

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 (%)	3.00	3.00	0.00	4.25	-1.25
	3 Month BBSW (%)	2.99	2.99	0.00	3.56	-0.57
	10 Year Bond Rate (%)	3.09	3.41	-0.32	3.67	-0.58
Australian Shares	All Ordinaries Index	5168.60	4979.87	3.79%	4467.20	15.70%
	S&P/ASX 200	5191.22	4966.50	4.52%	4396.58	18.07%
Property	ASX 300 A-REITS Index	1080.10	998.70	8.15%	853.60	26.53%
Regional Shares	Dow Jones Industrials (US)	14313.08	13998.98	2.24%	12679.81	12.88%
	S&P 500 (US)	1540.87	1506.81	2.26%	1341.44	14.87%
	FTSE 100 (UK)	9637.74	9351.63	3.06%	8938.40	7.82%
	STOXX 50 (EUR)	376.57	361.71	4.11%	326.61	15.30%
	TOPIX (Japan)	11.52	10.55	9.23%	9.55	20.62%
	Hang Seng (Hong Kong)	2825.85	2758.39	2.45%	2609.11	8.31%
	Commodities	US\$ Gold Price	1424.33	1535.64	-7.25%	1597.50
\$US Oil Price – W Texas Crude		90.14	93.36	-3.45%	100.63	-10.42%
\$US CRB Spot Commodity Index		461.36	460.71	0.14%	471.57	-2.17%
Exchange Rates	AUD / USD	1.04	1.04	-0.49%	1.04	-0.51%
	AUD / EUR	0.79	0.81	-3.06%	0.79	0.04%
	AUD / GBP	0.67	0.69	-2.64%	0.64	3.95%
	AUD / JPY	101.12	98.18	3.00%	83.19	21.56%
	TWI	78.40	79.10	-0.88%	77.00	1.82%
Volatility	VIX Index %	13.04	12.20	0.85%	16.46	-3.42%

Key Points:

- The RBA elected to keep the overnight cash rate unchanged at 3.00% in the April meeting (since reduced the rate by 25 basis points (bp) to 2.75% during the May board meeting).
- The 3 Month Bank Bill Swap rate ended the month priced at 2.99%, unchanged from the end of March.
- The 10 Year Bond rate declined by 32bp to end the month priced at 3.09%.
- Despite experiencing a correction in March, Australian equities continued their recent upwards trend in April with the All Ordinaries Index closing 3.79% higher, while the S&P/ASX 200 Index ended the month 4.52% higher.
- Australian Listed Property also posted strong returns, gaining 8.15% for the month.
- Global Equities similarly performed well in April, with most major regional equity markets posting strong positive returns.
- The strongest regional performer was the TOPIX (Japan) which gained 9.23% for the month to continue its strong recent run of form.
- European equities were also strong performers in April, with the STOXX 50 Index (EUR) gaining 4.11% while the FTSE 100 Index (UK) gained 3.06%.
- Commodities prices continued to struggle, with the gold price declining by 7.25% and the \$US Oil Price falling by 3.45%.
- The Australian Dollar declined against most major currencies, in particular posting poor returns against the Euro, down 3.06%, and the British Pound, down 2.64%.
- US equity market volatility increased, with the VIX Index gaining 0.85%, to end the month priced at 13.04.

Cash, Fixed Interest & 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	0.26	0.73	3.46	4.42	4.63	2.78	1.00
Australian Bonds	UBSA Australia Composite All Maturities	1.54	1.94	6.99	8.31	8.15	3.94	1.71

Summary of Statistics:

- Australian Cash gained 0.26% in April, as measured by the UBSA Bank Bill Index, to bring total gains over the past twelve months to 3.46%.
- Australian Bonds posted a strong gain of 1.54% in April, to bring the total return over the past twelve months to 6.99%, as measured by the UBSA Australia Composite All Maturities Index.

