

## 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	3.25	-0.75
	3 Month BBSW (%)	2.54	2.57	-0.03	2.95	-0.41
	10 Year Bond Rate (%)	4.22	4.02	0.20	3.16	1.07
<b>Australian Shares</b>	All Ordinaries Index	5314.32	5420.28	-1.95%	4518.03	17.62%
	S&P/ASX 200	5320.05	5425.50	-1.94%	4506.04	18.06%
<b>Property</b>	ASX 300 Property Index	1001.60	1029.80	-2.74%	946.70	5.80%
<b>Regional Shares</b>	Dow Jones Industrials (US)	16086.41	15545.75	3.48%	13025.58	23.50%
	S&P 500 (US)	1805.81	1756.54	2.80%	1416.18	27.51%
	FTSE 100 (UK)	6650.57	6731.43	-1.20%	5866.82	13.36%
	STOXX 50 (EUR)	325.16	322.37	0.87%	275.78	17.91%
	TOPIX (Japan)	1258.66	1194.26	5.39%	781.46	61.07%
	Hang Seng (Hong Kong)	23881.29	23206.37	2.91%	22030.39	8.40%
<b>Commodities</b>	US\$ Gold Price	1253.49	1323.10	-5.26%	1714.80	-26.90%
	US\$ Oil Price – W Texas Crude	92.72	96.92	-4.33%	92.43	0.31%
	US\$ CRB Spot Commodity Index	463.15	457.26	1.29%	483.47	-4.20%
<b>Exchange Rates</b>	USD / AUD	0.91	0.95	-3.75%	1.04	-12.66%
	EUR / AUD	0.67	0.70	-3.69%	0.80	-16.54%
	GBP / AUD	0.56	0.59	-5.61%	0.65	-14.55%
	JPY / AUD	93.30	93.03	0.30%	86.01	8.48%
	TWI	69.80	72.10	-3.19%	77.20	-9.59%
<b>Volatility</b>	VIX Index %	13.70	13.75	-0.05%	15.87	-2.17%

### Key Points:

- The RBA kept the overnight cash rate steady at 2.50% during the November meeting. The rate was also left unchanged during the December sitting.
- The 3 Month Bank Bill Swap Rate ended November priced at 2.54%, down 3 basis points (bp) from previous month.
- 10 Year Bond Rates rose by 20 bp, ending the month priced at 4.22%.
- Many of the major global equities markets posted positive returns in November. The strongest performer, Japanese TOPIX Price Index rose by 5.39% for the month while the United States' Dow Jones Industrials Price Index and the Hong Kong's Hang Seng Price Index gained 3.48% and 2.91% respectively.
- The United Kingdom's FTSE 100 Price Index underperformed the broader global equities market, falling by -1.20% for the month.
- Australian equities also had a poor month, with the All Ordinaries Price Index and the S&P/ASX 200 Price Index falling by -1.95% and -1.94% respectively.
- Australian Listed Property followed the broad Australian equities market downtrend, with the S&P/ASX 300 Property Price Index dropping by -2.74% in November.
- Commodities prices had an overall positive month with the US\$ CRB Spot Commodity Index gaining 1.29%. However gold and oil prices fell behind, declining by -5.26% and -4.33% respectively (both measured in USD).
- The Australian Dollar depreciated against most major currencies in November. Specifically, it fell by -3.75% against USD, -3.69% against EUR and -5.61% against GBP. The AUD recorded a 30 bp increase against JPY over the month, indicating an even further depreciation of the Japanese Yen.
- US equity market volatility was largely unchanged from the previous month, falling by 5bp in November to the price level of 13.70 as measured by the S&P VIX Index.

