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In the past four months, the Australian Share market has had negative returns on three occasions. The S & P/ASX 300 Merged Accumulation Index shows a -3.3% for April, -2.7% for May, 1.4% for June and - 2.5% for July. Naturally, this will have a negative effect on most superannuation funds, but it is at a time like this that we all need to relax and reflect. Cast your mind back to why you selected your current investment strategy, and ask yourself, "Has anything changed?" If the answer is no, then I suggest that you leave your current structure in place and allow it the time that it was initially allocated to perform a certain task.

There are four major asset classes: Cash, Fixed Interest, Property and Shares.

1

Cash - Cash securities generally provide a stable capital value and current interest income. They are typically short term investments, with a low risk of loss of capital.

2

Fixed Interest - Corporations, governments and semi-government authorities issue fixed interest investments called Bonds. They typically offer higher yields (returns) than cash securities, but their value can fluctuate. E.G. when interest rates rise, bond prices fall and vice versa.

3

Property - Property securities are best thought of as an investment in companies or property trusts often listed on the share market which then invest directly in properties. Unlike residential property, which can be illiquid (hard to sell quickly), listed property securities can be easily traded on the share market.

4

Shares - Share investments give you part ownership in a company (capital) and a right to receive dividends (income). Shares tend to be riskier or more volatile than other types of investments. However, over time, shares have also provided higher long term returns than the fixed interest and cash securities. Within this asset class, both Australian and International shares are available to consider when building a diversified portfolio.

"We pride ourselves on being there for our clients whenever they need us, so if you have any "areas of concern" that you would like to discuss, please call our office."

Bernie Toohey Dip F.S(I.B) FChFP ANZIIF (Snr Assoc) CIP
Compliance and Development Manager, Gold Financial Ptd Ltd

There is no single approach to investing because everyone's circumstances differ. However, taking a disciplined approach can ensure your ultimate needs are met.

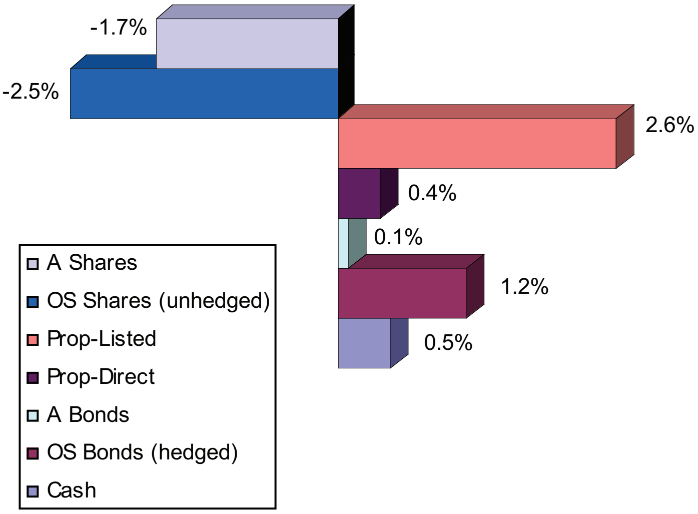
The process consists of five fundamental steps:

1. **Identify your goals.**
2. **Determine your attitude to investment risk.**
3. **Consider your income and liquidity.**
4. **Examine different taxation structures.**
5. **Regularly review your strategy and portfolio.**

Market Review

JULY 2006

Investment Markets for the month ended JULY 2006



Continuing the volatile share market conditions experienced over recent months, July recorded negative performances in the Australian share market, as well as overseas share markets measured in $A terms due to the strength in the Australian currency.

The Australian share market demonstrated a volatile and relatively weak start to the new financial year. The market weakened in the first half of July and partially recovered over the balance of the month to finish down by only 1.7%. The weakness was influenced by interest rate fears, uncertainty over the upcoming profit reporting season and relatively soft sentiment from overseas. While neither the US Federal Reserve nor the Reserve Bank of Australia increased interest rates during July, increased speculation on rises grew. This speculation was justified when the RBA announced a rise of 0.25% (to 6.0%) in early August. This was only the second rise since March 2005 and reflected the RBA's concern about inflationary pressures and the strength of the economy. During July, the materials sector was weak with Rinker (-16.2%) and James Hardie (-9.1%) falling due to US housing weakness and BHP Billiton falling 4.2% on concerns over commodity prices. The market tone became defensive with the stronger sectors during July being those with expected strong yields and stable cash flows. They included utilities, telecommunications and listed property. Small cap stocks (ex 100) recorded -0.4% while the top 50 stocks fell 2.0% and the larger resource companies fell 3.8%.

Following a down market in May, overseas share markets had a second successive relatively flat month when assessed from month end to month end (MSCI World Index in local currencies was up 0.6%). However all major markets experienced weakness in the first half followed by a recovery in the second half. For example the US Dow Jones fell 3.7% in the first half but finished up 0.3%. However due to the strength in the $A, global returns in $A terms were negative for the month.

Following several negative months, listed property also had its second successive positive month. With general market sentiment tending to turn more defensive investors again sought the security of this sector's steady cash flows and strong yields. As stated above, the RBA lifted its official cash rate to 6% in early August. 90 day bank bills anticipated this move by rising to 6.2%, their highest rate since December 2000. Australian bonds were dominated by the inflation figures released late in July with yields lifting over the month resulting in a decline in capital values. The Composite Bond Index consequently only achieved a 3.0% return for the 12 months ended July 2006. The $A was stronger against all major currencies, increasing by 3.1% against the $US with the Trade Weighted index being 2.7% higher.

PHILIP CHOW, COUNTERPOINT

Market Indices	
Australian equities	S&P/ASX 300 Merged Accumulation Index
International equities	MSCI World ex Australia Index in $A Net Return (Unhedged)
Listed property	S&P/ASX 300 Property Merged Accumulation Index
Direct property	Mercer Direct Property Index (before tax) estimate
Australian bonds	UBSA Composite Bond Index All Maturities
International bonds	Lehman Global Aggregate Index (Hedged) in A$
Cash	UBSA Bank Bill Accumulation Index

In compiling this market review, Counterpoint Group (“Counterpoint”) has relied on data and information provided by third parties. Although reasonable care has been taken to produce this review, Counterpoint will not accept any liability for any loss, direct or indirect, resulting from reliance on information in this review. Past investment performance does not necessarily reflect future investment performance.

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