Commentary:

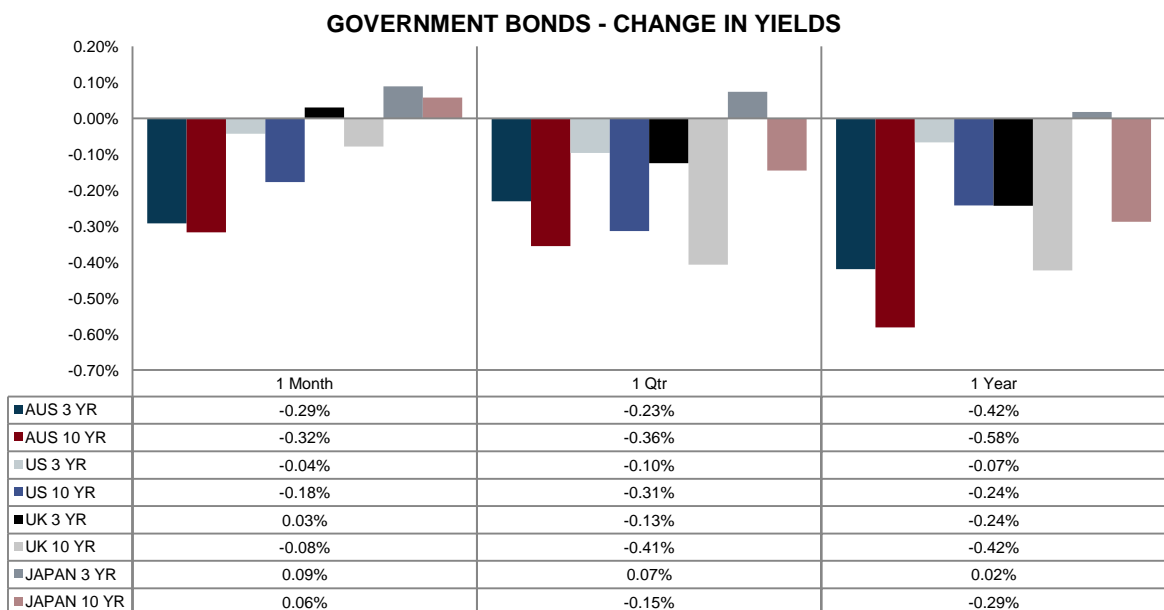
The RBA kept the overnight cash rate steady at 3.00% in the April meeting and elected to lower the benchmark cash rate to 2.75% during the May sitting. In the release following the announcement, Governor Glenn Stevens cited a low global growth forecast, European recession and declining commodity prices as the major risks facing the Australian economy. The outlook is not all negative however as promising signs were noted in the constantly improving economic stability of the United States and China.

Australian economic growth is slowing as the financial year end approaches, largely due to reduced investment in the resources sector. That said, employment numbers have increased and the recent interest rate cuts are expected to provide a boost to consumption, largely in the form of improved investment expenditure on housing.

Australian bonds rallied in April due to yield spreads narrowing in anticipation of an RBA rate cut (which eventuated on the 7th May). Specifically, the Australian three year government bond rate declined by 29bp while the ten year government bond rate declined by 32bp.

With economic activity in the European Union continuing to contract, many analysts speculated a cut in the European overnight lending rate. This eventuated early in May when the European Central Bank lowered the rate by 25bp to 0.50%.

The Japanese government continued their aggressive monetary easing policy by reaffirming their intention to double the monetary base by increasing the amount of outstanding Japanese Government Bonds in a bid to tackle long term deflation and economic contraction. Consequently, Japanese government bonds declined with yields increasing by 0.09% and 0.06% over three and ten year periods respectively.