## 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
<b>Australian Cash</b>	UBSA Bank Bill	0.21	0.64	2.94	4.01	4.04	1.13	2.65
<b>Australian Bonds</b>	UBSA Australia Composite All Maturities	-0.10	0.35	1.64	6.77	5.86	0.88	1.45
	Barclays Global: Australia TRI	-0.43	-0.25	-0.56	6.25	4.83	-0.15	-0.35
	Barclays Australian Corporate TRI	0.35	1.23	4.96	8.44	7.56	2.47	4.24
<b>International Bonds</b>	Barclays Global Aggregate \$A (H)	0.05	2.15	2.99	7.54	8.53	2.62	2.63
	Barclays Global Agg Treasuries TRI \$A (H)	0.11	2.00	3.21	7.35	7.36	2.48	2.98
	Barclays Global Agg Corporate TRI \$A (H)	0.08	2.59	3.08	8.82	12.25	3.45	2.54
<b>Emerging Markets Debt</b>	Barclays EM Hard Currency Agg TRI \$A (H)	-0.87	3.65	-0.43	9.63	17.79	3.44	-1.69

### Summary of Statistics:

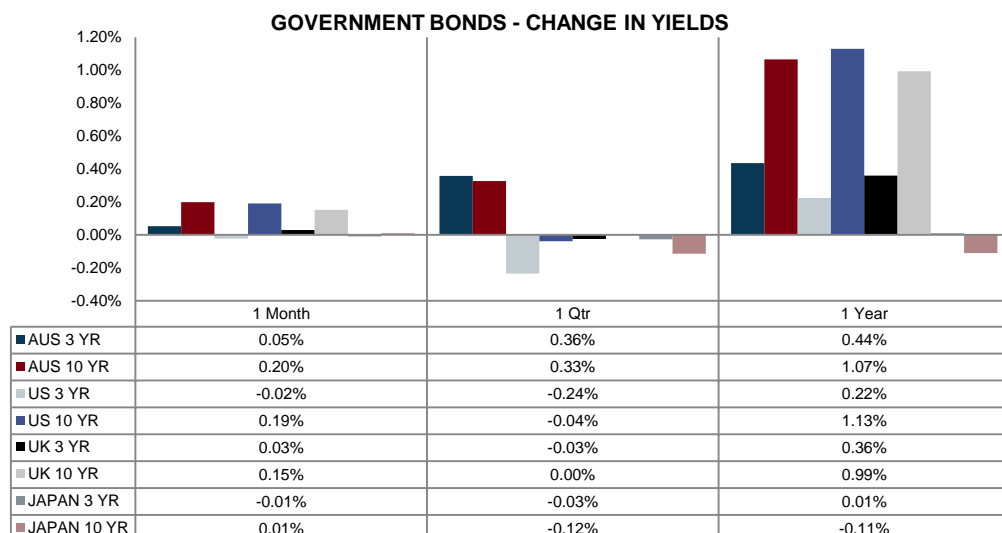
- Australian Cash gained 0.21% in November, as measured by the UBSA Bank Bill Index, taking its one year return to 2.94%.
- Australian Bonds fell by 10 bp last month, as measured by the UBSA Australia Composite All Maturities Index. Government Bonds were again the largest contributor to this loss, with the Barclays Global Australia Total Returns Index slumping -0.43% for the month.
- International Bonds had a positive month, with the Barclays Global Aggregate (Hedged) \$A Index closing 5bp higher. The Barclays Emerging Market Hard Currency Aggregate Total Return Index \$A (Hedged) had a poor month, falling by -0.87% in November.

### Commentary:

The RBA elected to keep the overnight cash rate steady at 2.50% during the November board meeting and similarly chose to keep the rate unchanged at the December sitting. RBA Governor, Glenn Stevens, reaffirmed that the overall economy growth has been a bit below trend in the past year, though private demand outside of mining has been expanding gradually in recent months. Driven by historically low interest rates, borrowers have increased their demand for housing finance and households have reduced their appetite for lower risk asset classes.

The UBSA Australia Composite All Maturities Index fell by -0.10% in November, underperforming the global bond market by 15 bp. Losses in the Australian Bond market were again driven by falling Government Bond prices, accompanied by rising yields with the Australian 10 Year Government Bond Yields adding 0.20% for the month. Government bonds lost -0.43% in November, as measured by the Barclays Global Australia Total Return Index. Bonds in the corporate space outperformed the broader Australian bond market last month with the Barclays Australia Corporate Total Return Index rising by 0.35% to bring total gains in the past year up by 4.96%.

