ISSUE 13 | January 2015

# THE MONTHLY MARKET REPORT

Zenith Investment Partners

## The continued falling Australian Dollar has driven up share prices

**The Australian Dollar fell by 5.13% against the greenback in January, taking its past year loss to -11.21%. The falling currency was welcomed by the Reserve Bank of Australia, as a lower exchange rate could help our economy adjust to rapidly fading mining investment and to support domestic manufacturing industries and exporters.**

**The low rate environment continued to improve business and consumer confidence, with the Property, Telecommunications, Utilities, Consumer Discretionary and Financials sectors all up over the month. The ASX 300 Index added 3.22% in January, outperforming global shares, represented by the MSCI World ex-Au Local Currency Index which posted a loss of -0.65%.**

**Bei Cao**
**Analyst**

## A SNAPSHOT OF THE KEY POINTS FOR January

There was no RBA Monetary Policy meeting in January. However the overnight cash rate has been cut to 2.25% in February.

Domestic yields fell further over the month, with the 3 Month Bank Bill Swap Rate and the 10 Year Australian Bond Yield decreasing by -0.17% and -0.38% respectively.

The Australian Share Market had a good run over the month, with the All Ordinaries Price and the S&P/ASX 200 Index increasing by 3.02% and 3.28% respectively.

Australian Listed Properties continued to outperform the broader equity market, gaining 7.42% in January taking its past year gain to 28.53%.

Many global equities markets posted positive returns in January, with Europe increasing 7.16% over the month to be the strongest performing region. U.S. shares underperformed, with the Dow Jones Industrials Index falling by -3.69%.

Gold prices in US$ had a good start to the new year, rising by 7.33% in January to bring its past year return back to a positive reading of 2.46%.

Oil prices continued to fall over the month, with the Texas Crude Oil US$ Index declining by -9.44%, taking its past year loss to -50.52%. The overall US$ CRB Spot Commodity Price Index fell by -3.50% in January.

The Australian Dollar depreciated further against most major currencies over the month. In particular, it fell by -5.13% against the USD, -2.07% versus the GBP and -6.33% against the JPY. The Australian Dollar recorded a 1.82% increase over the EUR, indicating an even further depreciation of the Euro.

The Australian Trade Weighted Index (TWI) decreased by -3.91% in January, consistent with the falling exchange rate.

The U.S. VIX Index increased by 1.77%, ending the month priced at 20.97

## 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 | 2.50 | 0.00 |
| | 3 Month BBSW (%) | 2.38 | 2.55 | -0.17 | 2.85 | -0.47 |
| | 10 Year Bond Rate (%) | 2.43 | 2.81 | -0.38 | 3.99 | -1.56 |
| **Australian Shares** | All Ordinaries Index | 5551.60 | 5388.60 | 3.02% | 5205.10 | 6.66% |
| | S&P/ASX 200 | 5588.30 | 5411.00 | 3.28% | 5190.00 | 7.67% |
| **Property** | ASX 300 Property Index | 1252.83 | 1166.33 | 7.42% | 974.70 | 28.53% |
| **Regional Shares** | Dow Jones Industrials (US) | 17164.95 | 17823.07 | -3.69% | 15698.85 | 9.34% |
| | S&P 500 (US) | 1994.99 | 2058.90 | -3.10% | 1782.59 | 11.92% |
| | FTSE 100 (UK) | 6749.40 | 6566.09 | 2.79% | 6510.44 | 3.67% |
| | STOXX 50 (EUR) | 367.05 | 342.54 | 7.16% | 322.52 | 13.81% |
| | TOPIX (Japan) | 1415.07 | 1407.51 | 0.54% | 1220.64 | 15.93% |
| | Hang Seng (Hong Kong) | 24507.05 | 23605.04 | 3.82% | 22035.42 | 11.22% |
| **Commodities** | US$ Gold Price | 1273.24 | 1186.33 | 7.33% | 1242.68 | 2.46% |
| | US$ Oil Price – W Texas Crude | 48.24 | 53.27 | -9.44% | 97.49 | -50.52% |
| | US$ CRB Spot Commodity Index | 422.45 | 437.75 | -3.50% | 457.98 | -7.76% |
| **Exchange Rates** | AUD / USD | 0.7781 | 0.8202 | -5.13% | 0.8763 | -11.21% |
| | AUD / EUR | 0.6869 | 0.6746 | 1.82% | 0.6467 | 6.22% |
| | AUD / GBP | 0.5162 | 0.5271 | -2.07% | 0.5319 | -2.95% |
| | AUD / JPY | 91.83 | 98.04 | -6.33% | 89.75 | 2.32% |
| **TWI** | Australia Trade Weighted Index $A | 63.90 | 66.50 | -3.91% | 67.70 | -5.61% |
| **iTraxx** | iTraxx Australia | 96.23 | 92.79 | 3.70% | 105.63 | -8.90% |
| **Volatility** | VIX Index % | 20.97 | 19.20 | 1.77% | 18.41 | 2.56% |