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	4.30	7.34	22.67	7.01	2.88	30.83	12.69
	S&P/ASX 50 Leaders Index	5.50	9.19	27.74	8.42	4.37	34.29	14.56
	S&P/ASX Midcap 50 Index	1.49	3.91	11.79	3.36	-1.17	23.91	10.24
	S&P/ASX Small Ordinaries Index	-4.65	-7.02	-9.36	-2.33	-5.06	6.02	-3.12
	S&P/ASX Emerging Companies Index	-10.85	-18.83	-31.70	-8.33		-17.59	-14.86
GICS Sectors	S&P/ASX 300 Materials	-4.34	-13.30	-14.07	-6.40	-6.71	0.02	-12.02
	S&P/ASX 300 Industrials	-0.28	4.57	8.07	5.00	-0.51	23.81	10.51
	S&P/ASX 300 Consumer Discretionary	4.97	15.10	35.01	7.22	3.47	41.96	24.95
	S&P/ASX 300 Consumer Staples	7.05	17.84	47.45	20.00	13.14	46.58	22.65
	S&P/ASX 300 Energy	-0.98	0.34	-4.99	-3.19	-1.43	12.79	6.33
	S&P/ASX 300 Healthcare	2.83	8.01	44.11	18.02	9.29	41.27	11.39
	S&P/ASX 300 Information Technologies	-1.65	-0.01	27.59	0.36	6.12	38.77	14.70
	S&P/ASX 300 Telecommunications	10.64	13.66	54.52	30.61	13.74	48.82	19.56
	S&P/ASX 300 Financials ex Property	8.55	18.52	50.50	15.43	12.92	53.49	26.78
	S&P/ASX 300 Utilities	3.92	8.40	26.11	16.51	6.06	24.81	11.19
	S&P/ASX 300 Property	8.15	9.06	33.86	13.21	-2.78	29.90	13.86

Summary of Statistics:

- Australian equities continued on their upwards trend in April with the S&P/ASX 300 Accumulation Index gaining 4.30%.
- The S&P/ASX 50 Leaders Index was again the strongest performer on a market capitalisation basis, gaining 5.50% during the month of April, to outperform the benchmark index by 1.85% over the past quarter.
- The S&P/ASX Emerging Companies Index continued to be the most significant drain on the overall market's performance, declining by 10.85% in April.
- On a sector basis, the Telecommunications and Financials ex-Property sectors were again the strongest contributors, outperforming the benchmark index by 6.34% and 4.25% respectively for the month.
- The Materials and Energy sectors continue to act as a drag on the overall market, recording losses of 4.34% and 0.98% respectively for the month.

Commentary:

Following a minor correction in March, Australian equities showed resilience by posting a convincing recovery to gain 4.30% in April, as measured by the S&P/ASX 300 Accumulation Index. Contributing strongly to this recovery was the S&P/ASX 50 Leaders Index which gained 5.50% for the month. Over the past twelve months many investors have shifted a portion of their allocations from fixed income investments to the high yields of large and stable Australian equities in an attempt to boost their risk adjusted returns, this has seen the 50 Leaders Index outperform the broader benchmark by 5.07% over the period.