Global Bond increased by 5bp in November, as measured by the Barclays Global Aggregate \$A (Hedged) Index. The Barclays Global Aggregate Treasuries \$A (Hedged) Index were slightly ahead of the Barclays Global Aggregate Corporate \$A (Hedged) Index, returning 0.11% and 0.08% respectively.



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	-1.36	4.74	22.66	9.50	12.12	13.06	18.70
	S&P/ASX 50 Leaders Index	-1.00	5.31	25.65	11.66	12.83	13.42	21.55
	S&P/ASX Midcap 50 Index	-1.35	4.44	17.17	4.38	9.54	11.16	13.70
	S&P/ASX Small Ordinaries Index	-5.23	-0.99	-0.10	-4.62	8.48	11.86	-3.23
	S&P/ASX Emerging Companies Index	-6.16	-0.98	-13.62	-12.94		20.69	-12.78
GICS Sectors	S&P/ASX 300 Materials	-0.74	5.35	1.49	-6.44	6.43	20.13	-3.14
	S&P/ASX 300 Industrials	-3.63	4.01	20.67	6.66	9.77	10.86	13.98
	S&P/ASX 300 Consumer Discretionary	-1.11	4.82	43.28	13.73	17.30	16.75	39.70
	S&P/ASX 300 Consumer Staples	-2.72	0.44	19.43	15.90	16.63	5.81	17.89
	S&P/ASX 300 Energy	-6.35	-4.33	10.43	-2.98	4.14	7.38	8.91
	S&P/ASX 300 Healthcare	-0.30	2.45	27.13	19.92	13.82	10.40	23.87
	S&P/ASX 300 Information Technologies	-1.42	4.44	22.34	6.62	14.84	9.09	21.75
	S&P/ASX 300 Telecommunications	-2.70	3.30	28.37	35.09	17.23	10.08	26.45
	S&P/ASX 300 Financials ex Property	0.85	9.75	43.92	22.91	21.53	18.46	39.21
	S&P/ASX 300 Utilities	-2.78	-0.16	11.98	14.05	11.16	4.01	7.56
	S&P/ASX 300 Property	-2.74	0.76	11.74	12.83	6.81	0.00	8.62

### Summary of Statistics:

- Australian Equities had a poor month comparing to their global counterparts, with the S&P/ASX 300 Accumulation Index declining by -1.36%.
- On a market capitalisation basis, smaller companies had the largest contribution to this loss with the S&P/ASX Small Ordinaries Index and the S&P/ASX Emerging Companies Index falling by -5.23% and -6.16% respectively.
- On a sector basis, Energy was the worst performer with the S&P/ASX 300 Energy Index recording a loss of -6.35% for the month.
- The S&P/ASX 300 Financials ex Property Index was the strongest and the only positive performer in November, finishing the month 85bp higher.

