

## Global Overview

### Global overview

Deterioration in global economic conditions continued during February and maintained the downward pressure on equity markets. Governments and central banks across the globe announced further large-scale spending plans and interest rate cuts to help slow the pace of decline, with President Obama's stimulus plan, valued at over US\$789bn, passed by the US Senate. Financial sectors in Europe and the US also added to heightened levels of risk aversion as some of the world's best known banking groups received further government support and fresh capital injections.

### US

- Fears of nationalisation in the banking and insurance sectors weigh heavily on stock markets
- Citigroup and Bank of America receive further government assistance
- Senate passed US\$789.2bn stimulus plan, but lack of detail means it is not well received by the market

### Europe

- European equities fell over 10%
- Eurozone plunged deeper into recession
- French government provided support to ailing car industry

### UK

- Weakness in the banking sector leads to further government intervention
- Financials down on nationalisation fears
- Retail sales hold up well, but manufacturing orders fall to a 17-year low

### Asia Pacific

- Japanese economy shrank an annualised 12.7% in the fourth quarter
- Exports in Japan and China dropped 45.7% and 17.5% respectively as global demand remained weak
- Asian authorities continued to implement stimulus measures and cut interest rates

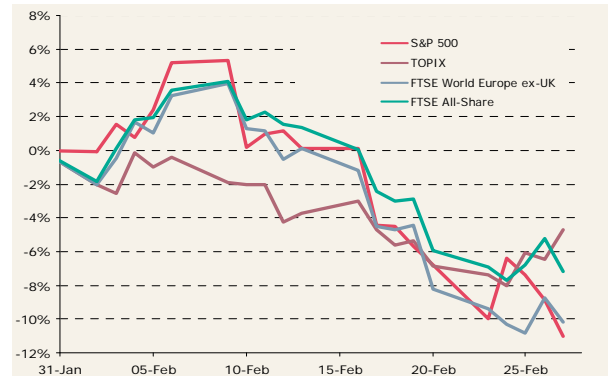
### Emerging Markets

- Economic growth fears undermined emerging market equities
- Outperformance of emerging market equities versus developed enhanced by monthly gains in China and Russia
- Banking sector concerns in central Europe added to turbulence and currency woes

### Fixed Income

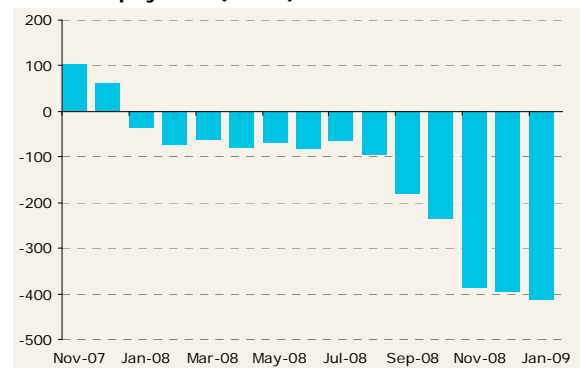
- Bank of England looks set to request permission to begin quantitative easing
- Credit spreads widen once more
- New issue market remains buoyant
- Government bond yields trade in a narrow range

### Developed equity markets



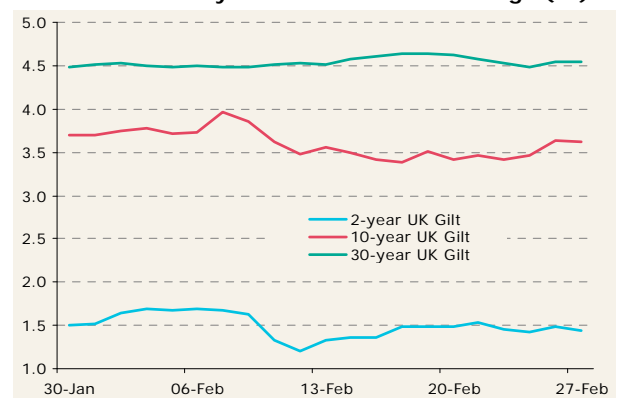
Source: Bloomberg L.P., local currency, capital returns only, rebased to 0, 31 January 2009 to 28 February 2009.

### US employment growth – monthly change in non-farm payrolls ('000s)



Source: Bloomberg L.P., Nov 07 to Jan 09.

### Government bond yields trade in narrow range (%)



Source: Bloomberg L.P., yield %, 30 January 2009 to 28 February 2009

## UK

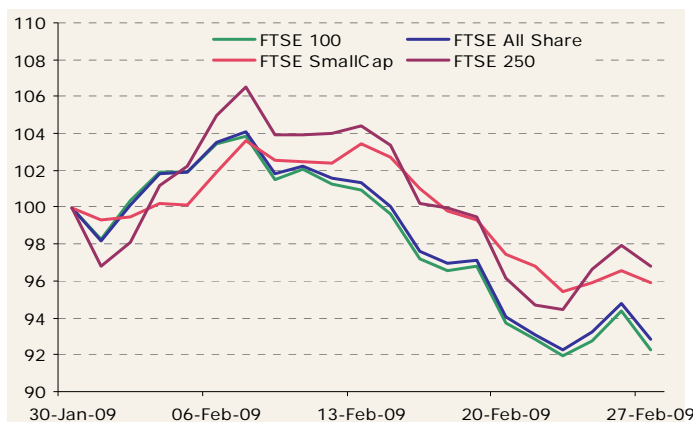
The UK equity market continued its weak start to the year, as the outlook for both the economy and the financial sector discouraged investment. Over February, the FTSE All-Share index fell by 7.2% and the FTSE 100 index ended the month 7.7% lower. The FTSE 250 index and the FTSE SmallCap index performed relatively better, declining by 3.2% and 4.1%, respectively.