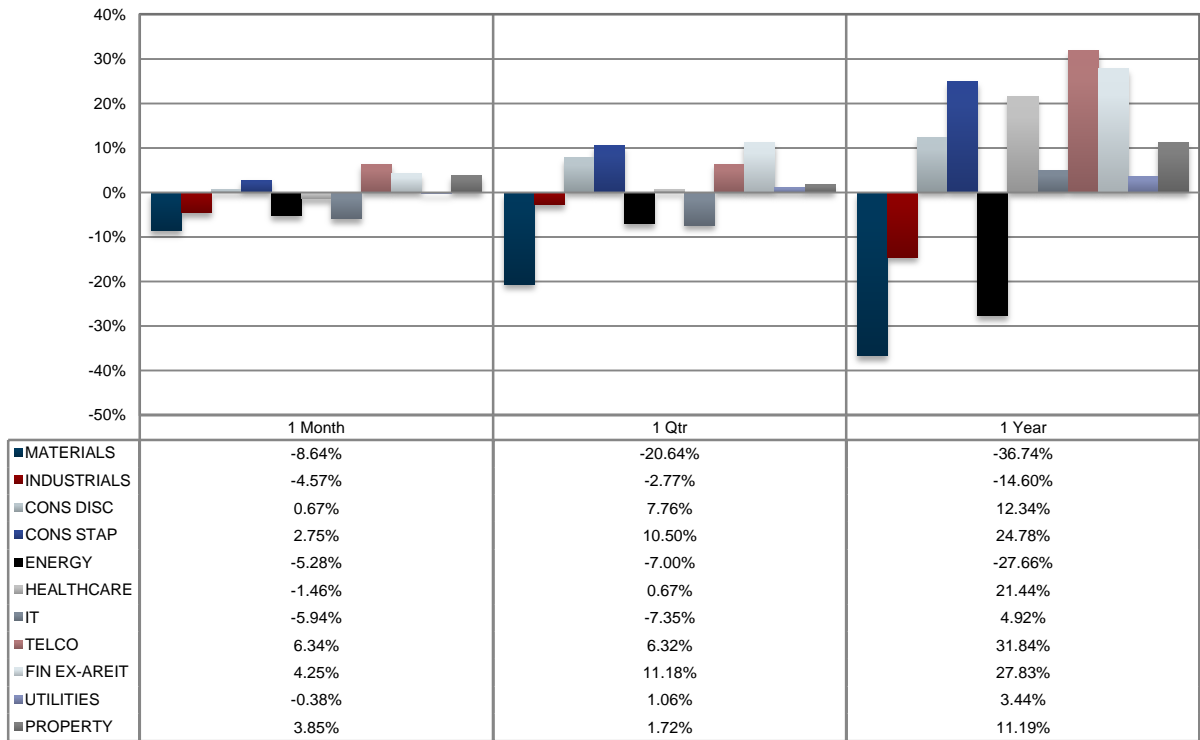
The performance of the Small Ordinaries and the Emerging Companies indices are continuing to lag behind other sectors, falling by 4.65% and 10.85% respectively. Both of these indices have a significant weighting towards the materials sector – mostly with small mining prospectors. With commodities prices significantly declining over the past twelve months, the operational efficiency and profitability of such companies has weakened, subsequently leading to substantial declines in the value of the stocks in this sector.

On a sector basis Telecommunications led the gains, adding 10.64% in April, with most of the index constituents posting significant gains. iiNet and TPG were particularly strong contributors to the sector's performance, gaining 18.65% and 16.69% respectively, as a result of improved earnings outlooks and stronger market conditions.

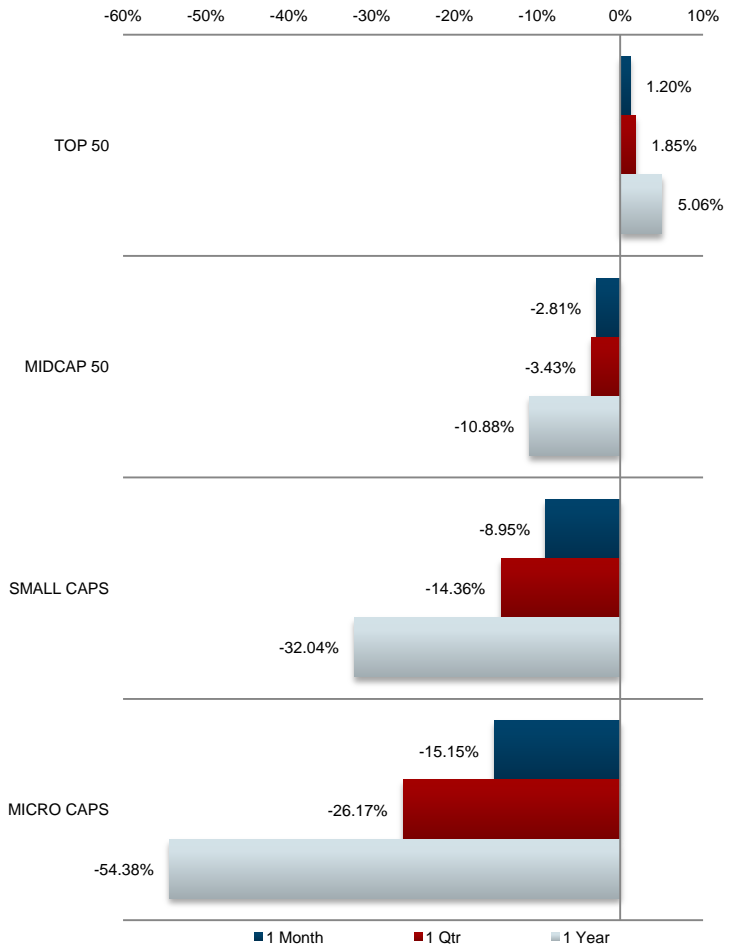
At the other end of the spectrum, the Materials and Energy sectors have consistently underperformed the market over the past twelve months. Leading the declines in the Materials sector were predominately gold miners with Silver Lake Resources, St Barbara and Saracen Mineral Holdings falling by 50.24%, 50.00% and 49.12% respectively as the price of gold fell.