### Commentary:

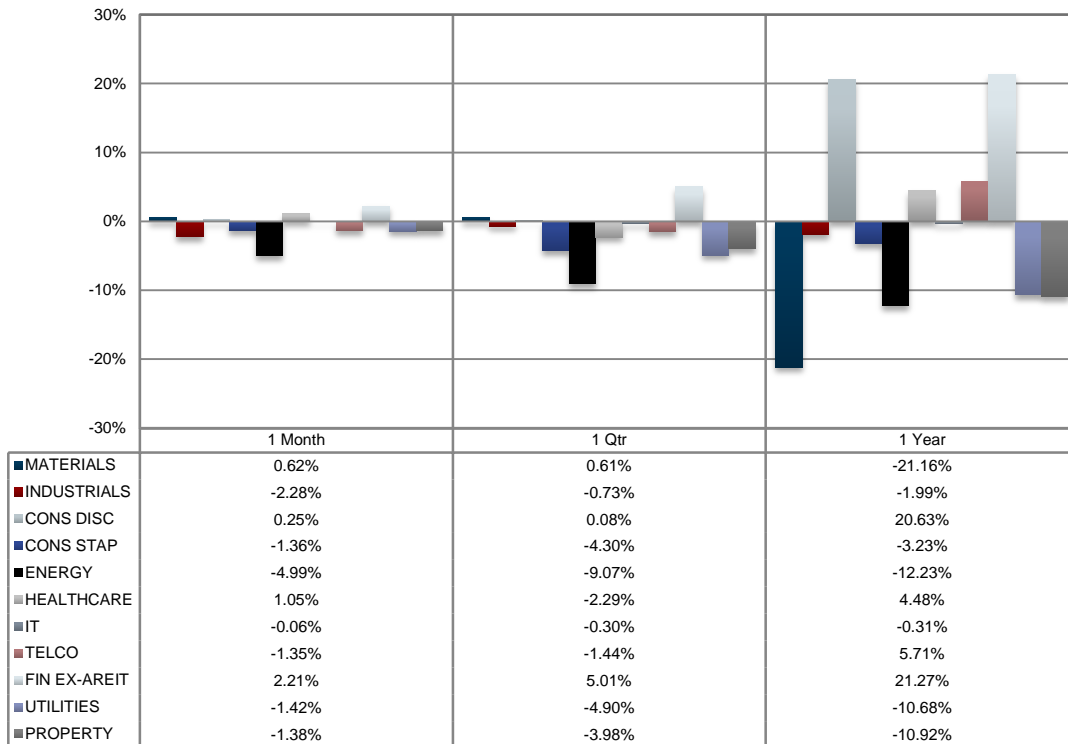
Australian Equities had a small correction in November with the S&P/ASX 300 Accumulation Index recording a loss of -1.36%. Investments in mining and resources continued to slow over the month, however the combination of a falling Australian Dollar and improving commodity prices have promoted some economic growth outside of the mining sector. Overall, GDP remained below trend levels in November while new motor vehicle sales and manufacturing activities slipped over the month. The unemployment rate edged higher in November, rising by 10bp from previous month to 5.8%.

Small Cap and Micro Cap companies took the hardest hit in November, with the S&P/ASX Small Ordinaries Index and the S&P/ASX Emerging Companies Index falling by -5.23% and -6.16% respectively. Two construction companies in the Small Ordinaries Index, Forge Group Ltd and Ausenco Ltd were the worst performers, losing -87.74% and -53.37% respectively in November. In the Emerging Companies Index, nickel sulphide miner Mirabela Nickel Ltd recorded the most significant loss of -80.49% for the month.

Most sectors didn't do well in November with the S&P/ASX 300 Energy Index and the S&P/ASX 300 Industrials Index being the worst performing indices, dropping by -6.35% and -3.63% respectively. Resources contractor WorleyParsons, in the Energy sector, lost -26.45% for the month after a shock profit downgrade while in the Industrials sector, Forge Group Ltd slumped by more than 80% as problems arose with their two power station contracts.

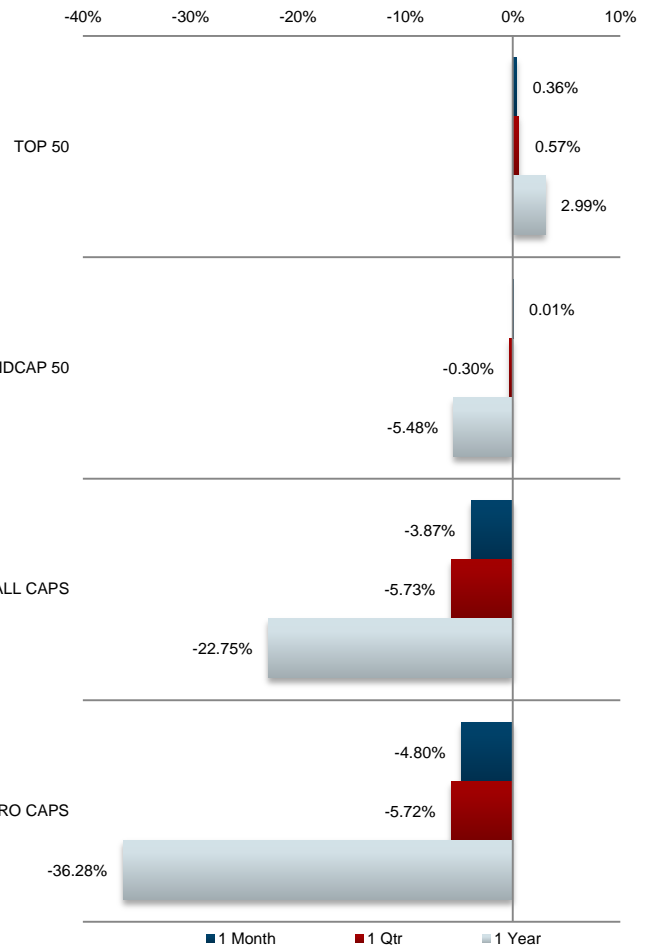
Financials was the only sector finished higher, rising 0.85% for the month as measured by the S&P/ASX 300 Financials ex Property Index. While most banks and other financial companies recorded losses in November, Aveo Group (9.68%) and Platinum Asset Management Ltd (1.66%) posted positive returns. The biggest dragger in this sector was QBE Insurance Group Ltd, sliding by -27.63% for the month as their North America divisions continue to struggle, bringing down the company's overall performance.