The shakiness of the banking sector was underlined towards the end of the month as RBS, which reported a net annual loss of £24.1bn over 2008 (the largest in UK corporate history), was given a £25.5bn capital injection by the government. With this, and an insurance guarantee to safeguard £325bn of its assets, the UK government's economic interest in the bank climbed to nearly 95%. With Lloyds Banking Group also receiving government support, the potential for future nationalisation led investors to sell off the sector. Sentiment for financials was also depressed by Lloyds announcing that it lost £10bn in 2008 through its HBOS arm, Barclays receiving a downgrade by Moody's and by Aviva, the UK's largest insurer, cutting its promised £1bn payout to policy holders. The month was topped off by HSBC announcing that it planned to raise £12bn through a discounted rights issue, which was badly received by the market.

On a more positive note, there are companies doing well in the downturn. BAT, the world's second-largest publicly listed tobacco company, posted revenue growth of over 20% in 2008. It also increased its dividend at a time when other companies, especially those in the financial sector, are paring theirs back. Cadbury's also increased its dividend after meeting its revenue-growth targets, showing that confectionary sales are proving resilient in the recession.

As regards the wider economy, the news was generally on the negative side, although retail sales, which account for roughly 30% of UK consumer spending, held up comparatively well in the latest January figures, as discounts lured in shoppers. Retail prices climbed by 0.1% over the year to January, with consumer price inflation up by 3.0%. Higher food prices, and stable furniture, household appliance and alcohol prices kept deflation at bay. The Office of National Statistics kept the -1.5% GDP growth rate (worth £5.9bn) initially forecast for the fourth quarter of 2008 unchanged, with half accounted for by a sell-off of inventories. Jobs are being shed at the fastest rate for 10 years, with both manufacturing and services affected. New orders in manufacturing fell to a 17-year low in February, with export orders plunging despite the weakness of sterling. Housing prices continued to track downwards, but new buyer registrations climbed by 17% in February, and sales agreed and new instructions were also firmer.

### FTSE All-Share one-month sector returns (%)



Source: Bloomberg L.P. All figures in GBE capital return, rebased to 100.

## United States

Concerns that the new administration would step in and nationalise banks and insurance groups, which continued to hemorrhage money, were accompanied by poor economic news. This caused stock markets to compound their already poor start to the year. The S&P 500 index and the Dow Jones Industrial Average fell by 11.0% and 11.7%, respectively. The S&P 500 finished the month at 735.09, its lowest close in more than 12 years. Despite Hewlett Packard and Intel reducing their outlook expectations due to the worsening economy, technology companies fared better, with the Nasdaq 'only' finishing the month 6.9% lower. The Russell 2000 index for smaller companies fell by 12.3%.

Distressed companies in the financial sector continued to receive emergency attention from the government. AIG, the insurer which was one of the top-ten largest companies in the world just three years ago, reported quarterly losses of US\$61.7bn and received another US\$30bn in aid, with further equity stakes being gained by the Federal Reserve (Fed) in return. The share price of Citigroup was hit heavily after announcing that it would suspend dividend payments. This came after the Fed announced that it would take a 36% stake in the company as part of an effort to shore up its finances. Prospects of a creeping nationalisation, which would eventually wipe out the value of common equity, soured sentiment in the sector, with Bank of America's shares similarly negatively affected as it has been the recipient of a US\$138bn bail-out.

The Senate finally agreed a US\$789.2bn stimulus plan, split between spending, aid and tax cuts, designed to re-invigorate the economy. Its urgency was underlined by a revision in the fourth-quarter US GDP figure to -6.2% (formerly -3.8%) annualised, with exports 24% lower year-on-year. General Electric cut its dividend for the first time since 1938, from 31 cents to 10 cents per share, giving it an estimated saving of US\$9bn, as even bellwether companies showed the strain. General Motors posted a US\$9.6bn fourth-quarter loss, and announced two separate rounds of job cuts totalling over 30,000 workers worldwide as its operations deteriorated forcing it closer to either a government bail out or Chapter 11. Chrysler is in a similar position. Industry wide, auto sales are down 37% over the year to January, exacerbated by would-be purchasers being unable to find finance. In better news, the ISM measure of manufacturing activity ticked up (although still negative) and consumer and producer prices rose, partially offsetting deflationary concerns. However, housing still seems mired, with prices and home starts continuing their descent. Statistics revealing that there were over 19 million unoccupied homes at the end of 2008, a record, gave testimony that homes were being repossessed faster than they can be sold.

### S&P 500 one-month sector returns (%)

Level 1	Level 2 - Top 5
Telecom Services	Semiconductors
IT	Food & Staples Retail
Consumer Staples	Telecom Services
Consumer Discretionary	Retailing
Materials	Software & Services
<b>S&amp;P 500</b>	<b>Level 2 - Bottom 5</b>
Energy	Real Estate
Health Care	Banks
Utilities	Insurance
Industrials	Capital Goods
Financials	Health Care Eqpt & Svcs.

Source: DataStream, figures in US\$, total return

## Europe

Concerns about the global economy and the health of the banking system kept investor risk aversion elevated during the month, sending equities tumbling again. New lows were being tested as sentiment remained extremely fragile amid what is rapidly becoming the worst economic slump since the second world war. In a market which fell some 10%, relative resilience was displayed by telecoms, while financials once more topped of the list of underperformers.