Australian Shares

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 quarter, 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 ASX 300 Index.

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)	3.54	6.15	16.70	5.62	-0.28	19.53	11.02
	MSCI World (\$A)	4.03	6.96	17.63	1.79	-2.01	18.47	11.30
	MSCI Small Cap World Ex Aus (\$A)	2.08	6.78	17.46	2.62	1.74	20.38	11.89
	MSCI AC World (\$A)	2.88	6.44	17.81	4.53	0.14	19.61	11.08
International Shares - Local Currency	MSCI World ex-Au (Local Currency)	2.69	7.03	19.00	9.04	2.24	22.27	12.79
	MSCI World (Local Currency)	3.58	6.44	17.29	5.56	-0.10	19.97	11.29
	MSCI World S. Cap ex-Au (Loc. Crncy)	1.64	6.27	17.12	6.42	3.73	21.90	11.88
	MSCI AC World (Local Currency)	2.44	5.93	17.47	8.40	2.10	21.13	11.07
Regional Shares - Local Currency	MSCI North America	1.60	6.31	14.99	11.27	4.14	18.30	11.62
	MSCI Asia	6.37	10.51	24.82	6.12	-0.46	31.17	16.25
	MSCI AC Asia ex-Japan	1.17	-0.20	8.66	5.75	2.32	14.72	1.87
	MSCI China	1.57	-6.65	4.66	-2.68	-3.60	12.61	-3.31
	MSCI Europe	1.92	3.69	20.08	6.30	0.81	22.00	9.00
	MSCI Emerging Markets	-0.09	-1.94	5.68	4.50	1.27	10.90	-0.58
	MSCI India	5.32	-1.98	12.84	-6.53	-4.68	16.09	2.10
	MSCI Japan	9.32	17.84	22.39	2.40	-2.16	25.59	21.67
Global Gold Shares in A\$	FTSE Gold Mines	-20.18	-27.54	-35.98	-23.56	-11.02	-34.98	-34.09
Global Resources in A\$	HSBC Global Mining	-6.74	-17.49	-20.51	-15.30	-12.55	-11.77	-19.32

Summary of Statistics:

- International shares gained 3.54% in April, as measured by the MSCI World Ex-Australia (\$A) Index, while the local currency equivalent gained 2.69%.
- Global small cap stocks gained 2.08% for the month, as measured by the MSCI World Ex-Australia Small Cap Index (\$A), while local currency version gained 1.64%.
- On a regional basis, Japanese stocks continued to outperform the broader market, adding 9.32% for the month in local currency terms. Indian equities also posted strong returns for the month, gaining 5.32% in local currency terms to reverse the downward trend over the past quarter.
- Global resources stocks continued to decline in April, with the HSBC Global Mining Index losing 6.74%, to end the quarter 17.49% lower.
- Shares in global gold miners also took a strong hit, declining by 20.18% in unhedged Australian dollar terms, as the price of gold fell heavily.

Commentary:

Global equities continued to rally during April, with the MSCI World Ex-Australia (Unhedged \$A) Index gaining 3.54% and the local currency version gaining 2.69%.