## CASH, FIXED INCOME & CREDIT

| Zenith Benchmarks | Index | 1 Mth | 1 Qtr | 1 Yr (p.a.) | 3 Yr (p.a.) | 5 Yr (p.a.) | Fin YTD | Cal YTD |
|---|---|---|---|---|---|---|---|---|
| **Australian Cash** | Bloomberg AusBond Bank Bill | 0.25 | 0.70 | 2.71 | 3.12 | 3.82 | 1.61 | 2.94 |
| **Australian Bonds** | Bloomberg AusBond Composite Index | 1.60 | 4.63 | 10.37 | 6.97 | 7.39 | 6.65 | 11.57 |
| **International Bonds** | Barclays Global Aggregate $A (H) | 1.87 | 3.83 | 10.59 | 7.56 | 8.48 | 6.69 | 12.43 |
| | Barclays Global Agg Treasuries TRI $A (H) | 1.99 | 4.48 | 11.30 | 7.57 | 8.37 | 7.71 | 13.16 |
| | Barclays Global Agg Corporate TRI $A (H) | 2.36 | 3.79 | 10.86 | 8.98 | 9.76 | 6.12 | 12.87 |
| **Emerging Markets Debt** | Barclays EM Hard Currency Agg TRI $A (H) | 0.84 | -1.52 | 8.35 | 8.20 | 10.50 | -0.12 | 8.23 |

### SUMMARY OF STATISTICS

- Australian Cash gained 0.25% over the month, as measured by the Bloomberg AusBond Bank Bill Index, taking its past year return to 2.71%.
- The Australian Bond Market continued to perform well in January, with the Bloomberg AusBond Composite Index increasing by 1.60%.
- International Bonds also had a good month, with the Barclays Global Aggregate (Hedged) $A Index rising by 0.75%. Within the asset class, Corporate Bonds gained 2.36% over the month to be the strongest performer, while Government Bonds increased by 1.99%.
- Emerging Markets Debt underperformed International Bonds by 1.03% over the month, as measured by the Barclays Emerging Market Hard Currency Aggregate Total Return Index $A (Hedged)

### COMMENTARY

Citing a below trend level of domestic growth, the Reserve Bank of Australia elected to cut the overnight cash rate for the first time since August 2013 to 2.25% in February. There was no RBA board meeting in January. The RBA indicated that a further reduction in the cash rate is needed to support demand and foster sustainable growth. Housing prices rose further over the month and credit growth picked up moderately as investors continued to search for higher returns in risky assets.

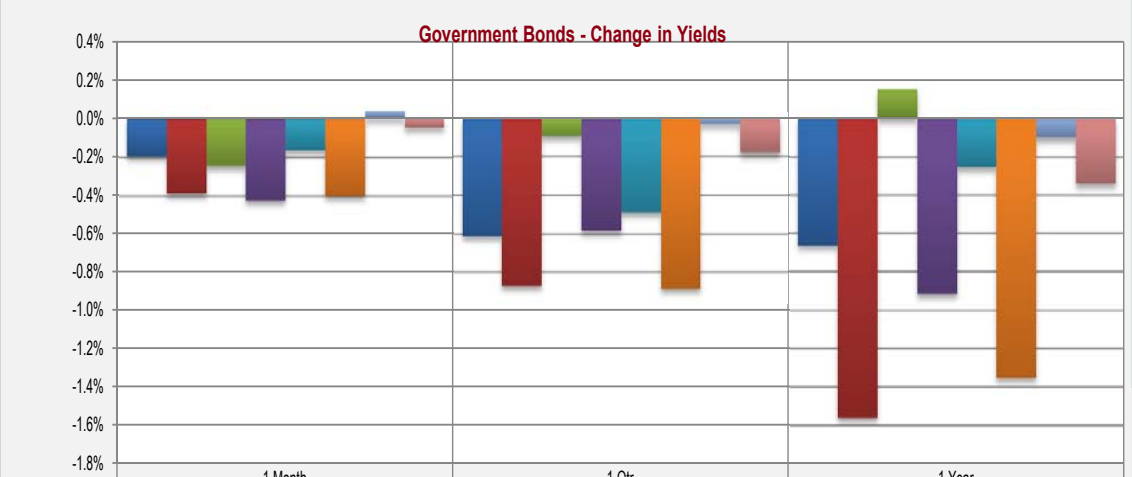
Although the Australian Dollar has depreciated considerably against most other currencies, the RBA Governor Glenn Stevens revealed his desire for an even lower exchange rate particularly given the recent declines in key commodity prices have driven the Australian Dollar above its fundamental value. The Westpac Consumer Confidence Index rose by 2.1 points to 93.2 in January. The Australia Services PMI increased to 49.50 points in January from 47.50 points in the previous month, indicating a further improvement in domestic services activity.

Australian Bonds posted sturdy returns over the month, with the Bloomberg AusBond Australia Composite Index increasing by 1.60%. Australian Government Bond Yields fell further in December, with the Australia 3 Year and 10 Year Government Bond Yield decreasing by -0.19% and -0.38% respectively. Australian corporate debt spreads widened over the month, with the iTraxx Australian Index increasing from 92.79 to 96.23 (+3.70%) over the month as measured by the iTraxx Australia Index.

US manufacturing activities remain largely unchanged from the previous month. Business confidence decreased over the month, while consumer sentiment increased to the highest level in eleven years to 98.1 in January as steady job and wage gains boosted household spending.