GICs SECTOR PERFORMANCE RELATIVE TO ASX 300 ACCUMULATION INDEX



LARGE, MID AND SMALL CAP 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%.



This chart shows market capitalisation segmental performance relative to the S&P/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)	5.69	8.32	45.04	15.39	7.58	14.64	41.73
	MSCI World (\$A)	5.46	8.23	44.28	15.21	7.72	14.60	40.93
	MSCI Small Cap World Ex Aus (\$A)	5.50	9.35	52.29	16.64	13.68	17.31	46.93
	MSCI AC World (\$A)	5.62	7.18	43.88	13.97	6.64	12.84	40.14
<b>International Shares - Local Currency</b>	MSCI World ex-Au (Local Currency)	2.28	10.35	28.81	13.53	14.12	13.01	26.46
	MSCI World (Local Currency)	1.78	11.05	26.38	13.37	15.27	14.41	24.05
	MSCI World S. Cap ex-Au (Loc. Curr.)	1.81	12.20	33.40	14.78	21.65	17.12	29.33
	MSCI AC World (Local Currency)	1.93	9.98	26.03	12.15	14.12	12.65	23.35
<b>Regional Shares - Local Currency</b>	MSCI North America	2.63	10.51	28.12	15.72	16.37	13.19	26.92
	MSCI Asia	3.24	11.48	31.96	8.96	12.87	10.66	24.36
	MSCI AC Asia ex-Japan	0.83	8.53	10.07	4.05	17.09	9.92	6.87
	MSCI China	4.86	13.12	12.53	2.13	15.07	20.52	7.35
	MSCI Europe	0.52	8.75	22.03	9.99	11.63	13.45	20.38
	MSCI Emerging Markets	-0.04	8.36	8.58	3.67	15.61	9.84	4.46
	MSCI India	-1.77	10.30	6.92	2.59	19.86	6.42	6.17
	MSCI Japan	5.89	14.73	64.89	15.42	10.76	11.55	49.36
<b>Global Gold Shares in \$A</b>	FTSE Gold Mines	-9.20	-21.90	-46.62	-27.70	-12.99	-5.47	-45.04
<b>Global Resources in \$A</b>	HSBC Global Mining	-1.53	-1.25	-8.43	-12.74	3.06	13.73	-13.29

### Summary of Statistics:

- International Shares posted positive returns in November with the MSCI World ex-Australia (Local Currency) Index gaining 2.28%, while the Unhedged (\$A) equivalent rose by 5.69% benefiting from the falling Australian Dollar.
- The MSCI All Countries World (Local Currency) Index increased by 1.93% last month while it has added 5.62% in the Unhedged Australian Dollar terms.
- On a regional basis, most countries reported gains. Japan was the strongest performer, gaining 5.89% for the month as measured by the MSCI Japan (Local Currency) Index.
- Gold stocks continued to fall in November with the FTSE Gold Mines (\$A) Index sliding by -9.20% for the month to bring the past year losses to -46.62%.

