

Market Commentary

June Quarter 2016

The recent performance of global share markets has been heavily affected by the recent referendum on whether the United Kingdom (UK) should leave the European Union (EU). Share markets were particularly volatile in June in reaction to the UK's decision to leave the EU.

Despite this, the Australian share market still managed to return 4.0% over the June quarter. The market rallied in April and May as commodity prices rose over the quarter and the RBA cut interest rates in May to 1.75%. June saw a different story as the share market gave back some of its gains in the lead up to, and after the outcome of the UK's referendum vote.

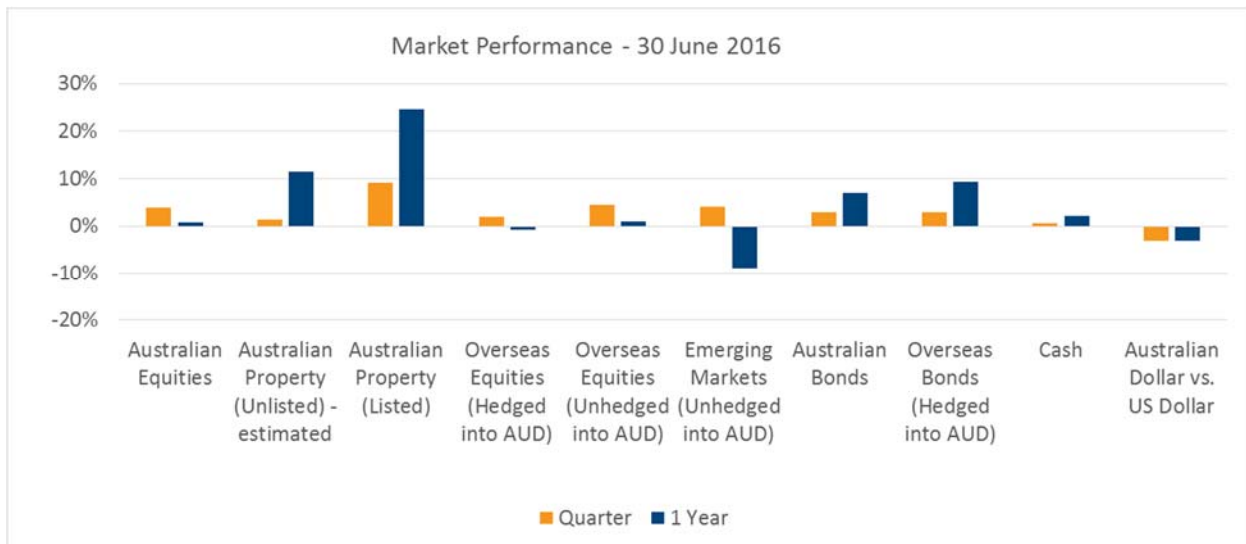
The US share market rose over the June quarter closing 1.9% higher. The market was supported by continued improvements and confidence in the US economy. The major European markets performed well in April and May due to the depreciation of the Euro and signs of a broader global recovery before struggling in June. Asian share markets were also particularly volatile over the June quarter. Chinese and Japanese markets finished the quarter lower falling 2.5% and 7.1%, respectively.

Australian bonds performed in line with international bonds, returning 2.9% over the quarter. Bonds with longer maturity dates outperformed over the period as investors sought safe havens from high levels of volatility caused by the UK referendum.

The Australian Dollar (AUD) depreciated against most developed currencies for the quarter. Notably, the AUD depreciated 11.7% against the Japanese Yen and 5.6% against the New Zealand Dollar. However, the AUD appreciated 4.1% against the Pound Sterling.

Market Performance - 30 June 2016	Quarter	1 Year
Australian Equities	4.0%	0.9%
Australian Property (Unlisted) - estimated	1.4%	11.5%
Australian Property (Listed)	9.2%	24.6%
Overseas Equities (Hedged into AUD)	1.9%	-0.8%
Overseas Equities (Unhedged into AUD)	4.6%	1.0%
Emerging Markets (Unhedged into AUD)	4.1%	-8.9%
Australian Bonds	2.9%	7.0%
Overseas Bonds (Hedged into AUD)	2.9%	9.3%
Cash	0.6%	2.2%
Australian Dollar vs. US Dollar	-3.2%	-3.1%

Source – JANA, FactSet, S&P, MSCI, Mercer, UBS, Barclays



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NTGPASS Quarterly Results

Superannuation returns to 28 June 2016*

Option	Quarter	FYTD	1 Year	3 Years (%pa)
Managed Cash	0.5%	1.8%	1.8%	2.0%
Conservative	1.0%	1.8%	1.8%	5.1%
Cautious	0.9%	1.6%	1.6%	6.6%
Growth	1.2%	0.4%	0.4%	8.0%
Assertive	1.2%	-0.4%	-0.4%	8.5%
Aggressive	1.2%	-1.7%	-1.7%	9.1%

*Rates calculated on a seven day cycle ending on 28 June 2016

If you have not made an investment choice, the default investment option is the Growth Option. Please refer to the NTGPASS website for more details.

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