International Bonds had a strong month, with the Barclays Global Aggregate (Hedged) $A Index increasing by 1.87%. Treasury yields fell in many countries, with the 10 Year U.S. and U.K. Government Bond Yields declining by -0.42% and -0.39% respectively. Corporate bonds added 2.36% over the month, outperforming Government Bonds by 0.37%, despite a slight widening of the corporate debt spread.

Emerging Markets debt spreads increased the most (+0.26%), to be the worst performer in the asset class, underperforming developed markets by 1.03% over the month.




| | 1 Month | 1 Qtr | 1 Year |
|---|---|---|---|
| Aus 3 YR | -0.19% | -0.61% | -0.66% |
| Aus 10 YR | -0.38% | -0.87% | -1.56% |
| US 3 YR | -0.24% | -0.09% | 0.15% |
| US 10 YR | -0.42% | -0.58% | -0.91% |
| UK 3 YR | -0.16% | -0.49% | -0.25% |
| UK 10 YR | -0.39% | -0.88% | -1.35% |
| Japan 3 YR | 0.03% | -0.03% | -0.10% |
| Japan 10 YR | -0.05% | -0.18% | -0.34% |

| | 1 Month | 1 Qtr | 1 Year |
|---|---|---|---|
| AAA | 0.01% | 0.00% | -0.05% |
| Inv Grade | 0.01% | 0.10% | -0.15% |
| High Yield | 0.22% | 1.00% | 0.93% |
| Emerging Mkts | 0.26% | 1.07% | 0.58% |

# AUSTRALIAN SHARES

| Zenith Benchmarks | Index | 1 Mth | 1 Qtr | 1 Yr (p.a.) | 3 Yr (p.a.) | 5 Yr (p.a.) | Fin YTD | Cal YTD |
|---|---|---|---|---|---|---|---|---|
| **Market Capitalisation** | S&P/ASX 300 Index | 3.22 | 1.91 | 12.05 | 14.00 | 8.53 | 5.66 | 8.69 |
| | S&P/ASX 50 Leaders Index | 3.41 | 1.76 | 12.28 | 15.71 | 9.52 | 5.78 | 8.89 |
| | S&P/ASX Midcap 50 Index | 3.45 | 6.70 | 20.72 | 13.24 | 7.68 | 10.76 | 17.10 |
| | S&P/ASX Small Ordinaries Index | 0.91 | -2.48 | -0.17 | -1.59 | -0.30 | -1.56 | -2.93 |
| | S&P/ASX Emerging Companies Index | 1.84 | -6.16 | -10.08 | -12.99 | -6.11 | -5.28 | -9.34 |
| **GICS Sectors** | S&P/ASX 300 Materials | 0.98 | -4.91 | -9.40 | -6.71 | -3.19 | -7.95 | -11.03 |
| | S&P/ASX 300 Industrials | 1.28 | 5.58 | 14.87 | 10.85 | 6.37 | 9.65 | 12.43 |
| | S&P/ASX 300 Consumer Discretionary | 5.49 | 1.19 | 9.81 | 19.94 | 8.23 | 5.56 | 4.86 |
| | S&P/ASX 300 Consumer Staples | 3.51 | -5.67 | 2.24 | 13.65 | 10.60 | -0.44 | -0.89 |
| | S&P/ASX 300 Energy | -6.56 | -20.21 | -14.83 | -5.73 | -3.99 | -22.98 | -18.10 |
| | S&P/ASX 300 Healthcare | 2.66 | 9.71 | 25.95 | 33.01 | 18.70 | 27.30 | 26.26 |
| | S&P/ASX 300 Information Technologies | -1.67 | -3.87 | 5.03 | 16.68 | 2.21 | -1.53 | 2.28 |
| | S&P/ASX 300 Telecommunications | 8.16 | 14.39 | 33.04 | 33.52 | 23.29 | 28.05 | 30.47 |
| | S&P/ASX 300 Financials ex Property | 4.02 | 4.33 | 19.79 | 24.54 | 13.51 | 8.69 | 14.24 |
| | S&P/ASX 300 Utilities | 6.00 | 6.72 | 21.32 | 16.31 | 14.40 | 9.32 | 22.23 |
| | S&P/ASX 300 Property | 7.44 | 12.26 | 35.67 | 22.56 | 14.36 | 21.08 | 36.23 |

## SUMMARY OF STATISTICS

- Australian Shares gained 3.22% in January, as measured by the S&P/ASX 300 Accumulation Index.
- On a market capitalisation basis, Large and Mid-sized companies continued to lead gains, outperforming smaller cap stocks.
- On a sector basis, Energy continued to be the worst performer, declining by -6.56% over the month to take its past year loss to -18.10%.
- Telecommunications, Utilities, Consumer Discretionary and Financials were all leading sectors in January, increasing by 8.16%, 6.00%, 5.49% and 4.02% respectively.