### Commentary:

Global equities took the market by surprise, posting positive returns in most regions despite the rising concern that the US Federal Reserve (the Fed) might start reducing its bond purchasing program in the near future. On the back of improving jobs data in the US, investors are paying a close attention to the upcoming Federal Open Market Committee (FOMC) Meeting scheduled on the 17<sup>th</sup> and 18<sup>th</sup> of December in regards to the possible “tapering” of the monetary stimulus program.

Overall, the MSCI World ex-Australia (Local Currency) Index recorded a gain of 2.28% in November. Following a small correction in the previous month, Japan was the strongest performer in November gaining 5.89% as measured by the MSCI Japan (Local Currency) Index. Over the past 12 months, Japan has grown by 64.89% and private spending is likely to expand further with the expectation that sales tax will increase to 8% next April from its current level of 5%.

The MSCI China (Local Currency) Index also performed well in November, increasing by 4.86% to bring the past quarterly up by 13.12%. China’s manufacturing activities expanded further over the month with the HSBC Manufacturing PMI stood at 52.5, indicating an expansion. Many commentators expect China to grow at a steady rate of 7 per cent per annum in the New Year ahead.

Equities in developing countries haven’t done very well in November, losing 4bp as measured by the MSCI Emerging Markets (Local Currency) Index. In emerging markets, high wage growth and high inflation have been restricting their overall economic growth in the past year thus contributing to the poor performance.

As with the Australian equity market, Energy and Utilities were the worst performing sectors globally, falling by -0.69% and -1.43% respectively in the past month. Leading performers in November were the MSCI ACWI Health Care Index and the MSCI ACWI IT Index, adding 3.75% and 3.37% respectively.

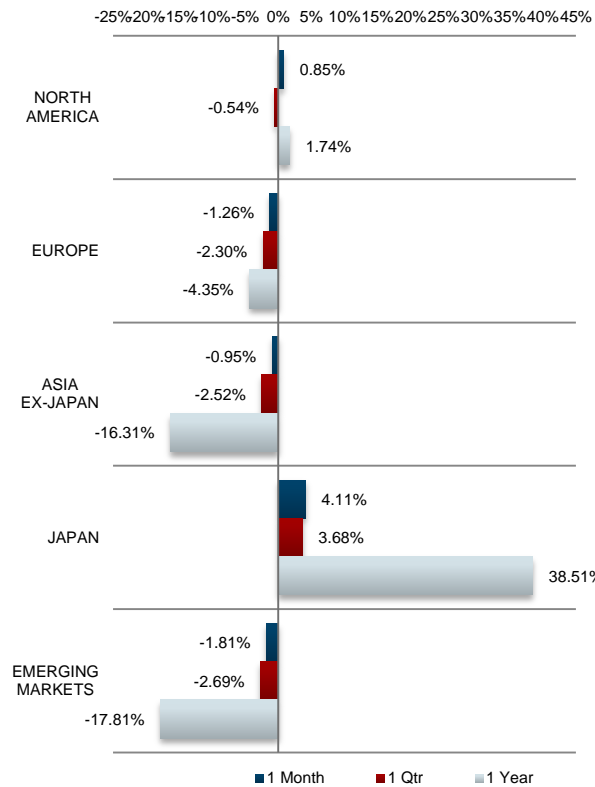


## Zenith Monthly Market Report International Shares

Zenith Benchmarks	Index	1 Mth	1 Qtr	1 Yr	3 Yr (p.a.)	5 Yr (p.a.)	Fin YTD	Cal YTD
Currency Spot Rates	USD / AUD	-3.75	2.33	-12.66	-1.75	6.81	-0.33	-12.28
	EUR / AUD	-3.69	-0.43	-16.54	-3.10	5.36	-4.60	-14.82
	GBP / AUD	-5.61	-3.05	-14.55	-3.35	5.47	-7.37	-12.95
	JPY / AUD	0.30	6.78	8.48	5.13	8.28	2.98	3.77

