

**Key Indices**

Index	1-Apr-09	30-Apr-09	Change	Change	Commodities	1-Apr-09	30-Apr-09	Change
S&P ASX200	3,582.10	3,780.50	198.40	5.54%	Oil - WTI	49.66	50.35	1.39%
All Ordinaries	3,532.30	3,744.70	212.40	6.01%	NY Gold	917.15	885.50	-3.45%
S&P ASX Property	663.50	703.80	40.30	6.07%	Cash Rate	3.25%	3.00%	-0.25
Dow Jones	7,608.92	8,168.12	559.20	7.35%	90 Day Bank Bill	3.14%	3.08%	-0.06
S&P 500	797.87	872.81	74.94	9.39%	10 Yr Bonds	4.67%	4.78%	0.11
FTSE 100	3,926.14	4,243.70	317.56	8.09%	<b>Best Movers</b>	<b>3 Months</b>	<b>Price</b>	<b>Change</b>
Euro Stoxx 50	1,800.71	2,005.98	205.27	11.40%	ALS	Alesco Corporation	\$4.00	280.95%
SSE Composite	2,373.21	2,477.57	104.36	4.40%	MCG	Macq Comm	\$2.25	167.86%
Hang Seng	13,576.02	15,520.99	1,944.97	14.33%	PBG	Pacific Brands	\$0.70	94.44%
Nikkei 225	8,109.53	8,828.26	718.73	8.86%	AIO	Asciano Group	\$1.34	74.03%
<b>Currencies</b>					<b>Worst Movers</b>	<b>3 Months</b>		
AUD/USD	0.6873	0.7265	0.0392	5.70%	GMG	Goodman Group	\$0.37	-42.64%
AUD/JPY	67.4800	70.7200	3.2400	4.80%	BLY	Boart Longyear	\$0.12	-33.33%
AUD/GBP	0.4804	0.4896	0.0092	1.92%	AIX	Aust Infrastructure	\$1.51	-17.03%
AUD/EUR	0.5190	0.5460	0.0270	5.20%	FMG	Fortescue Metals	\$2.36	-16.01%

**Market Commentary**

During April, the sharemarket again benefited from improved investor confidence despite the ongoing negative news flow surrounding both the Australian and global economy. The market has essentially responded to economic data that suggests the pace of the global contraction is slowing. Some better than expected economic data such as consumer spending and falling inventories has sparked hope amongst investors that we may see an improvement in the global economy later in 2009 and into 2010. Pre-empting the possibility of a turn-around, the Australian market extended its rally into April with the All Ordinaries Index closing the month at 3744.7, up 6% (the S&P/ASX200 closed the month at 3780.5 up 5.5%), following the 7% gain in March. Global markets have fared even better with the MSCI World Index up 11% for April. US and key Asian markets are now up 25% in this current rally.

To date, the Australian market low point as measured by the S&P/ASX 200 was 3154.5 and reached on March 6. The market has now rebounded almost 20% from this low point. The cyclicals have been the major beneficiaries, particularly consumer discretionary and industrials, as relieved investors focus on recovery and a more supportive economic environment. However, worthy of note is that many of the companies benefiting from this rally had previously been heavily oversold and some caution is still warranted as balance sheets remain stretched, capital raisings continue and there has been no apparent turn-around in the corporate earnings outlook. Undoubtedly there will also be further negative news on the economic front.

On balance, we feel the rapid pace of the recent gains will come to an end and in such an environment we expect there will be periods of profit taking and hopefully consolidation. Despite this, there is undoubtedly a more positive tone coming from the US Government and Federal Reserve and signs of improvement in US banks, together with an easing in credit markets. Interest rate cuts and stimulus packages are taking effect and equity investments still look attractive at current levels, providing we take a minimum twelve month view. While, we expect there could still be periodic set backs in the recovery, we note the substantial improvement in investor confidence and a preparedness to take on-board more risk. For long term investors, we believe the Australian sharemarket still represents good value and remains a buy as we essentially remain deeply into Zone 5 on our long term trend line.

