

Market Commentary

December Quarter 2015

The Australian sharemarket rebounded in the December quarter, returning 6.5% and recovering the losses from the previous quarter. A key driver over the quarter was central bank activity, with both the US and European central banks making notable announcements. Finally, widespread commodity prices were a talking point as they continued to decline, highlighted by the fall in the price of oil.

The US sharemarket returned 6.2% for the quarter. The timing of an interest rate rise by the US Federal Reserve was a talking point until a 0.25% increase was finally announced in December. The US economy continued to show signs of growth and improved consumer confidence, with strong growth in employment. The major European markets performed well in October and November, encouraged by announcements by various European Union central banks. The Chinese share market also rose 4.0% over the quarter.

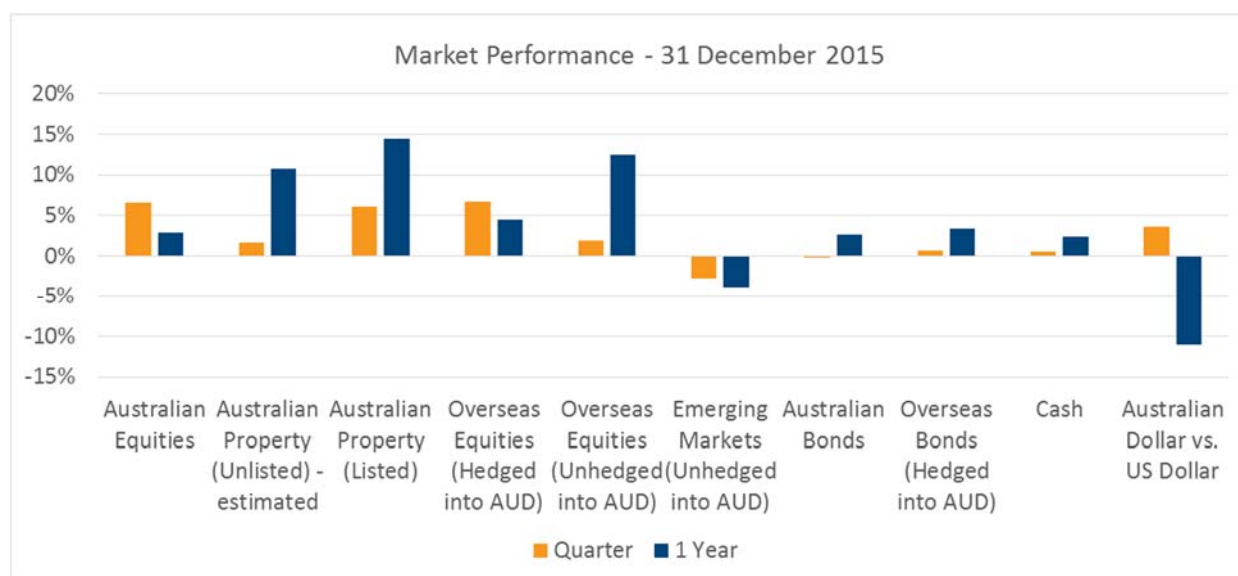
Despite a positive end to 2015 for shares, as at the date of writing (mid January), the 2016 calendar year has started off poorly, with most markets falling between 5%-10% in the first few weeks of the year.

Australian bonds lagged international bonds as yields rose over the December quarter. Long duration bonds and inflation linked securities underperformed for the period. Global government bonds slightly underperformed global investment grade credit.

The Australian Dollar (AUD) appreciated against most developed currencies for the quarter. Notably, the AUD appreciated by 6.5% against the Euro and the Pound Sterling.

Market Performance - 31 December 2015	Quarter	1 Year
Australian Equities	6.5%	2.8%
Australian Property (Unlisted) - estimated	1.6%	10.7%
Australian Property (Listed)	6.0%	14.4%
Overseas Equities (Hedged into AUD)	6.7%	4.5%
Overseas Equities (Unhedged into AUD)	1.8%	12.4%
Emerging Markets (Unhedged into AUD)	-2.8%	-3.9%
Australian Bonds	-0.2%	2.6%
Overseas Bonds (Hedged into AUD)	0.6%	3.3%
Cash	0.5%	2.3%
Australian Dollar vs. US Dollar	3.6%	-11.1%

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



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NTGPASS Quarterly Returns

Superannuation returns to 29 December 2015

Option	Quarter	FYTD	1 Year	3 Years (%pa)
Managed Cash	0.4%	0.8%	1.8%	2.1%
Conservative	1.3%	1.2%	3.9%	6.2%
Cautious	1.9%	1.4%	5.1%	8.3%
Growth	3.4%	1.3%	5.7%	11.0%
Assertive	3.9%	1.1%	6.0%	12.0%
Aggressive	5.2%	0.8%	6.0%	13.6%

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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