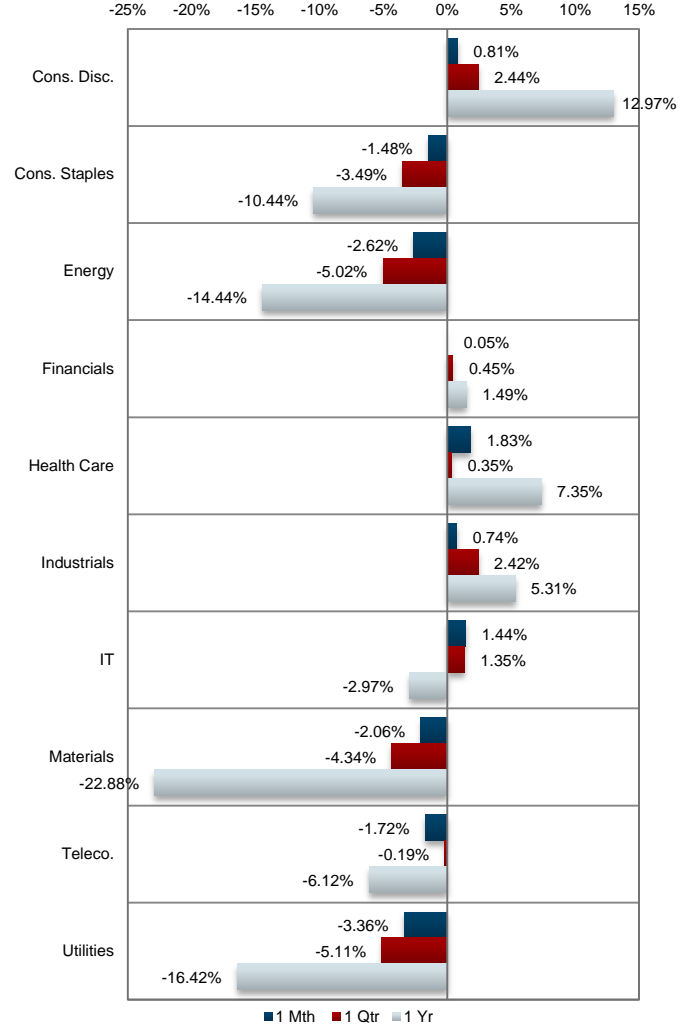
Investors should note that investments in any international assets are subject to the risk of currency fluctuations. If a foreign investment is unhedged, the gain / loss from the relevant currency pair should be deducted from the return of the asset to calculate the approximate return of the investment.

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



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.

**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	2.73	12.42	39.00	16.88	21.56	15.30	35.35
Local Currency	MSCI ACWI Consumer Staples Index	0.45	6.49	15.59	12.69	12.32	5.50	17.10
	MSCI ACWI Energy Index	-0.69	4.96	11.60	4.70	6.38	9.11	10.63
	MSCI ACWI Financials Index	1.98	10.42	27.53	8.60	9.11	11.96	22.08
	MSCI ACWI Health Care Index	3.75	10.33	33.38	19.30	14.50	12.67	33.15
	MSCI ACWI Industrials Index	2.66	12.40	31.35	10.60	13.76	15.49	26.78
	MSCI ACWI IT Index	3.37	11.33	23.06	11.63	17.32	15.20	22.06
	MSCI ACWI Materials Index	-0.13	5.64	3.15	-3.33	8.74	11.23	-1.47
	MSCI ACWI Teleco. Services Index	0.20	9.79	19.92	7.14	6.79	10.68	19.79
	MSCI ACWI Utilities Index	-1.43	4.86	9.61	0.54	-0.25	3.46	8.32

## 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	-2.74	0.76	11.74	12.83	6.81	0.00	8.62
	FTSE E/N Australia	-6.39	0.02	-5.45	5.40	5.54	-4.48	-6.51
Global Listed Prop. \$A (H)	FTSE E/N Dev.	-2.47	5.11	13.79	11.12	15.37	2.05	8.96
Global Listed Prop. (LC)	FTSE E/N North America	-5.13	-0.74	0.09	8.93	18.75	-7.98	-2.28
	FTSE E/N Euro Zone	0.34	9.81	9.16	9.69	15.90	9.32	8.97
	FTSE E/N UK	0.45	12.04	21.65	16.47	12.05	14.73	18.88
	FTSE E/N Developed Asia	-2.78	2.29	4.69	7.63	15.10	-0.02	1.51
	FTSE E/N Japan	-1.34	5.42	36.81	15.13	12.18	5.38	24.02
Australian Listed Infra.	S&P/ASX 300 Utilities	-2.78	-0.16	11.98	14.05	11.16	4.01	7.56
Global Listed Infra. \$A (H)	UBS Global Infra. & Utilities	-0.99	8.25	24.84	15.55	14.03	8.27	21.35
Global EM Listed Infra - \$A (H)	UBS EM Infra. & Utilities	0.95	7.53	18.22	0.87	4.56	6.86	12.67