Economic conditions in the United States are continuing to show positive signs with wages increasing and unemployment declining. Lagging indicators also showed positive signs, with consumer spending figures showing improvement and new home sales rising to their highest level in over three years. US equities subsequently rallied during the month with the Dow Jones Industrials Price Index gaining 2.24% while the S&P 500 Price Index gained 2.26%.

Japanese equities continued to rally in April, with the MSCI Japan gaining 9.32% in local currency terms while TOPIX price index gained 9.23%, bringing the total return over the past twelve months to 22.39% and 20.62% respectively. Driving the strong gains in the region has been the radical economic policy reforms being implemented by the Japanese Prime Minister, Shinzo Abe, in a bid to devalue the currency and promote exports as well as decrease the level of deflation and ideally allow some inflation to be recorded. The government has vowed to double the monetary base by writing a record number of bonds and has also committed to propping up the property market by doubling the holdings of REITs on the central bank balance sheet.

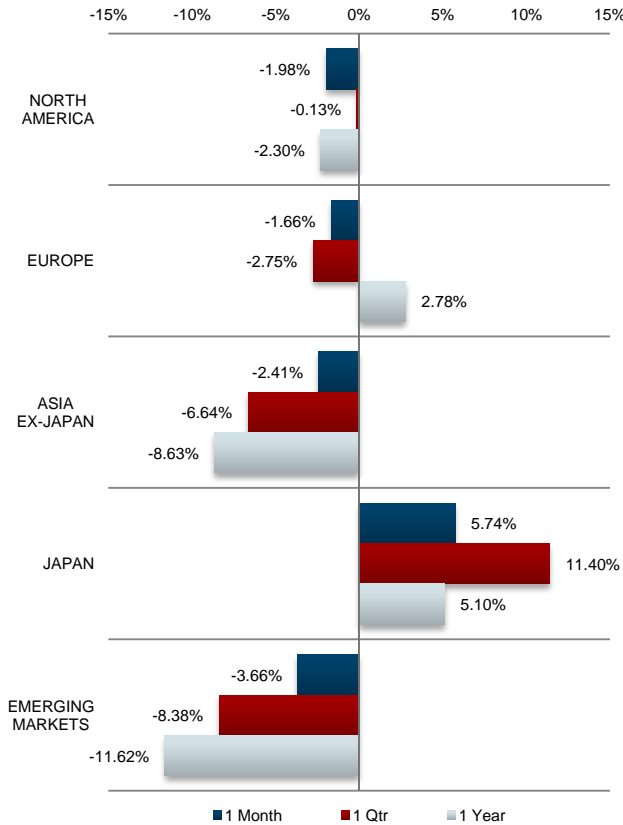
Global resources stocks had a poor month in April, with the HSBC Global Mining Index declining by 6.74%. Consistent with the Australian market gold shares were a significant detractor from performance with the FTSE Gold Mines Index declining by 20.18% for the month. Triggering the losses in these sectors was the strong depreciation of commodities prices, with the Dow Jones UBS Commodities Index falling by 5.74% and the price of gold falling by 7.25%. On a sector basis, Utilities and Telecommunications have been outperforming the broader market, gaining 5.58% and 5.18% respectively, while Materials and Energy have been lagging, with declines of 2.51% and 0.64% respectively.

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	-0.49	-0.66	-0.51	3.90	1.91	1.27	-0.14
	AUD / EUR	-3.06	2.55	0.04	4.26	5.40	-2.54	0.14
	AUD / GBP	-2.64	1.48	3.95	3.31	7.01	2.36	4.37
	AUD / JPY	3.00	6.09	21.56	5.26	0.54	23.78	12.47