The eurozone plunged deeper into recession this month, as unexpectedly sharp falls in purchasing managers' indices dashed any hopes of stabilisation. The data point to a worse Q1 in 2009 than that of the end of 2008, and this more than reverses the slight rise of the previous month. GDP declined by 1.5% in Q4 2008, worse than the 1.3% which economists expected, and the worst since eurozone GDP records began. France and Germany suffered from their worst quarterly falls in GDP for 20 years, while Spain, Italy the Netherlands and Austria also contracted during Q4 2008. Unemployment in the region rose for the eighth consecutive month, with manufacturing seeing the biggest job losses as falling demand adds further pressure to businesses. In more upbeat news, the French government lent support to the ailing car industry in the form of €6bn of low-interest loans to Renault and Peugeot, with Peugeot later announcing its intention to increase production of its 207 minicar - their best selling car in January - to 900 a day by April, from the current 550 a day. One of the conditions is that both companies have agreed not to close any French plants for the duration of the five-year loans.

Financial institutions have so far amassed over \$1 trillion in losses and shed well over 250,000 jobs since the subprime mortgage market collapsed, according to Bloomberg. In addition to the 9,000 job cuts already announced in the current downturn, UBS said a further 2,000 jobs would be lost. UBS posted record losses for 2008, while Deutsche Bank reported its first annual deficit in 50 years, as problems continue for the global financial system. Corporate news gave little support to markets, as profits came in below expectations for a range of businesses from carmakers to software companies. Swiss pharmaceuticals giant Roche missed second half of 2008 estimates causing a fall in its share price. Roche went hostile in its bid for US firm Genentech after earlier bids were rejected. State-controlled utility EDF posted a sharp drop in 2008 earnings, blaming French regulations that require it to sell some of its electricity at below-market prices. Unilever, after reporting a rise in profits, and L'Oreal, after disappointing results, joined a growing trend in saying they won't be giving earnings guidance, saying targets are "inappropriate" amid declining economic growth and volatile commodity prices.

### FTSE Europe ex-UK one-month sector returns (%)

Level 1	Level 2 - Top 5	Level 2 - Bottom 5
Telecommunications	0.7 Tobacco	4.6
Consumer Services	-4.6 Mining	4.5
Oil & Gas	-4.9 Oil Equipment & Services	1.8
Materials	-5.6 Fixed-Line Telecoms	1.4
Consumer Goods	-7.0 General Retailers	0.8
Industrials	-8.2	<b>Level 2 - Bottom 5</b>
<b>FTSE Europe ex uk</b>	<b>-10.0</b> Life Insurance	<b>-30.6</b>
Health Care	-10.2 Forestry & Paper	-25.2
Technology	-10.5 Nonlife Insurance	-23.7
Utilities	-14.1 Banks	-18.3
Financials	-19.6 Gas, Water & Multiutilities	-16.3

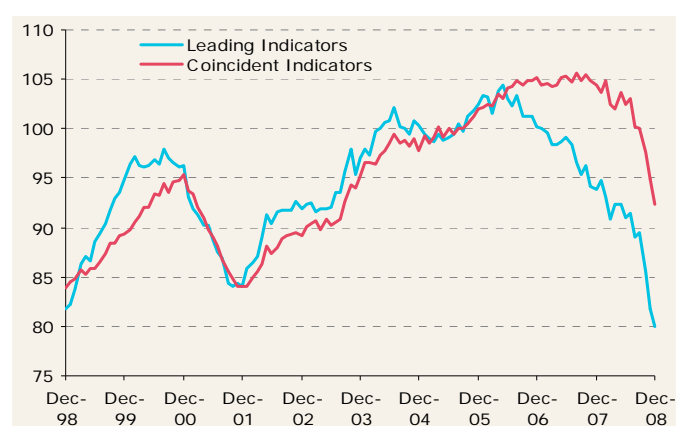
Source: FactSet. All figures in euro, total return.

## Asia Pacific

Asian equities experienced fresh volatility in February, with global concerns once again a major influence and domestic data also adding to market fluctuations. Equity indices were mixed in local currency terms, with Taiwan and domestic Chinese stocks up 7.3% and 4.6% respectively, while Singapore and Korea both fell over 8%. Economic data was weak, with some figures distorted by the Chinese Lunar New Year holiday. This was potentially the case with China's January export data, which showed a contraction of 17.5% year-on-year (y-o-y), following a more modest decline of 2.8% y-o-y in December. Consumer price inflation data for the same month came in above forecasts at 1% y-o-y, as food prices were pushed higher by stronger than usual demand during the holiday period. Despite the generally gloomy trend to data in China, the manufacturing purchasing managers' index provided a brighter reading, rising for the third month in a row to 45.3 in January. Interest rate cuts continued in February, with Korea, Malaysia, Indonesia and Taiwan all reducing borrowing costs. These actions accompanied the release of fourth quarter (Q4) GDP data in countries across the region, which underlined the extent of the current downturn. Taiwan saw Q4 GDP fall 8.4% y-o-y as exports fell sharply and business investment slowed. It was a similar picture in Thailand, with contraction of 4.3% attributed to declining external demand and a reduction in tourism resulting from the political turmoil suffered in the latter part of 2008. Employment concerns were also evident, with the jobless rate in Hong Kong increasing to 4.6% for January against 4.1% in the previous month.