**The Australian Share Market had a good start to the New Year, with the S&P/ASX 300 Accumulation Index increasing by 3.22% to outperform their global counterparts**

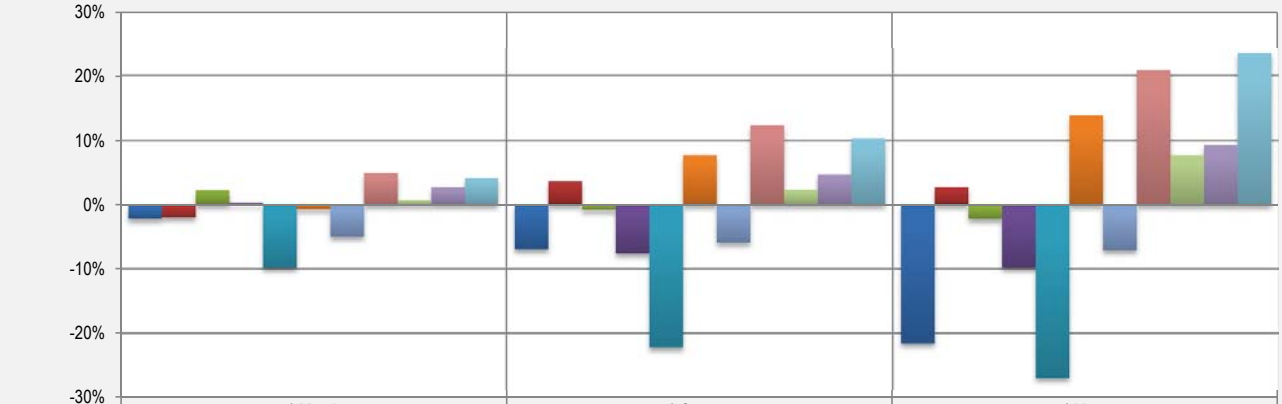
## COMMENTARY

The Australian Share Market had a good start to the New Year, with the S&P/ASX 300 Accumulation Index increasing by 3.22% to outperform their global counterparts. Domestic manufacturing activities improved by 2.09 points to 49 in January, although a reading below 50 indicates a contraction. Commodity prices continued to decline and consumer spending improved. The Westpac Consumer Confidence Index increased by 2.4 percent to 93.20 in the first month of 2015.

Thanks to the record low cash rate and government bond yields, investors are turning to the equity market to find a source of reasonable gain. Many larger sized companies offering strong and sustainable dividends have been increasingly popular. The ASX 50 Leaders and Midcap 50 Indices increased by 3.41% and 3.45% respectively, outperforming the Small Ordinaries Index which added 0.91% in January.

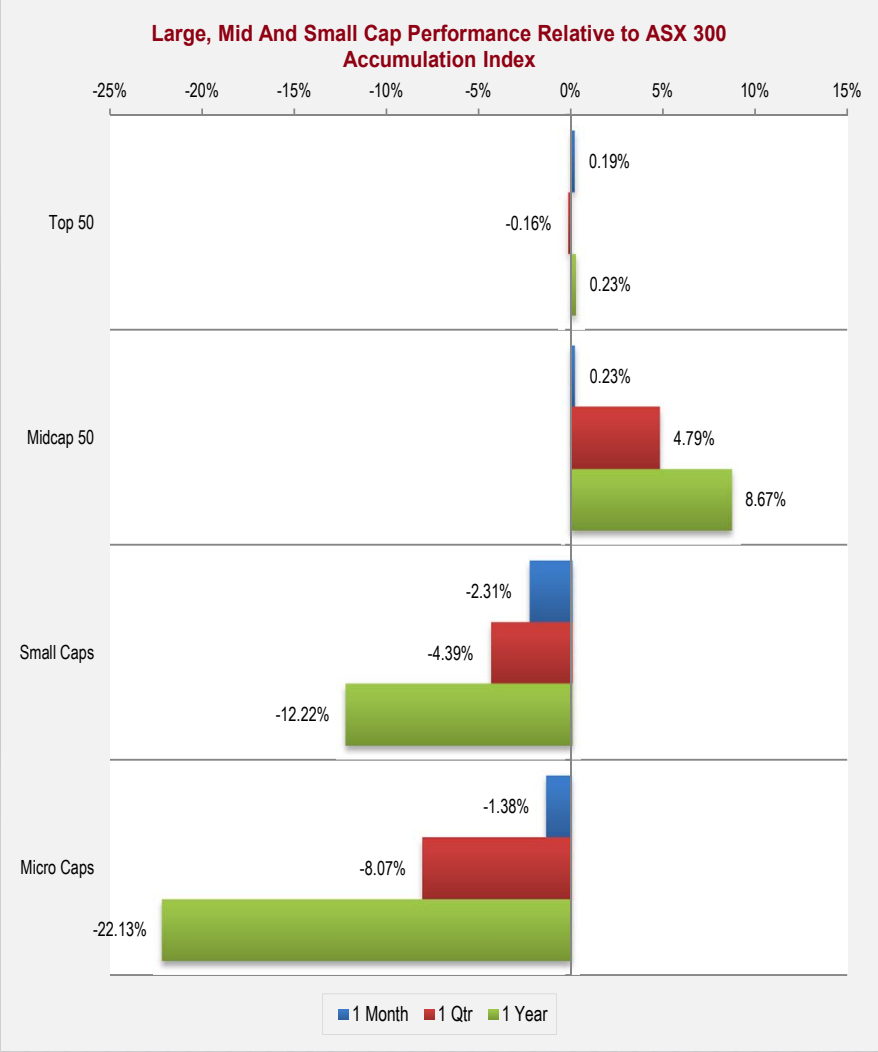
Among many well performed sectors in the first month of 2015, Telecommunications added 8.16% to be the best performing sector. The biggest gainers in this group include M2 Group Ltd (+10.84%), Telstra Corp Ltd (+8.70%) and Singapore Telecommunications Ltd (+7.42%). M2's strategy of light capital investing and on-selling other companies' combined services has helped grow its customer base, making it one of the best performing companies on the ASX 300 Index over the past year. Blue chip stock Telstra Corporations Ltd (ASX: TLS) continued to offer attractive high yield income to investors.