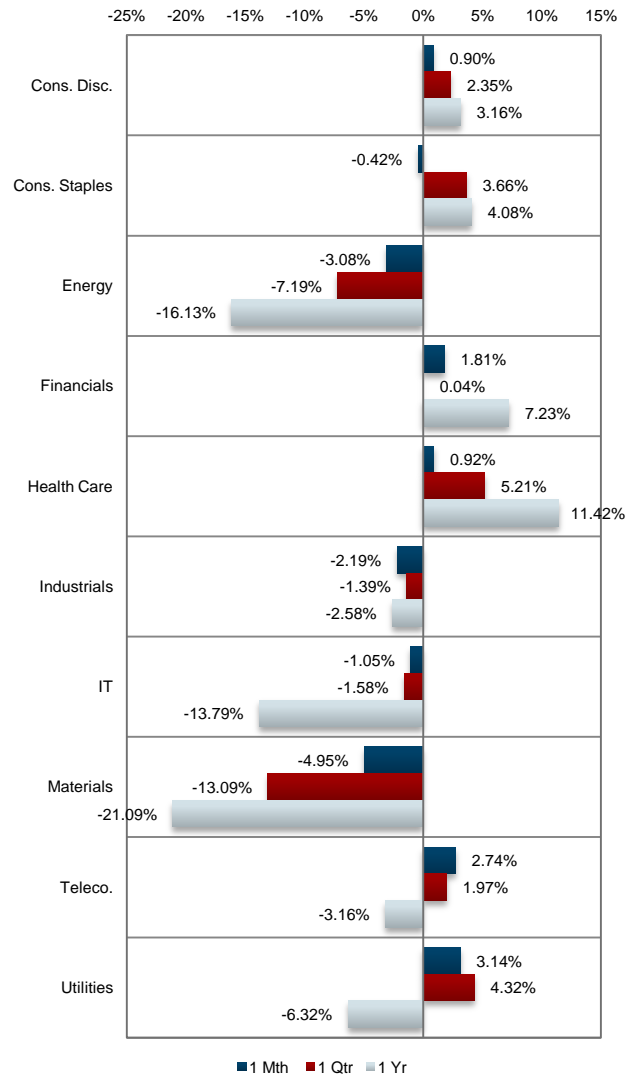
Investors should note that investments in any international assets are subject to the risk of currency fluctuations. If a foreign investment is unhedged, the gain / loss from the relevant currency pair should be deducted from the return of the asset to calculate the approximate return of the investment.

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%. Note 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	3.33	8.28	20.63	12.38	6.38	27.89	14.31
Local Currency	MSCI ACWI Consumer Staples Index	2.02	9.59	21.56	13.23	7.64	20.43	15.16
	MSCI ACWI Energy Index	-0.64	-1.26	1.34	2.25	-3.99	8.90	4.12
	MSCI ACWI Financials Index	4.25	5.97	24.71	2.87	-5.71	29.94	12.37
	MSCI ACWI Health Care Index	3.36	11.14	28.89	13.80	8.04	26.62	18.86
	MSCI ACWI Industrials Index	0.24	4.54	14.90	5.54	-0.96	20.29	9.71
	MSCI ACWI IT Index	1.39	4.35	3.68	5.73	2.79	10.37	6.61
	MSCI ACWI Materials Index	-2.51	-7.16	-3.62	-3.01	-6.26	4.06	-5.46
	MSCI ACWI Teleco. Services Index	5.18	7.90	14.31	6.62	-0.68	11.57	11.55
	MSCI ACWI Utilities Index	5.58	10.26	11.15	0.61	-4.82	9.97	12.69