### Summary of Statistics:

- Global listed property had a poor month with the FTSE EPRA NAREIT Developed Total Return (Hedged \$A) Index falling by -2.47%.
- The Australian property market followed its global counterparts with the S&P/ASX 300 Property Accumulation Index declining by -2.74%.
- Global listed infrastructure had a slow month, dropping -0.99% as measured by the UBS Global Infrastructure and Utilities (Hedged \$A) Index.
- Australian listed infrastructure also posted negative returns, recording a loss of -2.78% in November as measured by the S&P/ASX 300 Utilities Index.

### Commentary:

The S&P/ASX 300 Property Accumulation Index was down by -2.74% in November, following the global property market downward trend. Charter Hall Retail REIT and Charter Hall Group were the most significant drain on the overall performance, declining by -11.53% and -8.90% for the month respectively.

International listed property had a poor month with the global benchmark index falling by -2.47%. North America was the largest contributor to the poor performance, with the FTSE EPRA NAREIT North America (Local Currency) Index declining by -5.13%. The Euro Zone and the UK edged positive returns, adding 0.34% and 0.45% for the month respectively.

Australian listed infrastructure continued to underperform the global index, dropping by -2.78% for the month while the global equivalent fell by -0.99%. The UBS Emerging Market Infrastructure & Utilities Index outperformed the broad global market, gaining 0.95% in November.

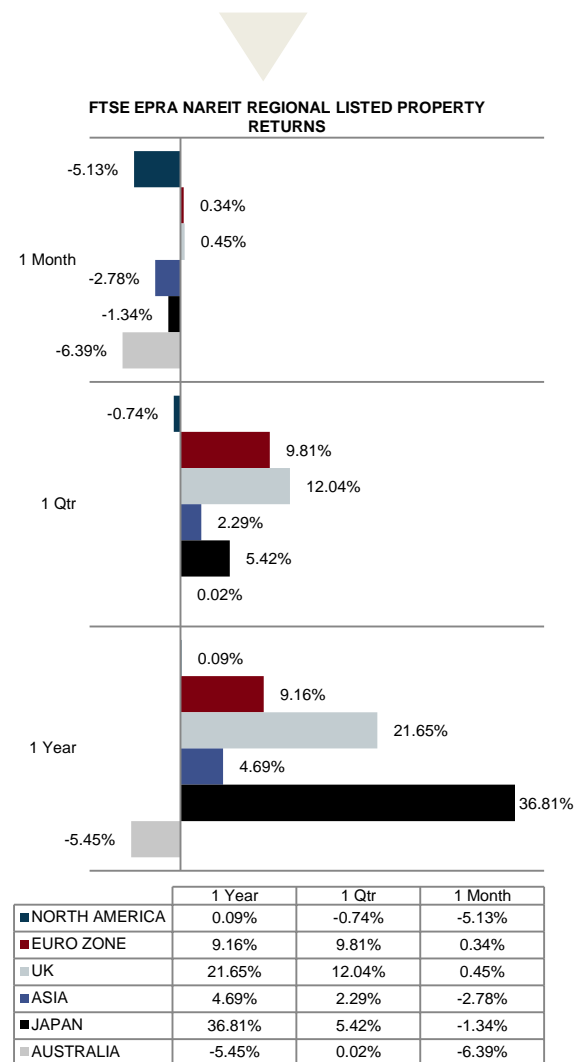
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☎ (03) 9642 3320 📄 Data source: Bloomberg

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%.



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