We continue to favour companies with strong earnings, cash flow and dividends. This bear market has blurred the lines between value and growth stocks and you are currently able to selectively buy traditional cyclical growth stocks at value pricing. This is what we favour for investors wanting to take on risk over the traditional defensives like utilities and telecoms.

**Price Charts – past 90 days**

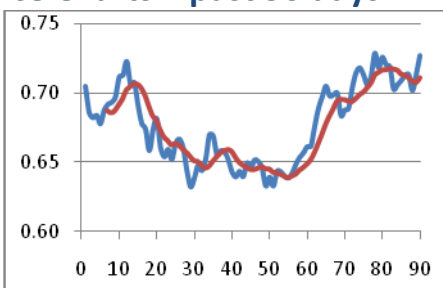


Figure 1- AUD/USD

Red lines are 7 day moving average

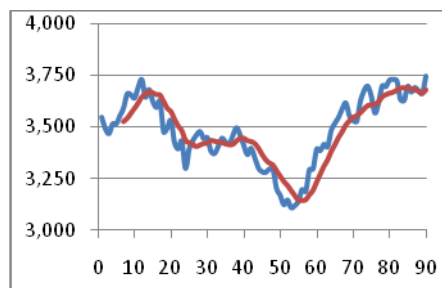


Figure 2- All Ords

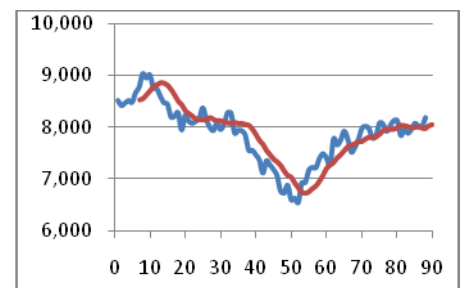


Figure 3- Dow Jones

## Long Term Share Table

Code	1-Apr-09	30-Apr-09	Change	Change	Code	1-Apr-09	30-Apr-09	Change	Change
AGK	14.96	15.12	0.16	1.07%	MTS	4.06	4.16	0.10	2.46%
AMP	4.70	5.19	0.49	10.43%	NWS	11.23	12.75	1.52	13.54%
ANZ	15.75	15.90	0.15	0.95%	NAB	20.10	20.63	0.53	2.64%
AIO	0.91	1.34	0.43	47.25%	ORI	14.79	16.80	2.01	13.59%
ASX	29.35	32.72	3.37	11.48%	QBE	19.27	21.79	2.52	13.08%
BHP	31.91	33.27	1.36	4.26%	RIO	56.57	64.43	7.86	13.89%
BXB	4.80	5.92	1.12	23.33%	SGP	3.09	3.14	0.05	1.62%
CBA	34.73	35.11	0.38	1.09%	SHL	11.07	11.66	0.59	5.33%
CPU	8.78	9.14	0.36	4.10%	TAH	6.50	7.45	0.95	14.62%
CWN	6.35	6.89	0.54	8.50%	TLS	3.21	3.33	0.12	3.74%
CSL	32.49	34.42	1.93	5.94%	TOL	6.25	5.90	-0.35	-5.60%
GPT	0.44	0.47	0.03	6.82%	TCL	4.67	4.46	-0.21	-4.50%
IVC	5.10	5.11	0.01	0.20%	WES	18.85	22.64	3.79	20.11%
LEI	19.30	21.07	1.77	9.17%	WBC	19.09	19.20	0.11	0.58%
MQG	27.05	33.48	6.43	23.77%	WDC	10.00	10.73	0.73	7.30%
MAP	1.82	1.81	-0.01	16.67%	WOW	25.01	26.72	1.71	6.84%