The Energy sector continued to flounder at the start of 2015 as it did throughout last year. Detractors over the month included Sino Gas & Energy Holdings Ltd (-28.95%), Cooper Energy Ltd (-19.67%) and Horizon Oil Ltd (-19.35%). The low price levels have been squeezing the cash flows of many energy producers, making it difficult to maintain profitable projects.




| | 1 Month | 1 Quarter | 1 Year |
|---|---|---|---|
| Materials | -2.24% | -6.83% | -21.45% |
| Industrials | -1.94% | 3.66% | 2.82% |
| Cons Disc | 2.27% | -0.72% | -2.24% |
| Cons Stap | 0.29% | -7.59% | -9.81% |
| Energy | -9.78% | -22.13% | -26.88% |
| Healthcare | -0.56% | 7.80% | 13.90% |
| IT | -4.89% | -5.78% | -7.02% |
| Telco | 4.94% | 12.48% | 20.99% |
| Fin Ex-AREIT | 0.80% | 2.42% | 7.74% |
| Utilities | 2.78% | 4.80% | 9.27% |
| Property | 4.22% | 10.35% | 23.62% |

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 December 2014 were as follows: Materials 16.43%; Industrials 6.41%; Consumer Discretionary 4.33%; Consumer Staples 7.24%; IT 0.44%; Telecommunication Services 5.84%; Financials ex-AREIT 38.64%; Property 7.94%; Energy 4.93%; Utilities 2.00%; Healthcare 5.81%.




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

# INTERNATIONAL SHARES

| Zenith Benchmarks | Index | 1 Mth | 1 Qtr | 1 Yr (p.a.) | 3 Yr (p.a.) | 5 Yr (p.a.) | Fin YTD | Cal YTD |
|---|---|---|---|---|---|---|---|---|
| **International Shares -** | MSCI World Ex-Au ($A) | 3.18 | 11.54 | 20.11 | 25.61 | 13.87 | 18.00 | 18.66 |
| **Unhedged** | MSCI World ($A) | 3.18 | 11.23 | 19.88 | 25.24 | 13.70 | 17.61 | 18.37 |
| | MSCI Small Cap World ($A) | 3.19 | 11.94 | 14.23 | 25.48 | 15.87 | 14.14 | 14.95 |
| | MSCI AC World ($A) | 3.44 | 10.79 | 19.66 | 23.55 | 12.74 | 17.04 | 17.79 |
| **International Shares -** | MSCI World ex-Au | -0.65 | 1.54 | 12.90 | 16.05 | 12.06 | 3.48 | 9.24 |
| **Local Currency** | MSCI World | -0.55 | 1.53 | 12.87 | 16.00 | 11.93 | 3.53 | 9.21 |
| | MSCI World Small Cap | -1.81 | -0.83 | 1.95 | 13.12 | 12.85 | -5.83 | 0.05 |
| | MSCI AC World | -1.56 | -1.85 | 6.80 | 11.38 | 9.79 | -3.44 | 2.53 |
| **Regional Shares -** | MSCI North America | -2.66 | -0.61 | 13.12 | 16.02 | 14.30 | 2.22 | 9.56 |
| **Local Currency** | MSCI Asia | 1.48 | 4.19 | 16.00 | 16.01 | 9.06 | 8.60 | 9.73 |
| | MSCI AC Asia ex-Japan | 2.52 | 2.63 | 14.85 | 8.68 | 7.80 | 4.93 | 10.12 |
| | MSCI China | 2.24 | 5.04 | 18.16 | 8.21 | 5.55 | 11.19 | 10.40 |
| | MSCI Europe | 3.88 | 5.51 | 11.22 | 13.89 | 8.99 | 3.63 | 8.72 |
| | MSCI Emerging Markets | 1.42 | 0.01 | 11.63 | 6.31 | 6.09 | 2.00 | 6.67 |
| | MSCI India | 5.91 | 4.03 | 37.39 | 18.81 | 11.76 | 12.99 | 33.88 |
| | MSCI Japan | 0.26 | 6.01 | 17.67 | 25.81 | 11.18 | 13.12 | 9.77 |
| **Global Gold Shares in $A** | FTSE Gold Mines | 26.61 | 43.34 | 4.02 | -20.29 | -10.76 | 2.66 | 17.37 |
| **Global Resources in $A** | HSBC Global Mining | 1.21 | -0.09 | -9.37 | -9.32 | -5.60 | -10.14 | -9.38 |

## SUMMARY OF STATISTICS

- The Global Equity market had a poor month, with the MSCI World ex-Australia (Local Currency) Index decreasing by -0.65%. The unhedged equivalent in AUD outperformed, adding 3.18% due to a depreciation of the Australian Dollar.
- On a market capitalisation basis, global small caps underperformed the broader MSCI World Index measured in Local Currency.
- On a regional basis, North America has surprisingly fallen by -2.66% in January to be the poorest performer while most other countries were recording gains.
- Gold prices rose by 26.61% over the month, as measured by the FTSE Gold Mines $A Index.

