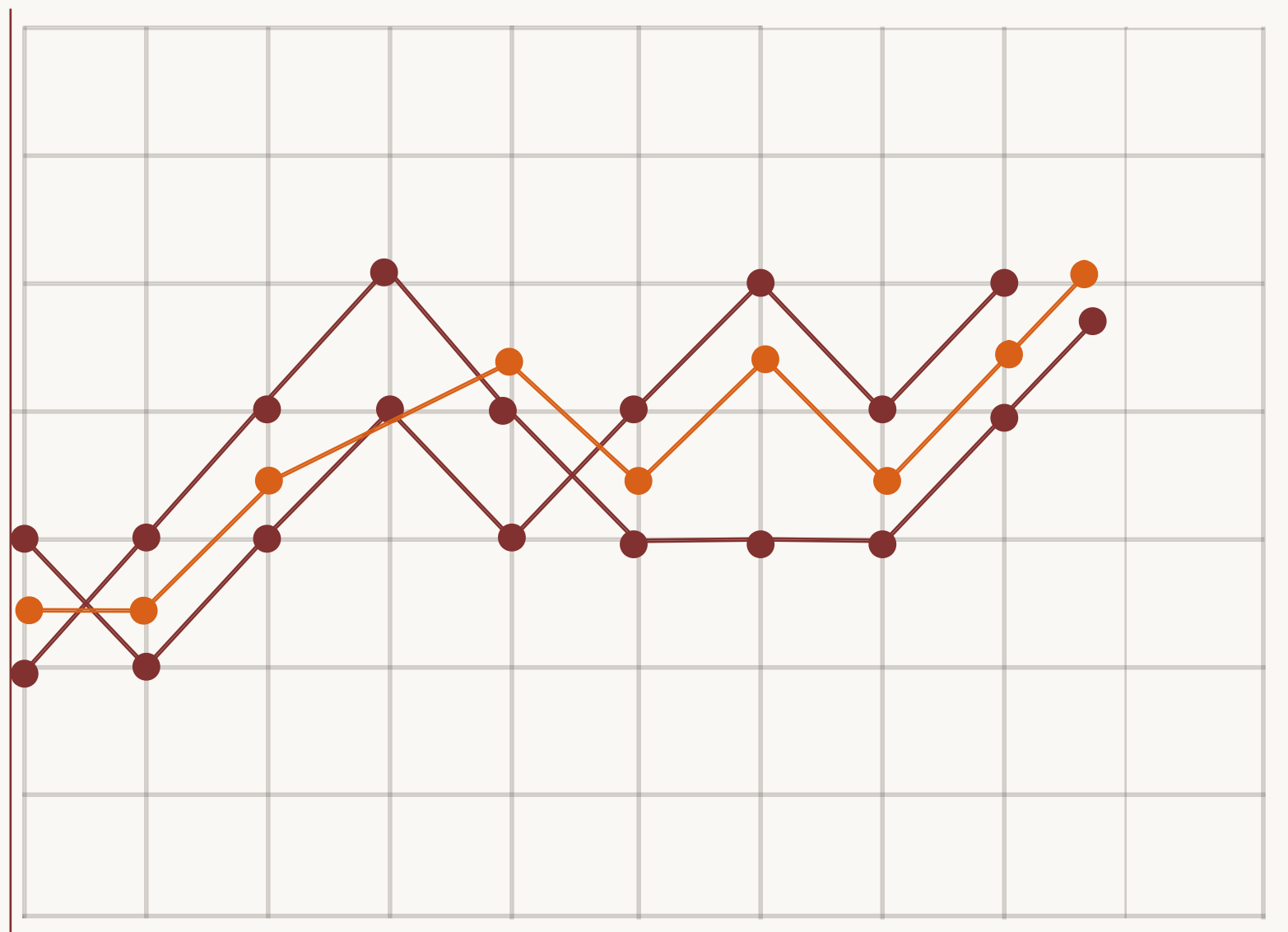


Economic and market update

August 2017

Top 3 themes



Geopolitical tensions: Trigger market turbulence

North Korea's provocative missile testing and President Trump's pledge to respond with "fire and fury" caused some market turbulence in August



Euro: Strong gains

Europe's currency made strong gains in August given strong business surveys and improving credit growth.



Iron ore and copper: Prices rise

Key commodities prices rose strongly in August, particularly iron ore which increased from US\$74 to US\$79 per tonne.

Australia

Australian shares made mild gains in August. There were sharp falls in the Telecommunications sector given competitive pressures and Telstra cutting their dividend. However this was countered by robust gains for the Resources sector given the strong increases for key commodity prices such as iron ore and copper.

Australia's economic activity has encouragingly improved with solid jobs growth and improved retail spending. The National Australia Bank business survey also indicates strong responses for confidence and conditions.



Resources +5.5%



Telecommunications - 7.4%

Performance for the month of August 2017. Sector returns are for the S&P/ASX 200 Accumulation GICS indices.

Share market performance – August



+0.7%

AU



+0.2%

US



+1.6%

UK



-0.5%

DE



-0.2%

FR



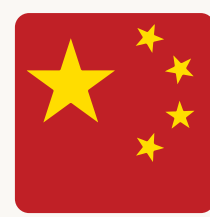
-1.3%

JP



+2.4%

HK



+2.7%

CN

Performance for the month of August 2017. S&P/ASX 200 Accumulation Index; S&P 500 Index; FTSE 100 Index; German Aktien Index (DAX); France CAC40 Index; Nikkei 225 Index; Hang Seng Index; Shanghai Composite Index (all in local currency and unhedged).

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