February was a difficult month for Japanese equities and stocks fell amid further negative newsflow. Domestic economic news remained poor, with yen weakness the one bright spot, and corporate announcements were dominated by lower earnings and job losses. Over the month, the broad based Topix index traded at its lowest level for 25 years and closed down 4.7%. Economic news was dominated by the release of fourth quarter GDP data. The annualised contraction of 12.7% reflected the slump in foreign demand that became increasingly evident towards the end of 2008 and further weakness in domestic consumer spending. Export volumes continued to deteriorate in January, falling more than 45% from a year earlier. As government efforts to stimulate economic activity remained mired in political wrangling, Japan's central bank stepped up efforts to improve liquidity by detailing plans to buy corporate bonds, with up to 1 trillion yen (US\$10.7bn) available for the purchase of bonds rated A or higher. The outlook for the Japanese economy remained difficult, with the index of leading economic indicators pointing towards further weakness.

### Indices of Japanese business conditions – to Dec 08



Source: Bloomberg L.P.

## Emerging Markets

Equities in emerging markets struggled to make headway as economic indicators continue to deteriorate amid signs of waning risk appetite. In addition, growth fears escalated as the degree of scepticism about efforts to boost the global economy increased. The MSCI Emerging Markets (\$) index fell by 5.7%, but this was still smaller than those recorded in developed markets. From a regional perspective, emerging Europe was the best performing, aided by gains in the Russian market, followed by Latin America. Although emerging Asian equities underperformed, the best individual country performances came from within this region, with gains being recorded in Taiwan, China and the Philippines. The largest negative returns came from the Czech Republic, Mexico and Poland.

A warning from the ratings agency Moody's, highlighting their increased concerns surrounding the economic outlook for central and eastern Europe, prompted a period of regional turbulence in which stock prices fell sharply and local currencies came under intense pressure. In an effort to ease tensions and bring stability back to the banking sector, three global development banks pledged more than £20 billion in a rescue package on 27 February. The announcement was warmly received by international investors, although it came too late in the month for stock losses to be retrieved, with the Prague PX 50 and Warsaw WIG indices falling by 17.2% and 12.1% respectively in local currency terms. With the economies of the Czech Republic and Poland slowing down, interest rates were cut in both countries. A slightly different scenario emerged in Russia as stocks rose in value and the local currency, supported by two interest-rate hikes, strengthened. In an effort to help consumers gain access to finance, the government approved an aid package of 400 billion roubles (US\$11 billion) for banks, targeted at increasing consumer lending.

There was also a notable divergence in the country performances within the Latin American region. Brazilian equities fared the best, with stocks in Mexico adversely affected by concerns over the slowing US economy. Mexico cut interest rates from 7.75% to 7.5%, although scope for further reductions look likely to be hampered by a stubbornly high inflation rate and the peso's fall to a record low versus the US dollar. The MSCI Mexico (\$) index fell by 13.3%. A sharp rebound in the Baltic Dry index and greater stability in commodity prices gave some protection to Brazilian stocks, with the MSCI Brazil (\$) recording a loss of only 2.9%. With Brazil's annual inflation rate slowing in January, hopes for a cut in borrowing costs were boosted.

### Regional performance one-month returns (%)

MSCI Emerging Markets Free (\$)	-5.7%
MSCI Asia Pacific Ex-Japan (\$)	-6.2%
MSCI EMF Latin America (\$)	-5.2%
MSCI Emerging Markets Europe (\$)	-4.1%
<b>Top 5 By Country</b>	
Taiwan Weighted	7.3%
China SE Shanghai Composite	4.6%
Philippines Composite Index	2.6%
Russian RTS (\$)	1.8%
Kuala Lumpur Composite	0.7%
<b>Bottom 5 By Country</b>	
Prague Stock Exchange PX 50	-17.2%
MSCI Mexico	-13.3%
Warsaw Stock Exchange WIG Index	-12.1%
Budapest Stock Exchange Index	-11.5%
FTSE/JSE Africa All-Share (SA)	-10.2%

Source: Bloomberg L.P., capital returns, local currency unless otherwise stated.

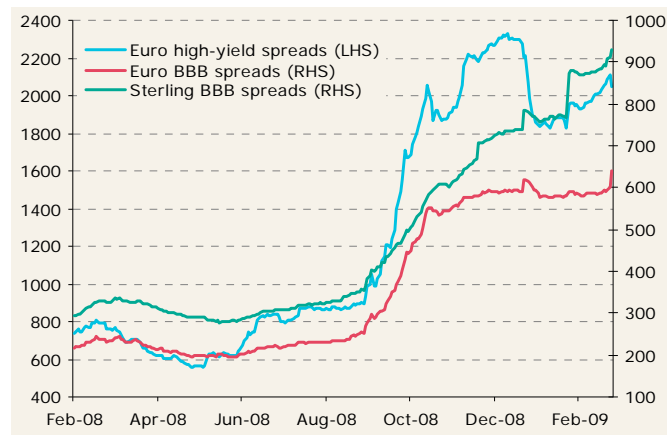
## Fixed Income

Despite poor economic and corporate news, fixed interest markets were fairly stable as authorities continued to enact policies intended to support the financial system and the real economy. The Bank of England cut interest rates by a further 0.5% to 1.0%. The subsequent minutes reported an 8-1 split in the voting, with Blanchflower again voting for a 100bp rate cut. The minutes also showed that the MPC looks set to begin quantitative easing after it voted in favour of the Governor requesting permission from the Chancellor "to conduct purchases of government and other securities financed by the creation of central bank money using the Asset Purchase Facility". The UK Treasury announced details of the government's Asset Protection Scheme, worth up to £500bn, under which the government will underwrite 90% of any loss of a pool of ring-fenced assets, above a "first-loss" amount. RBS announced its intention to participate in the scheme in respect of £325bn of assets for which it will pay a fee of £6.5bn (paid in capital) and bear a first loss of £19.5bn.