**Global equities lost -0.65% in January, as measured by the MSCI World ex-Australia (Local Currency) Index. The biggest contributor to this loss was North America, which fell by -2.66%.**

## COMMENTARY

Global equities lost -0.65% in January, as measured by the MSCI World ex-Australia (Local Currency) Index. The biggest contributor to this loss was North America, which fell by -2.66%. Although the U.S. consumer sentiment increased to the highest level in eleven years to 98.1 in January, business confidence decreased to 53.50 percent from 55.10 percent in the previous month. All of the four major subindices in new orders, production, employment and prices decreased.

Other key events over the month included the announcement by the Swiss National Bank to remove its currency cap against the Euro on the 15th of January. The Swiss franc which is usually considered as a “safe haven” currency soared soon after this announcement, which could hurt the country’s exporters. In Greece, the Syriza party leader Alexis Tsipras won the general election on the 26th of January. The

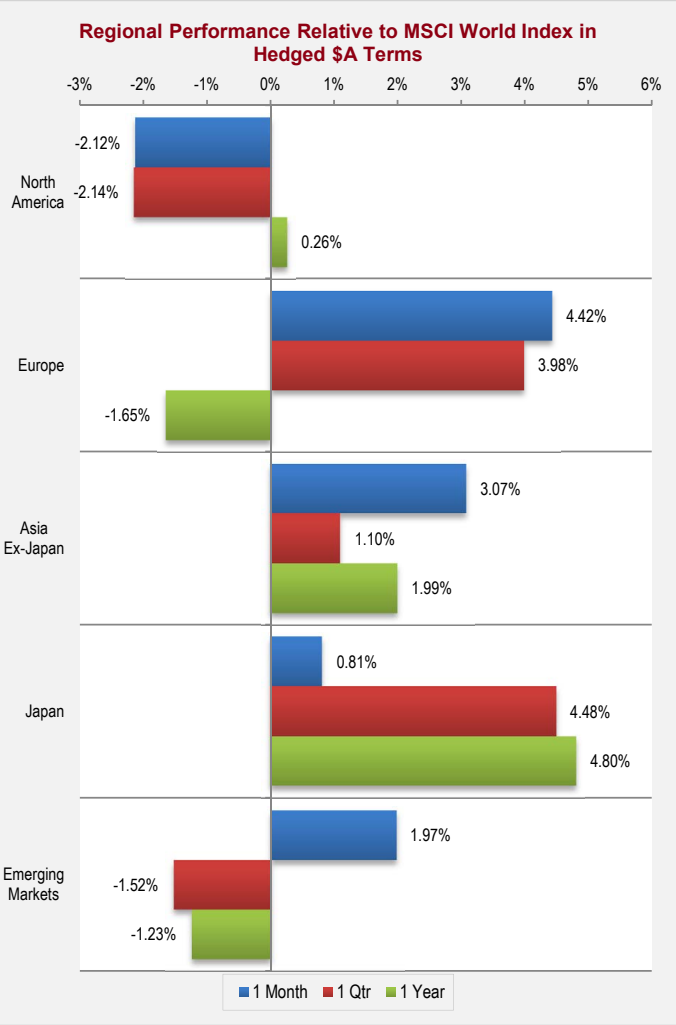
anti-austerity party’s plan on renegotiating the country’s huge debt bailout could create some volatility in the Eurozone and many neighbouring countries. Despite some political instability in the region, the MSCI Europe Local Currency Index posted a strong return of 3.88% over the month.