Property & Infrastructure

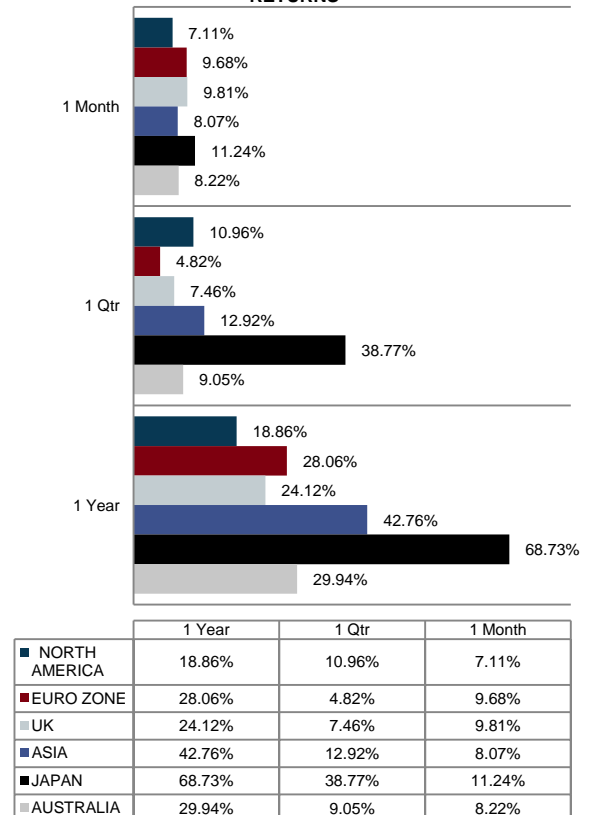
Zenith Benchmarks	Index	1 Mth	1 Qtr	1 Yr	3 Yr (p.a.)	5 Yr (p.a.)	Fin YTD	Cal YTD
Australian Listed Property	S&P/ASX 300 Property	8.15	9.06	33.86	13.21	-2.78	29.90	13.86
	FTSE E/N Australia	8.22	9.05	29.94	7.69	-9.79	28.45	13.88
Global Listed Property - Hedged in A\$	FTSE E/N Dev	7.62	12.47	32.56	14.97	0.83	32.04	16.84
Global Listed Property - Regional Local Return	FTSE E/N North America	7.11	10.96	18.86	12.76	4.76	16.46	14.06
	FTSE E/N Euro Zone	9.68	4.82	28.06	6.00	-4.20	26.62	5.85
	FTSE E/N UK	9.81	7.46	24.12	8.92	-8.63	22.87	5.28
	FTSE E/N Developed Asia	8.07	12.92	42.76	11.97	1.25	42.11	16.63
	FTSE E/N Japan	11.24	38.77	68.73	15.78	1.93	65.99	38.07
Australian Listed Infra.	S&P/ASX 300 Utilities	3.92	8.40	26.11	16.51	6.06	24.81	11.19
Global Listed Infra. Hdgd \$A	UBS Global Infra. & Utilities	6.85	13.97	30.61	15.04	5.64	27.75	17.60
Global EM Listed Infra - Hedged in A\$	UBS EM Infra. & Utilities	1.16	0.44	0.93	-1.38	-1.49	6.44	4.75

Summary of Statistics:

- Australian listed property posted strong gains in April, adding 8.15% for the month as measured by the S&P/ASX 300 Property Index, bringing the total return for the quarter to 9.06%.
- Australian listed infrastructure gained 3.92% for the month, as measured by the S&P/ASX 300 Utilities Index.
- Global listed property gained 7.62% during April, as measured by the FTSE/EPRA NAREIT Developed Total Return Index (Hedged in \$A), while the local currency index gained 7.11%.
- Australian dollar hedged global listed infrastructure securities gained 6.85% for the month, while emerging markets infrastructure gained 1.16%.

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



Commentary:

Following a slight correction in March Australian listed property continued its recent rally during April and posted a gain of 8.15% for the month, as measured by the S&P/ASX 300 Property Accumulation Index. Leading the gains in the sector was Charter Hall Group, which gained 11.23%, following the announcement that they had entered an exclusive due diligence agreement for an office tower and a shopping center in Perth.

Global listed property also posted strong gains in April, adding 7.62% on a hedged basis and 7.11% in unhedged terms. On a regional basis, Japanese property continued to post strong returns, rallying 11.24% in April to bring the total gain for the quarter to 38.77%.

Australian listed infrastructure underperformed the global index, gaining 3.92% for the month while the global equivalent gained 6.85%. Emerging markets infrastructure also underperformed, adding 1.16%.

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(03) 9642 3320 Data source: Bloomberg

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