The European Central Bank held interest rates at 2.0% as had been expected after it had signalled that the next cut would not come until March. Annual eurozone CPI inflation rose slightly from 1.1% in January to 1.2% in February, well below the ECB's 2.0% price stability ceiling. Eurozone Q4 GDP was reported at -1.5% and Germany suffered the worst quarterly decrease since reunification at -2.1%. In the US, Q4 GDP numbers were revised down from -3.8% in the advance estimate, to -6.2%, the biggest fall since 1982. To help counter the decline, President Obama signed a US\$789bn economic stimulus plan into law. The package is aimed at saving or creating 3.5 million jobs, boosting consumer spending and rebuilding infrastructure.

In credit markets, spreads over government bonds widened once more. According to data from Merrill Lynch, European high-yield spreads increased by 96bps, while investment-grade spreads increased by 19bps. Over the month, European high-yield bonds fell by 3.2% in local currency terms and UK BBB-rated bonds fell by 0.2%. The new issue market remained buoyant, particularly for high-quality bonds, Dealogic reported issuance of US\$136bn almost half of which was AA-rated. Roche, the Swiss pharmaceutical group, raised about US\$30bn of this to pay for its takeover of Genentech, the US biotech group. Government bond yields traded in a narrow range throughout the month as worries over increased supply were negated by further negative economic news. Over the month, the yield on the 10-year benchmark fell by 8bps and 18bps on UK and European bonds, while the 10-year US Treasury yield rose by 17bps.