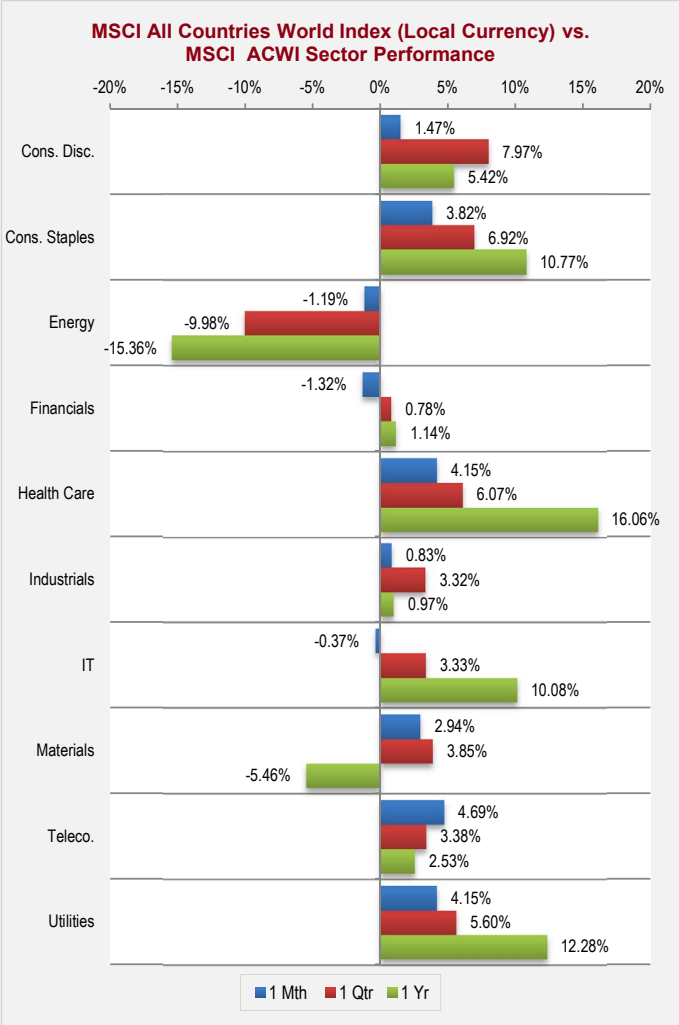
India was the best performer in equities markets in January, with the MSCI India Local Currency Index rising by 5.91%. Although the India Manufacturing PMI Index decreased to 52.90 over the month, a reading above 50 indicates an expansion. The services PMI in India increased to 52.40 in January from 51.10 in the previous month, indicating further growth in sales, inventories and prices.

Global gold prices in Australian Dollar terms soared by 26.61% in January, partly improved by a depreciating currency. The HSBC Mining Index in AUD rose marginally over the month, but is still down by -9.37% over the past year.

| Zenith Benchmarks | Index | 1 Mth | 1 Qtr | 1 Yr (p.a.) | 3 Yr (p.a.) | 5 Yr (p.a.) | Fin YTD | Cal YTD |
|---|---|---|---|---|---|---|---|---|
| **Currency Spot Rates** | AUD / USD | -5.13 | -11.63 | -11.21 | -9.90 | -2.67 | -17.40 | -13.04 |
| | AUD / EUR | 1.82 | -1.80 | 6.22 | -5.20 | 1.44 | -0.54 | 5.92 |
| | AUD / GBP | -2.07 | -6.28 | -2.95 | -8.59 | -1.34 | -6.67 | -4.92 |
| | AUD / JPY | -6.33 | -5.35 | 2.32 | 4.26 | 2.77 | -3.77 | -2.26 |

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.




| Zenith Benchmarks | Index | 1 Mth | 1 Qtr | 1 Yr (p.a.) | 3 Yr (p.a.) | 5 Yr (p.a.) | Fin YTD | Cal YTD |
|---|---|---|---|---|---|---|---|---|
| **Industry Sectors -** | MSCI ACWI Consumer Discretionary Index | -0.09 | 6.12 | 12.22 | 19.13 | 15.91 | 6.79 | 6.81 |
| **Local Currency** | MSCI ACWI Consumer Staples Index | 2.25 | 5.08 | 17.58 | 13.92 | 11.50 | 7.97 | 11.46 |
| | MSCI ACWI Energy Index | -2.75 | -11.83 | -8.56 | -2.21 | 1.24 | -21.94 | -13.48 |
| | MSCI ACWI Financials Index | -2.88 | -1.07 | 7.95 | 13.84 | 6.06 | 2.48 | 3.79 |
| | MSCI ACWI Health Care Index | 2.59 | 4.22 | 22.86 | 23.46 | 15.43 | 13.66 | 24.16 |
| | MSCI ACWI Industrials Index | -0.73 | 1.47 | 7.78 | 12.99 | 10.33 | 1.95 | 3.30 |
| | MSCI ACWI IT Index | -1.94 | 1.48 | 16.88 | 15.44 | 12.37 | 6.28 | 13.96 |
| | MSCI ACWI Materials Index | 1.38 | 2.01 | 1.34 | -0.90 | 0.98 | -4.02 | -1.47 |
| | MSCI ACWI Teleco. Services Index | 3.13 | 1.53 | 9.34 | 10.36 | 7.17 | 5.23 | 4.48 |
| | MSCI ACWI Utilities Index | 2.59 | 3.75 | 19.09 | 8.87 | 3.42 | 5.47 | 19.24 |

