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Blueprint *Update*

PARTNERING WITH YOU IN SECURING YOUR FINANCIAL FUTURE AND ACHIEVING YOUR LIFETIME GOALS.

New Look. New System. New Model. New Way.

18 months ago, a decision was made to totally review our business and since then, we have heavily invested in additional staff and systems.

We will be enhancing our offering with a wider range of services that cater for your needs and your families across all stages of your life; we want to work with you and your family to ensure that we help you achieve your...*Blueprint for Life*.

We believe that our service models will best serve your needs and objectives as a valued client. We expect this evolving process to take between 12-18 months. For future reference, please refer to our website for regular newsletters on www.matrixnorwest.com.au

We have experienced a bear market (a market condition in which the price of securities are falling and wide spread pessimism becomes self sustaining) for some time and unfortunately, we have witnessed clients capitulate and move 100% in cash.

We are concerned that when the share market increases in value, these investors will miss the rise in their portfolio.

We recall reading a great definition of a bear market, "A bear market is a period of time during which common stocks are returned to their rightful owners".

We are optimistic that this cycle will pass and regard it as a temporary interruption of a permanent upward trend.

Rob & Jason's advice to their parents and friends are the same:

- 1) Diversify
- 2) Rebalance portfolio at least once per year
- 3) Don't read the newspapers and make rash decisions



Finally, we would like to congratulate Christina Gu who had a healthy baby boy, Arthur. Arthur was born on 29th August 2011 and Christina has been on maternity leave for the last 7 months, taking care of the new addition to their family.



Please join us in welcoming Christina back to Matrix Norwest in her new role as Senior Paraplanner.



Sharemarket Update

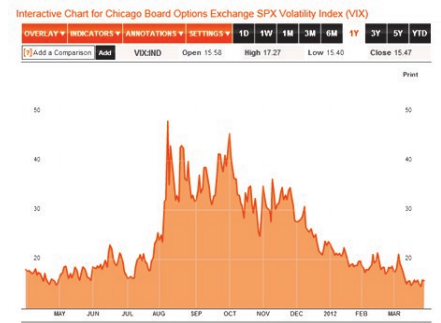
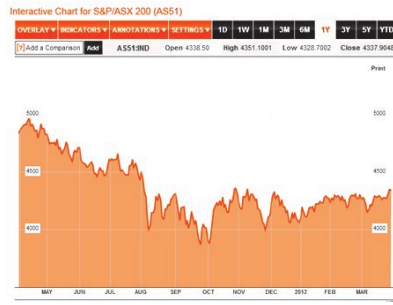
So far this year, we have seen solid gains in global sharemarkets. Economic news has been positive with greater confidence of continued growth in the US and some lessening of worries about China.

Investors have been encouraged by a financing package for Greece and better-than-expected economic news out of the United States. This improved sentiment has led to a better share market performance globally, and to a reduction in demand for 'safe haven' assets such as government bonds.

Australian Sharemarket

The S&P/ASX200 Accumulation Index was up 0.73% month to date to 20th April 2012.

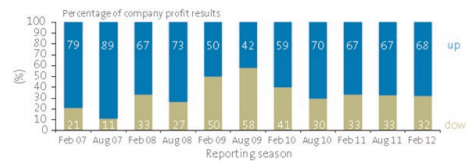
The gain does rather overstate the longer term poor performance of local shares, as the index is still below what it was 12 months ago (-5.8% over 1 year). See chart displayed in the next column.



Nevertheless, the upshot on current consensus, forecasts the Australian economy is likely to grow by a bit over 3% this year, and closer to 3.5% next year. This is well above the likely growth in the US, UK, the Eurozone or Japan.

In good news, in Australia, most companies experienced profit growth over the last year, with 68% of companies reporting a profit increase as opposed to only 42% in August 2009.

Australian company profits relative to a year ago



Source: AMP Capital

International Sharemarket

Buoyed by the Greek agreement and ongoing economic news out of the US, world shares had another good month. The MSCI World Index was up 2.3% month to date to 20th April 2012 in foreign currency terms. This gain flowed through in \$A terms as well, because the currency was a little lower over the period.

VIX Index

International sharemarkets have had successive doses of good (or at least less bad) news over the past month, and investors have become significantly less jittery about the economic and financial outlook.

The VIX Index which measures expected volatility in US shares has now dropped back to levels last seen before the global financial crisis. The news out of the US, in particular, continues to be encouraging (chart displayed in next column).

Shares vs Bonds

Australian and US Shares are cheaper than at their early-2010 and 2011 levels in terms of the earnings yield pick-up they provide over Government bonds. The chart below compares the earnings yield less the 10 year bond yield. A higher number indicates earnings from shares are more attractive at this point in time.

Shares are very cheap relative to bonds



Source: Thomson Reuters, AMP Capital

Analyst Forecast

The next chart shows that over the past 2-3 years, the number of Australian companies seeing their earnings forecast being revised down by analysts, has continued to outweigh the number of companies seeing upgrades.

However, the good news is that the pace of downwards revision is slowing, as is the case globally. Based on moving trends, it is believed global earnings revisions are likely to turn into net upgrades soon.



Source: Thomson Financial, AMP Capital

Potential future concerns

While we can see opportunities ahead, there are still downside concerns for Australia and overseas, such as high world oil prices, further potential Eurozone flare-ups, and consumer and government spending cutbacks. Improving global financial stability and economic activity are likely to continue to underpin further gains from growth assets (Morningstar April 2012).



**Rob Pedersen, Jason Danjoux,
Christina Gu & Kedra Egan**
Corporate Authorised Representatives of
Matrix Planning Solutions Limited
AFSL & ACL No. 238256
ABN 45 087 470 200

Street Address
Unit 306, 10 Century Circuit
BAULKHAM HILLS NSW 2153

Mailing Address
PO Box 6787
BAULKHAM HILLS NSW 2153

P: 02 9899 6077
F: 02 9899 6067

W: www.matrixnorwest.com.au

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