### Credit spreads widen (bps)



Source: Bloomberg L.P., 29 February 2008 to 28 February 2009

Global equity and commodity index performance - figures to 28 February 2009												
Global	1 Month	3 Months	YTD	2008	2007	2006	2005	2004	2003	2002	2001	2000
MSCI World (lc)	-9.2%	-15.0%	-15.7%	-40.1%	2.8%	13.5%	13.7%	9.5%	22.8%	-25.2%	-15.2%	-10.8%
MSCI World (\$)	-10.5%	-15.9%	-18.4%	-42.9%	-0.5%	15.8%	14.2%	22.6%	55.5%	-17.1%	-0.7%	-3.1%
MSCI World Value (\$)	-12.6%	-20.5%	-22.6%	-41.8%	-5.3%	11.9%	21.3%	18.8%	44.0%	-21.6%	3.5%	1.1%
MSCI World Growth (\$)	-8.5%	-11.3%	-14.3%	-42.6%	8.9%	18.8%	8.9%	13.7%	31.0%	-20.6%	-17.5%	-12.2%
MSCI World Small Cap (\$)	-10.5%	-12.6%	-17.4%	-46.0%	13.0%	23.8%	13.5%	18.7%	36.9%	-16.6%	-21.5%	-15.2%
MSCI Emerging Markets Free (\$)	-5.7%	-5.3%	-11.9%	-39.4%	27.5%	15.8%	26.2%	25.3%	22.9%	-8.4%	-8.8%	4.3%
FTSE World (\$)	-10.2%	-15.3%	-18.2%	-51.0%	31.2%	26.2%	17.1%	15.7%	41.9%	-6.3%	-6.8%	-14.9%
FTSE World ex US (\$)	-9.8%	-13.5%	-18.2%	-44.2%	13.6%	16.8%	10.2%	17.5%	35.9%	-23.5%	-16.8%	-2.6%
<b>United States &amp; Canada</b>												
Dow Jones Industrials	-11.7%	-20.0%	-19.5%	-33.8%	6.4%	16.3%	-0.6%	3.1%	25.3%	-16.8%	-7.1%	-6.2%
S&P 500	-11.0%	-18.0%	-18.6%	-38.5%	3.5%	13.6%	3.0%	9.0%	26.4%	-23.4%	-13.0%	-10.1%
NASDAQ	-6.7%	-10.3%	-12.6%	-40.5%	9.8%	9.5%	1.4%	8.6%	50.0%	-31.5%	-21.1%	-39.3%
Russell 2000	-12.3%	-17.8%	-22.1%	-34.8%	-2.7%	17.0%	3.3%	17.0%	45.4%	-21.6%	1.0%	-4.2%
S&P/ TSX Composite (Canada)	-6.6%	-12.4%	-9.6%	-19.4%	-1.9%	7.8%	1.1%	-5.7%	12.4%	-21.7%	-14.8%	27.6%
<b>Europe &amp; Africa</b>												
FTSE Europe (€)	-9.5%	-10.1%	-20.1%	-28.2%	9.7%	14.9%	19.3%	9.9%	21.7%	-27.2%	-19.5%	-1.8%
FTSE Europe (euro)	-9.7%	-16.6%	-13.3%	-45.4%	0.6%	17.2%	23.0%	9.4%	12.6%	-31.7%	-17.3%	-2.9%
FTSE Europe ex-UK (€)	-10.2%	-9.9%	-22.7%	-26.8%	12.6%	16.8%	20.6%	10.9%	26.2%	-28.7%	-21.7%	0.2%
FTSE Europe ex-UK (euro)	-10.4%	-16.4%	-16.1%	-44.4%	3.3%	19.1%	24.2%	10.3%	16.7%	-33.1%	-19.5%	-0.9%
MSCI Europe (Growth)	-7.8%	-10.5%	-11.3%	-37.7%	9.0%	14.0%	20.2%	6.4%	10.6%	-31.0%	-21.9%	-11.8%
MSCI Europe (Value)	-11.2%	-18.8%	-19.1%	-44.1%	-2.3%	17.9%	23.1%	12.4%	22.6%	-30.8%	-13.8%	4.5%
CAC 40 (France)	-9.1%	-17.2%	-16.0%	-42.7%	1.3%	17.5%	23.4%	7.4%	16.1%	-33.7%	-22.0%	-0.5%
DAX (Germany)	-11.4%	-17.7%	-20.1%	-40.4%	22.3%	22.0%	27.1%	7.3%	37.1%	-43.9%	-19.8%	-7.5%
Technology All-Share Price (Ger)	-8.0%	-8.9%	-11.4%	-50.1%	22.2%	22.3%	18.2%	-0.3%	62.1%	-63.1%	-60.2%	-40.0%
Ibex 35 (Spain)	-9.8%	-14.5%	-17.1%	-39.4%	7.3%	31.8%	18.2%	17.4%	28.2%	-28.1%	-7.8%	-21.7%
Mib30 (Italy)	-12.9%	-21.1%	-18.4%	-48.4%	-6.5%	17.5%	13.3%	16.9%	11.8%	-26.0%	-26.2%	1.7%
Swiss Market Index	-11.3%	-19.4%	-15.2%	-34.8%	-3.4%	15.8%	33.2%	3.7%	18.5%	-27.8%	-21.1%	7.5%
Amsterdam Exchanges (Netherlands)	-11.6%	-13.0%	-10.6%	-52.3%	4.1%	13.4%	25.5%	3.1%	4.6%	-36.3%	-20.5%	-5.0%
HSBC European Smaller Cos ex-UK	-8.1%	-9.8%	-9.9%	-49.5%	-3.0%	33.8%	39.6%	--	--	--	--	--
Russian RTS (\$)	1.8%	-17.3%	-13.8%	-72.4%	19.2%	70.7%	83.3%	8.3%	58.0%	38.1%	81.5%	-18.2%
FTSE/JSE Africa All-Share (SA)	-10.2%	-12.9%	-14.2%	-25.7%	16.2%	37.7%	43.0%	21.9%	12.0%	-11.3%	28.1%	-2.6%
<b>UK</b>												
FTSE All-Share	-7.2%	-9.6%	-12.7%	-32.8%	2.0%	13.2%	18.1%	9.2%	16.6%	-25.0%	-15.4%	-8.0%
FTSE 100	-7.7%	-10.7%	-13.6%	-31.3%	3.8%	10.7%	16.7%	7.5%	13.6%	-24.5%	-16.2%	-10.2%
FTSE 250	-3.2%	-0.7%	-4.9%	-40.3%	-4.7%	27.1%	26.8%	19.6%	34.3%	-27.3%	-9.3%	1.6%
FTSE SmallCap	-4.1%	-4.3%	-7.9%	-45.8%	-12.4%	18.2%	19.8%	11.4%	35.9%	-29.4%	-19.0%	2.8%
FTSE TechMARK 100	-4.6%	2.6%	-1.4%	-25.8%	8.5%	5.6%	19.7%	17.9%	56.4%	-55.9%	-42.6%	-32.2%
<b>Asia Pacific</b>												
Hong Kong Hang Seng	-3.5%	-7.8%	-11.0%	-48.3%	39.3%	34.2%	4.5%	13.2%	34.9%	-18.2%	-24.5%	-11.0%
China SE Shanghai Composite	4.6%	11.3%	14.4%	-65.4%	96.7%	130.4%	-8.3%	-15.4%	10.3%	-17.5%	-20.6%	51.7%
Singapore Times	-8.7%	-7.9%	-9.5%	-49.2%	18.7%	28.0%	14.0%	15.6%	32.8%	-20.3%	-17.3%	-21.8%
Taiwan Weighted	7.3%	2.2%	-0.7%	-46.0%	8.7%	19.5%	6.7%	4.2%	32.3%	-19.8%	17.1%	-43.9%
Korean Composite	-8.5%	-1.2%	-5.5%	-40.7%	32.3%	4.0%	54.0%	10.5%	29.2%	-9.5%	37.5%	-50.9%
Thai Stock Exchange	-1.4%	7.4%	-4.1%	-47.6%	26.2%	-4.7%	6.8%	-13.5%	116.6%	17.3%	12.9%	-44.1%
Mumbai Sensex 30	-5.7%	-2.2%	-7.8%	-52.4%	47.1%	46.7%	42.3%	13.1%	72.9%	3.5%	-17.9%	-20.6%
Jakarta Composite	-3.5%	3.5%	-5.2%	-50.6%	52.1%	55.3%	16.2%	44.6%	62.8%	8.4%	-5.8%	-38.5%
Malaysia Kuala Lumpur Composite Index	0.7%	2.8%	1.6%	-39.3%	31.8%	21.8%	-0.8%	14.3%	22.8%	-7.1%	2.4%	-16.3%
Philippines Composite Index	2.6%	-5.0%	0.0%	-48.3%	21.4%	42.3%	15.0%	26.4%	41.6%	-12.8%	-21.8%	-30.3%
Hang Seng China Enterprises Index	-3.2%	-4.2%	-12.5%	-51.1%	55.9%	94.0%	12.4%	-5.6%	152.2%	13.2%	8.2%	-17.7%
Malaysia Kuala Lumpur Composite Index	0.7%	2.8%	1.6%	-39.3%	31.8%	21.8%	-0.8%	14.3%	22.8%	-7.1%	2.4%	-16.3%
<b>Japan</b>												
Topix	-4.7%	-9.4%	-11.9%	-41.8%	-12.2%	1.9%	43.5%	10.2%	23.8%	-18.3%	-19.6%	-25.5%
Nikkei 225	-5.3%	-11.1%	-14.6%	-42.1%	-11.1%	6.9%	40.2%	7.6%	24.5%	-18.6%	-23.5%	-27.2%
TSE2	-5.3%	-8.0%	-7.6%	-40.8%	-21.3%	-19.3%	71.4%	40.9%	43.9%	-12.8%	-12.1%	-25.8%
Jasdaq	-5.1%	-6.4%	-13.4%	-33.2%	-16.3%	-33.8%	44.1%	33.8%	75.4%	-18.5%	-12.9%	-44.3%
TSE Mothers Index	-12.5%	-5.3%	-8.1%	-58.7%	-29.5%	-56.3%	47.7%	30.6%	133.0%	-36.2%	-23.1%	--
Osaka Hercules index	-11.0%	-11.8%	-9.4%	-58.1%	-34.6%	-51.9%	78.2%	25.4%	--	--	--	--
MSCI Japan Index	-4.6%	-9.4%	-11.9%	-43.6%	-11.3%	6.1%	42.9%	9.7%	21.6%	-19.4%	-19.5%	-20.3%
<b>Latin America</b>												
MSCI EMF Latin America (\$)	-5.2%	-3.2%	-5.5%	-52.8%	46.9%	39.3%	44.9%	34.8%	67.1%	-24.8%	-4.3%	-18.4%
MSCI Mexico	-13.3%	-20.8%	-24.3%	-44.0%	9.3%	39.0%	45.2%	45.0%	29.8%	-15.0%	15.9%	-21.5%
MSCI Brazil	-2.9%	2.2%	1.4%	-57.6%	75.3%	40.5%	50.0%	30.5%	102.9%	-33.8%	-21.8%	-14.2%
Argentinean Merval	-5.4%	2.5%	-5.6%	-49.8%	2.9%	35.5%	12.2%	28.3%	104.2%	77.7%	-29.1%	-24.3%
Chilean Stock Market Select	-3.2%	2.6%	3.9%	-22.1%	13.3%	37.1%	9.4%	21.0%	48.5%	-15.5%	9.1%	-3.6%
<b>Commodities</b>												
Oil - UK Brent Crude Spot	-0.1%	-13.2%	7.5%	-55.5%	56.1%	2.1%	46.3%	32.0%	1.6%	55.4%	-14.4%	-9.4%
Oil - US West Texas Intermediary	7.4%	-17.8%	0.4%	-53.5%	57.2%	0.0%	40.5%	33.6%	4.2%	57.3%	-26.0%	4.7%
Reuters CRB Index	-4.0%	-12.6%	-7.8%	-36.0%	16.7%	-7.4%	16.9%	11.2%	8.9%	23.0%	-16.3%	11.1%
Gold Spot Price	1.6%	15.2%	6.8%	5.8%	31.0%	23.2%	17.9%	5.5%	19.4%	24.8%	2.5%	-5.5%
Baltic Dry Index	85.6%	177.8%	156.6%	-91.5%	107.9%	82.7%	-47.7%	-3.5%	174.2%	98.4%	-45.2%	21.2%

