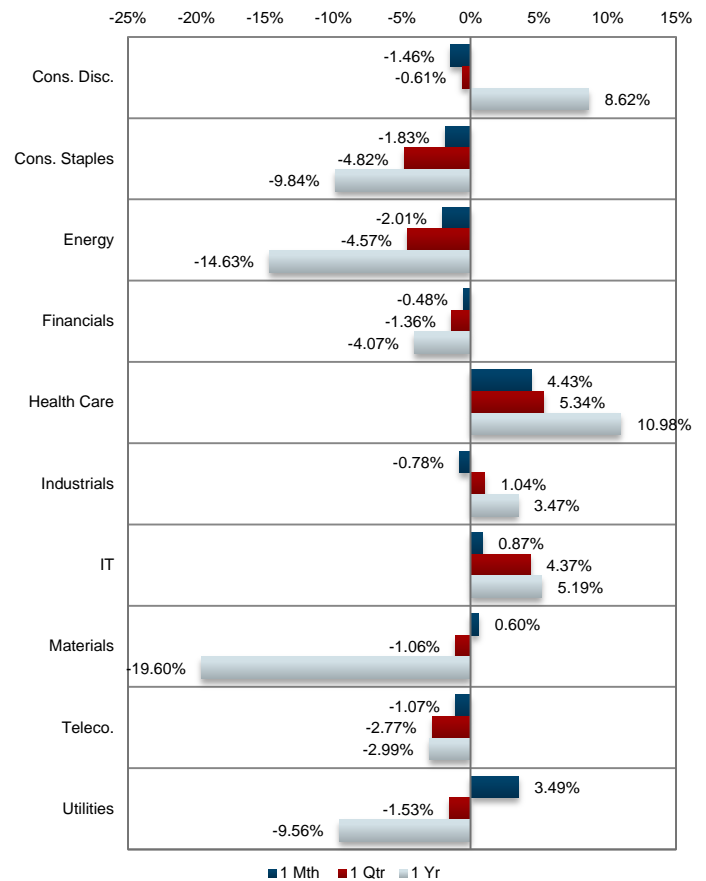
Zenith Benchmarks	Index	1 Mth	1 Qtr	1 Yr	3 Yr (p.a.)	5 Yr (p.a.)	Fin YTD	Cal YTD
Currency Spot Rates	AUD / USD	-1.92	-7.47	-16.11	-4.27	6.55	-4.18	-1.92
	AUD / EUR	0.28	-6.71	-15.50	-3.78	5.48	-7.59	0.28
	AUD / GBP	-1.15	-9.66	-18.99	-5.07	3.98	-11.34	-1.15
	AUD / JPY	-4.91	-3.97	-6.28	2.97	9.35	-1.40	-4.91

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.

### REGIONAL PERFORMANCE RELATIVE TO MSCI WORLD INDEX IN HEDGED \$A TERMS



### MSCI All Countries World Index (Local Currency) vs. MSCI ACWI Sector Performance



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	-4.83	-0.40	24.30	14.62	21.86	11.78	-4.83
	Local Currency	-5.20	-4.60	5.83	10.67	12.33	0.19	-5.20
	MSCI ACWI Consumer Staples Idx.	-5.38	-4.35	1.05	-0.93	6.70	5.10	-5.38
	MSCI ACWI Energy Index	-3.85	-1.14	11.61	4.60	12.10	8.54	-3.85
	MSCI ACWI Health Care Index	1.06	5.56	26.66	18.54	14.25	14.63	1.06
	MSCI ACWI Industrials Index	-4.15	1.26	19.15	7.05	15.16	13.91	-4.15
	MSCI ACWI IT Index	-2.50	4.58	20.87	8.81	18.00	16.56	-2.50
	MSCI ACWI Materials Index	-2.77	-0.84	-3.92	-5.30	8.90	10.44	-2.77
	MSCI ACWI Telco. Services Index	-4.44	-2.55	12.69	5.01	7.41	7.64	-4.44
	MSCI ACWI Utilities Index	0.12	-1.31	6.11	-0.80	0.31	3.60	0.12

# 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	0.41	-3.55	3.18	11.19	11.20	-0.83	0.41
	FTSE E/N Australia	0.20	-10.10	-11.97	3.60	10.68	-8.26	0.20
Global Listed Prop. \$A (H)	FTSE E/N Dev.	0.13	-1.61	5.81	9.26	17.18	2.96	0.13
Global Listed Prop. (LC)	FTSE E/N North America	5.73	-0.51	2.08	9.74	21.08	-3.50	5.73
	FTSE E/N Euro Zone	-1.89	-3.90	5.77	5.21	13.34	4.70	-1.89
	FTSE E/N UK	5.18	7.31	32.73	17.45	20.81	22.58	5.18
	FTSE E/N Developed Asia	-3.56	-7.77	-4.55	5.58	15.07	-5.16	-3.56
	FTSE E/N Japan	-5.46	-4.53	23.51	11.36	12.87	1.97	-5.46
Australian Listed Infra.	S&P/ASX 300 Utilities	0.75	-0.89	6.89	14.73	11.74	6.03	0.75
Global Listed Infra. \$A (H)	UBS Global Infra. & Utils.	-0.06	0.50	19.38	13.66	14.93	9.90	-0.06
Global EM Ld Infra - \$A (H)	UBS EM Infra. & Utilities	-3.76	-1.41	5.50	0.47	3.14	4.36	-3.76

### Summary of Statistics:

- Global listed property was flat for the month, with the FTSE EPRA NAREIT Developed Total Return (Hedged \$A) Index returning 0.13%.
- Australian listed property fared slightly better than its global counterparts with the S&P/ASX 300 Property Accumulation Index returning 0.41%.
- Global listed infrastructure posted a small negative loss with the UBS Global Infrastructure and Utilities (Hedged \$A) Index returning -0.06%.
- Australian listed infrastructure recorded a gain of 0.75% as measured by the S&P/ASX 300 Utilities Index.

### Commentary:

Australian listed property had a positive month, with the S&P/ASX 300 Property Accumulation Index returning 0.41%. In what was an uneventful month, GPT was the best performed out of the larger index constituents.

The international property market improved slightly in January, with the global index adding 0.13% for the month in hedged terms. At the regional level, North American property was a standout performer with the FTSE/EPRA NAREIT North American (Local Currency) Index returning 5.76%. On the flipside, the Japan market lost a similar amount with the FTSE EPRA NAREIT Japan (Local Currency) Index retracing by -5.46%.

Infrastructure posted muted returns globally, with the hedged index falling -0.06% for the month. Australian listed infrastructure benefited from its 'defensive characteristics' posting an increase of 0.75% for January. Further down the risk spectrum, the hedged emerging market listed infrastructure lost -3.76%.

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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%.

### FTSE EPRA NAREIT REGIONAL LISTED PROPERTY RETURNS

