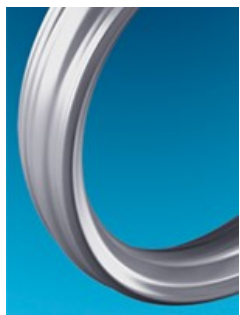


MARKET INSIGHTS



PERPETUAL
06/11/2016

Perpetual Private's National Investment Specialist, Luke McMillan, takes a look at asset class performance for the September quarter, discusses current sharemarket valuations and the outlook for coming months.

Key themes

- Positive September quarter for equities in Australia and overseas as markets recovered from Brexit vote.
- Returns from fixed interest investments were muted – RBA's cash rate at all-time low of 1.50%.
- Valuations for the Australian sharemarket appear fair to full at the moment – international shares are slightly more expensive, largely a result of all-time highs of US sharemarket.
- Government bond yields on the rise globally amid speculation of a US interest rate hike in December.
- In response to expensive asset class valuations, we are maintaining high levels of cash in our Implemented Portfolios. Ongoing financial market volatility will provide attractive investment opportunities to invest this capital.

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