Source: Bloomberg L.P., capital returns in local currency unless otherwise stated.

**FTSE World Sector Returns (%) - figures to 28 February 2009**

<b>Best - 1 Month</b>	<b>Absolute</b>	<b>Relative*</b>	<b>Worst - 1 Month</b>	<b>Absolute</b>	<b>Relative*</b>
Automobiles & Parts	0.4	8.9	Life Insurance	-27.1	-18.6
Leisure Goods	-1.4	7.1	Forestry & Paper	-23.9	-15.4
General Retailers	-1.8	6.7	Aerospace & Defence	-17.9	-9.4
Mining	-1.9	6.6	General Industrials	-16.6	-8.1
Fixed-Line Telecoms	-2.5	6.0	Nonlife Insurance	-16.0	-7.5
<b>Best - 3 Months</b>	<b>Absolute</b>	<b>Relative*</b>	<b>Worst - 3 Months</b>	<b>Absolute</b>	<b>Relative*</b>
Mining	-0.3	13.3	Forestry & Paper	-38.3	-24.7
Food & Drug Retailers	-2.7	10.9	Life Insurance	-34.0	-20.4
Software & Services	-3.1	10.5	Banks	-32.1	-18.5
Health Care Equip & Services	-5.0	8.6	General Industrials	-28.0	-14.3
Technology Hardware	-5.1	8.5	Nonlife Insurance	-25.2	-11.6
<b>Best - YTD</b>	<b>Absolute</b>	<b>Relative*</b>	<b>Worst - YTD</b>	<b>Absolute</b>	<b>Relative*</b>
Oil Equipment & Services	-3.6	11.2	Life Insurance	-38.5	-23.7
Mining	-4.6	10.2	Forestry & Paper	-36.7	-22.0
Automobiles & Parts	-5.0	9.7	Banks	-28.9	-14.2
Software & Services	-5.2	9.6	General Industrials	-28.0	-13.3
Food & Drug Retailers	-6.5	8.3	Nonlife Insurance	-27.0	-12.2

Source: FactSet, figures in US\$, total return. \*Relative to the FTSE World Index (US\$)