# PROPERTY & INFRASTRUCTURE

| Zenith Benchmarks | Index | 1 Mth | 1 Qtr | 1 Yr (p.a.) | 3 Yr (p.a.) | 5 Yr (p.a.) | Fin YTD | Cal YTD |
|---|---|---|---|---|---|---|---|---|
| **Australian Listed Property** | S&P/ASX 300 Property | 7.44 | 12.26 | 35.67 | 22.56 | 14.36 | 21.08 | 36.23 |
| | FTSE E/N Australia | 7.76 | 12.48 | 36.27 | 22.27 | 14.34 | 21.56 | 37.02 |
| **Global Listed Prop. $A (H)** | FTSE E/N GLOBAL HGD A$ | 6.58 | 10.65 | 31.28 | 21.20 | 18.32 | 17.18 | 31.45 |
| **Global Listed Prop. $A** | FTSE E/N GLOBAL A | 9.75 | 18.80 | 35.17 | 26.08 | 16.30 | 30.33 | 37.66 |
| | FTSE E/N North America | 11.82 | 24.18 | 47.60 | 27.92 | 22.23 | 41.15 | 56.62 |
| | FTSE E/N Euro Zone | 11.95 | 22.52 | 34.34 | 29.87 | 12.07 | 19.34 | 32.26 |
| | FTSE E/N UK | 8.98 | 19.18 | 28.84 | 37.27 | 18.47 | 28.17 | 36.00 |
| | FTSE E/N Developed Asia | 6.76 | 11.48 | 20.85 | 23.85 | 12.26 | 18.50 | 16.96 |
| | FTSE E/N Japan | 2.60 | 3.99 | 0.59 | 27.63 | 13.15 | 5.11 | -4.61 |
| **Australian Listed Infra.** | S&P/ASX 300 Utilities | 6.00 | 6.72 | 21.32 | 16.31 | 14.40 | 9.32 | 22.23 |
| **Global Listed Infra. $A (H)** | UBS Global Infra. & Utilities | 4.68 | 8.26 | 29.20 | 22.00 | 15.78 | 12.88 | 29.11 |
| **Global EM Listed Infra - $A (H)** | UBS EM Infra. & Utilities | 3.76 | 1.86 | 16.26 | 9.22 | 3.15 | 4.88 | 11.89 |

## SUMMARY OF STATISTICS

- The Australian Listed Property Market had another strong month, with the S&P/ASX 300 Property Accumulation Index increasing by 7.44%.
- Global Listed Property in Hedged AUD recorded a gain of 6.58% in January, while the unhedged equivalent in AUD added 9.75% due to the depreciation in the Australian Dollar over the month.
- Australian Listed Infrastructure rose by 6.00% in January, outperforming their global counterparts which added 4.68% in hedged AUD.
- The UBS Emerging Markets Infrastructure and Utilities Hedged $A Index continued to underperform its global peers, yet still increased by 3.76% in January.

## COMMENTARY

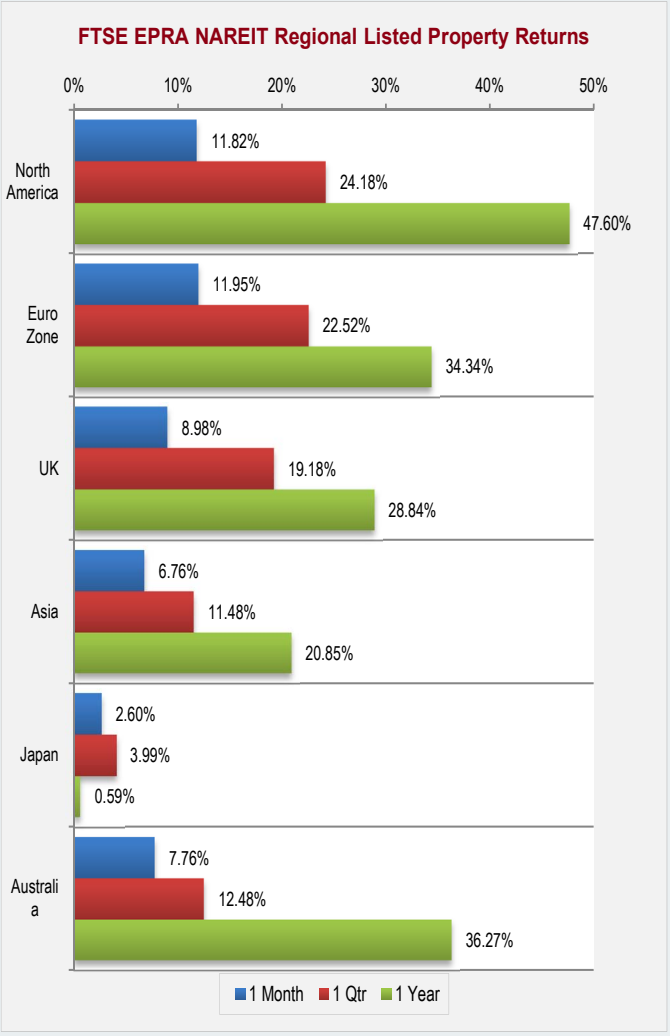
Listed properties performed strongly in many countries over the month, with AREITs continuing to outperform GREITs in hedged Australian Dollar terms.

The Australian Property Market expanded further in January as investors seek high yields in the sector. Top performing companies in the AREIT Index over the month included 360 Capital Industrial Fund (+8.80%), Dexus Property Group (+7.68%) and Novion Property Group (+7.41%).

On a regional basis, North America and the Euro Zone added 11.82% and 11.95% respectively to be the strongest performers over the month.

Infrastructure also offered attractive returns with the S&P/ASX 300 Utilities Index increasing by 6.00% in January, while the hedged UBS Global Infrastructure & Utilities $A Index rose by 4.68%.

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 December 2014 were as follows: North America 68.72%; Western Europe 17.93%; Asia Pacific 13.29%; other 0.06%.





**Author: Bei Cao**

Zenith Investment Partners (AFSL 226872)
Tel | (03) 9642 3320
Data source | Thomson Reuters



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