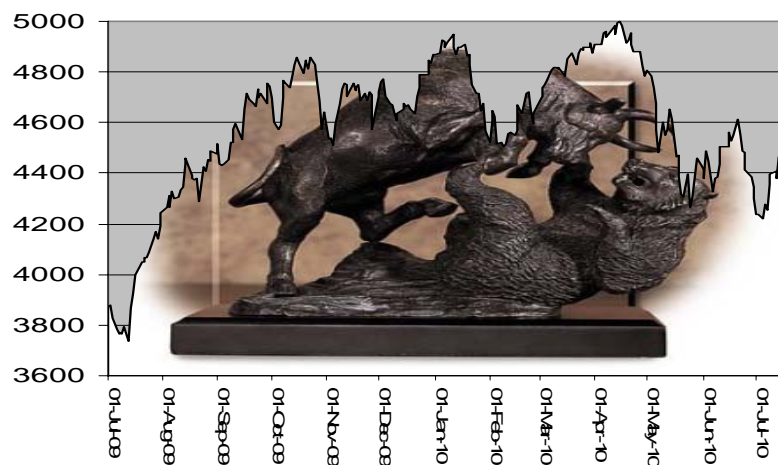


Investment Managers Weekly Review

15TH JULY 2010

PERFORMANCE AT A GLANCE

WEEKLY MARKET WRAP		
Aust Market	4442.6	2.0%
US Market	10359.31	2.2%
Japan Market	9685.53	1.6%
UK Market	5211.29	2.1%
GOLD	1208.3	1.0%
OIL	76.65	1.6%
A\$US\$	0.8836	0.7%



THE AUSTRALIAN SHARE MARKET - YEAR TO DATE

Market Wrap

Australian Market Performance (S&P/ASX 200): 4,442 +2.0%

The Australian market has posted a week of strong gains following a positive start to the US reporting season. The S&P/ASX 200 Index increased by 86 points or 2.0 percent, up 4.8 percent since July 1st. The market volume has fallen with all of the focus now on the US reporting season. The Australian and Global markets are looking for a positive lead from US quarterly reports which have had an exceptional start via two of the majors - Alcoa and Intel Corporation.

National Australia Bank

National Australia Bank (NAB) has been forced to inject a further AUD664 million to support its Clydesdale Bank subsidiary in the UK. British regulators are increasing pressure on banks to boost capital amid renewed concern over the stability of Europe's financial system. Reports linger that NAB is still looking to exit the UK banking sector.

Suncorp Metway

Suncorp Metway is expected to receive a A\$125 million profit boost this year from the sale of stakes in two car insurance ventures. Earlier this year, chief executive Patrick Snowball signalled the sale of the group's 50 percent stakes in insurance joint ventures with motoring organisations RACQ in Queensland and RAA in South Australia. The combined valued of the shareholdings has been estimated at A\$348 million.

US Markets

The US market has experienced a positive start to the reporting season, adding to further optimism that the markets have been oversold on earnings fears. Alcoa began the reporting season on Tuesday with a second quarter profit of USD196 million, well above the market forecasts and a huge improvement over their loss of USD545 million in the 2nd quarter of 09. Alcoa being the largest US aluminium producer is seen as a bellwether for the US economy also raised its estimate for global aluminium consumption. Chipmaker Intel Corporation followed on Wednesday with another exceptional result after the market close, well above analyst's expectations and setting a record quarterly profit. Following these upbeat reports, the focus has now shifted to the figures to be reported by some of the major banks at the end of the week, including J P Morgan and Bank of America.

The US Federal Reserve reduced its 2010 growth forecast to between 3% and 3.5%, down from between 3.2% and 3.7% previously forecast. US retail sales fell 0.5% in June following the downwardly revised 1.1% fall in May. The major contributors to the June fall were sales of petrol, cars and building materials. Year-on-year, sales rose 4.8%.

Asian Markets

China's reported economic growth eased to 10.3 percent in the second quarter after the government succeeded in tempering credit expansion, investment spending and property speculation. The pace compares with an 11.9 percent gain in January- March from a year earlier. Inflation cooled to 2.9 percent in June, the statistics bureau also reported in Beijing today. Industrial output rose a less-than-estimated 13.7 percent. The figures signal a fall in the risk of economic overheating, and give China more room to scale back restrictions on bank lending by year-end. A deeper slowdown in the nation forecast to account for one third of global growth this year would compound risks for a world recovery already clouded by European budget cuts and limited American job gains. In the second quarter, growth was less than the median 10.5 percent estimate in a Bloomberg News survey of 28 economists.

European Markets

European markets have followed a steady rise over the last week with confidence levels showing signs of recovering. Last week saw a continuation of the sale of Spanish government bond sale with China snapping up large quantities. There was also more positive news as Greece successfully auctioning EUR1.25 billion of government bonds with the offer oversubscribed 2.9 times. European equity markets have also had a positive week reacting to the positive quarterly reports coming out of the US.

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