**Global bond performance - figures to 28 February 2009**

<b>Government Bonds</b>	<b>Current Yield (%)</b>	<b>Basis Point Movement Over:</b>										
		<b>1 Month</b>	<b>3 Months</b>	<b>YTD</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>
US Treasuries 2 year	0.97	2.4	-1.1	20.6	-228.3	-176.1	40.8	133.5	124.6	22.1	-142.4	-206.9
US Treasuries 10 year	3.01	17.3	9.3	80.1	-181.1	-67.9	31.1	17.3	-2.8	43.2	-123.5	-6.1
US Treasuries 30 year	3.71	10.5	27.1	103.2	-177.6	-35.8	27.5	-29.1	-24.7	29.4	-68.6	0.9
UK Gilts 2 year	1.42	-6.3	-75.8	40.1	-331.8	-81.8	99.2	-24.7	13.9	54.5	-100.6	-50.7
UK Gilts 10 year	3.61	-8.4	-14.8	60.0	-148.5	-23.4	64.0	-43.6	-25.8	42.1	-67.2	16.5
UK Gilts 30 year	4.34	-6.0	22.1	63.8	-60.1	9.8	23.1	-42.8	-27.9	23.8	-25.3	47.0
German Bund 2 year	1.31	-22.2	-87.7	-44.4	-220.9	8.3	104.0	38.0	-12.3	-11.6	-92.8	-79.7
German Bund 10 year	3.11	-18.4	-14.3	16.3	-135.8	36.8	63.8	-37.4	-60.8	8.3	-79.4	15.1
German Bund 30 year	3.78	-9.4	6.7	24.8	-106.5	55.1	48.0	-71.2	-65.6	9.7	-55.1	4.5
Japanese Gov Bond 2 year	0.41	-0.1	-19.6	2.5	-33.5	-9.0	51.3	17.7	-1.0	6.5	-5.7	-35.3
Japanese Gov Bond 10 year	1.28	-1.7	-11.9	10.6	-33.6	-17.5	20.5	3.9	7.1	46.1	-45.9	-27.8
Japanese Gov Bond 20 year	1.91	0.3	-18.1	20.3	-39.6	3.0	9.0	-9.0	20.4	34.1	-49.9	-13.6

Source: Bloomberg L.P.

**Global currency movements - figures to 28 February 2009**

	<b>Current Value</b>	<b>Change Over:</b>								
		<b>1 Month</b>	<b>3 Months</b>	<b>YTD</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	
Euro/US Dollar	1.27	-1.1%	-0.2%	-9.3%	-4.2%	10.5%	11.4%	-12.6%	7.6%	
Euro/GB Sterling	0.89	0.4%	7.3%	-7.3%	29.9%	9.1%	-2.0%	-2.7%	0.1%	
Euro/Swiss Franc	1.48	-0.2%	-3.8%	-0.7%	-9.7%	2.8%	3.4%	0.7%	-0.9%	
Euro/Swedish Krona	11.42	6.9%	11.1%	4.4%	16.0%	4.4%	-3.9%	4.2%	-0.3%	
Euro/Norwegian Krone	8.92	0.8%	0.2%	-8.2%	22.5%	-3.6%	3.0%	-3.0%	-1.9%	
Euro/Danish Krone	7.45	-0.1%	0.0%	0.1%	-0.2%	0.0%	0.0%	0.3%	-0.1%	
US Dollar/Yen	97.6	8.5%	2.1%	7.6%	-18.9%	-6.1%	1.1%	14.7%	-4.3%	
US Dollar/Canadian Dollar	1.28	3.8%	2.9%	4.7%	22.1%	-14.4%	0.3%	-3.3%	-7.3%	
US Dollar/South African Rand	10.12	-0.8%	0.7%	6.2%	38.8%	-2.0%	10.7%	11.7%	-15.2%	
US Dollar/Brazilian Real	2.39	2.7%	3.5%	3.1%	30.0%	-16.7%	-8.5%	-12.1%	-8.1%	
US Dollar/Polish Zloty	3.67	5.3%	23.1%	23.5%	20.7%	-15.3%	-10.5%	7.8%	-19.3%	
US Dollar/Hungarian Forint	236.4	1.7%	15.9%	24.4%	9.7%	-9.1%	-10.6%	17.6%	-13.3%	
US Dollar/South Korean Won	1534.4	11.2%	4.5%	21.8%	34.7%	0.6%	-8.0%	-2.4%	-13.2%	
US Dollar/Taiwan Dollar	34.93	3.7%	4.9%	6.5%	1.1%	-0.5%	-0.7%	3.4%	-6.5%	
US Dollar/Thai Baht	36.19	3.5%	2.0%	4.2%	16.7%	-16.0%	-13.6%	5.4%	-1.8%	
US Dollar/Singapore Dollar	1.55	2.5%	2.2%	8.2%	-0.7%	-6.4%	-7.5%	1.9%	-4.0%	
US Dollar/Argentinean Peso	3.57	2.2%	5.7%	3.2%	9.6%	3.0%	0.9%	2.0%	1.4%	
GB Sterling/US Dollar	1.43	-1.5%	-6.9%	-1.9%	-26.5%	1.3%	13.7%	-10.2%	7.4%	
GB Sterling/South African Rand	14.48	-2.3%	-6.3%	-1.9%	-2.0%	2.0%	25.9%	0.5%	-9.1%	
Australian Dollar/US Dollar	0.64	0.2%	-2.5%	4.2%	-19.7%	11.0%	7.6%	-6.1%	3.8%	
New Zealand Dollar/US Dollar	0.50	-1.6%	-8.8%	-9.1%	-24.4%	8.8%	3.0%	-4.8%	9.5%	

Source: Bloomberg L.P.

**Important Information**

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