## Managed Funds

Fund	1-Apr-09	30-Apr-09	Change	Change %
Vanguard WS Australian Government Bond Index Fund	1.0074	0.9918	-0.0156	-1.55%
Vanguard WS Australian Fixed Interest Index Fund	1.1131	1.0883	-0.0248	-2.23%
Vanguard WS Australian Shares Index Fund	1.3390	1.3979	0.0589	4.40%
Vanguard WS Australian Shares High Yield Fund	1.0145	1.0597	0.0452	4.46%
CFS Wholesale - Geared Share Fund	2.0330	2.3004	0.2674	13.15%
BlackRock Direct Property Fund	0.9413	0.9323	-0.0090	-0.96%
Vanguard WS Property Securities Index Fund	0.4743	0.4782	0.0039	0.82%
Aberdeen International Equity Fund	0.6597	0.7042	0.0445	6.75%
Platinum Asia Fund	1.8747	2.0818	0.2071	11.05%
Platinum International Fund	1.5782	1.6808	0.1026	6.50%
Platinum International Brands Fund	1.5676	1.7148	0.1472	9.39%
Vanguard WS International Shares Index Fund	0.9815	1.0252	0.0437	4.45%
Vanguard WS International Shares Index (Hedged) Fund	0.3924	0.4316	0.0392	9.99%

## Key Market Indicators

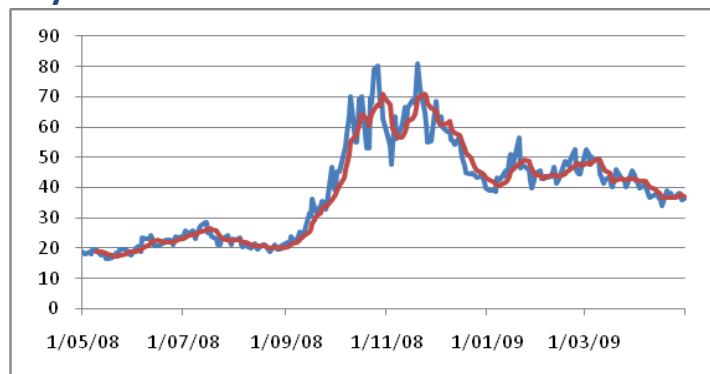


Fig 4 – CBOE Volatility Index [VIX] (past 12 months) Red line is 7 day moving average

The VIX index is a measure of US equity market volatility over a 30 day period. It is quoted in percentage points per annum with the value expressing a forward looking, implied annual volatility figure. For example, a VIX value of 35 represents an annualised implied volatility of 35% for the S&P 500 index over the next 30 days.

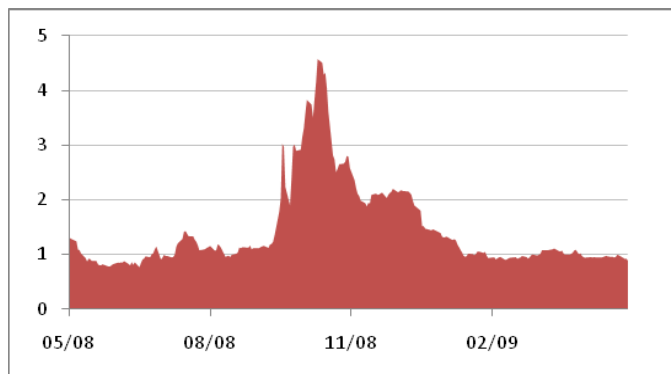


Fig 5 – Interest Rate differential – 3 month USD London Interbank Offered Rate [LIBOR] / 3 month US Treasury Notes (past 12 months)

We have graphed the interest rate differential between what the 3 month US dollar Libor rate compared to the yield on a 3 month US treasury note over the past 12 months. The key point to identify is that the smaller the spread between the 3 month Libor rate and the 3 month US Treasury Note yields, the lower it costs banks to borrow in the short term.

## Corporate Actions of Interest

Company	Code	Issue	Date
Macquarie	MQG	Share Purchase Plan, eligible shareholders are able to purchase up to \$15,000 of new shares at \$26.60 or lower of VWAP at closing date.	Closes 29 May
GPT Group	GPT	1-for-1 rights issue to existing unitholders at \$0.35 per unit.	Indicative close 9 June

## What you should know this month

### GPT Group – Additional Capital Raising

GPT has announced that it is undertaking a second rights issue to raise an additional \$1.69 billion in equity to strengthen its balance sheet and speed up its exit from a European property joint venture with Babcock & Brown. The new units are being issued at \$0.35 each. This announcement was made on 7 May 2009. We are currently evaluating this offer and will provide a recommendation to clients shortly.