

Market Commentary

September Quarter 2016

Investment markets were impacted by central bank policy over the quarter and investors' fears subsiding after the UK's vote to leave the European Union (Brexit), which occurred just at the end of the previous quarter.

Over the September quarter, the Australian share market had a very strong bounce back and rose 5.2%. The market rallied strongly in July before giving some of the gains back in August, and was reasonably flat in September. The strong performance was driven by the Australian market shaking off concerns about the possible impact of 'Brexit' and the Reserve Bank of Australia's (RBA) decision in August to cut cash rates to 1.5%.

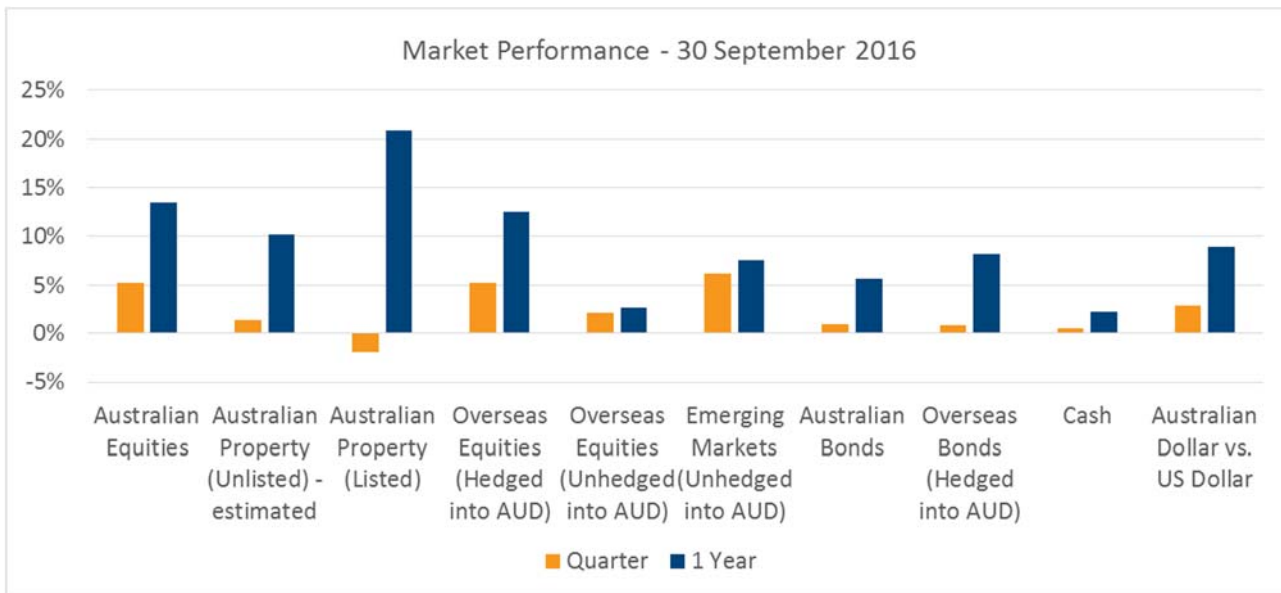
The US share market rose over the September quarter, closing 3.3% higher, with 3.2% of the growth occurring in July. The US economic outlook was generally positive with a number of US economic data releases better than expectations. European markets bounced back from the damage caused by the announcement of the 'Brexit' result, with the German, the UK and the French share markets all posting positive returns. Major Asian share markets rallied over the quarter with the Chinese and Japanese markets finishing the quarter higher. The Japanese share market rose 5.6% and the Chinese market gained 2.6% over the September quarter.

Australian bonds returned 0.9% over the quarter, slightly outperforming international bonds. Longer term bonds continued to outperform shorter terms bonds over the period.

The Australian Dollar (AUD) appreciated against most developed currencies for the quarter. Notably, the AUD appreciated 5.8% against the Pound Sterling, 4.1% against the Singapore Dollar and 2.8% against the US Dollar.

Market Performance - 30 September 2016	Quarter	1 Year
Australian Equities	5.2%	13.5%
Australian Property (Unlisted) - estimated	1.4%	10.2%
Australian Property (Listed)	-1.9%	20.9%
Overseas Equities (Hedged into AUD)	5.2%	12.5%
Overseas Equities (Unhedged into AUD)	2.1%	2.6%
Emerging Markets (Unhedged into AUD)	6.2%	7.6%
Australian Bonds	0.9%	5.7%
Overseas Bonds (Hedged into AUD)	0.8%	8.2%
Cash	0.5%	2.2%
Australian Dollar vs. US Dollar	2.8%	9.0%

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



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NTGPASS Quarterly Results

Superannuation returns to 27 September 2016*

Option	Quarter	FYTD	1 Year	3 Years (%pa)
Managed Cash	0.5	0.5	1.9	2.0
Conservative	2.2	1.6	4.1	5.0
Cautious	3.4	2.5	5.6	6.5
Growth	5.2	3.7	7.6	7.8
Assertive	5.9	4.3	8.4	8.4
Aggressive	7.1	5.2	10.0	9.0

*Returns calculated on a seven day cycle ending 27 September 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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