May 2009

Global Market Report

A Monthly Report on the World Markets

Global Overview

Global overview

Further falls in the rate of economic deterioration in Western economies and an improvement in leading indicators and confidence led stock markets higher over May. Emerging markets led gains, with India, Brazil and China supported by positive economic and political newsflow. Oil prices double from their January lows, supporting Russian investments. The US dollar weakens on concerns over the size of Treasury issuance but sterling strengthens despite a warning from S&P about the outlook for UK government finances. Credit markets have a positive month and credit spreads narrowed, with new corporate bond issues continuing to be well received.

Global

- Emerging markets lead equity gains over May……
- ….but government bonds were sold off as some confidence returned….
- ….and oil and commodity prices bounced higher
- Sterling strengthens as UK inward investment increases

US

- Stock markets record a third consecutive month of gains, leaving the S&P 500 index in positive territory for the year
- Financials rebound strongly as improving economic data helped to improve sentiment
- Housing market conditions still difficult, with foreclosure and defaults rising
- General Motors files for bankruptcy protection

Europe

- European equities extend their recent good run
- Inflation for the eurozone falls to zero
- Eurozone economy contracts by 2.5% in the first quarter

UK

- Stock markets rise with large-cap stocks leading
- Further signs of improvement in economic data again aid sentiment
- Medium-term outlook for UK sovereign-debt reduced to 'negative' from 'stable' by ratings agency Standard & Poor's
- Rates of inflation continue to fall, with the RPI becoming more negative

Asia Pacific

- Stocks rose across the region in anticipation of sustained economic recovery
- First quarter GDP in Japan contracted at an annualised rate of 15.2%, but this is expected to be the low of the current cycle
- Equities in India rose sharply following a decisive victory for the Congress Party, which raised hopes for positive economic reforms

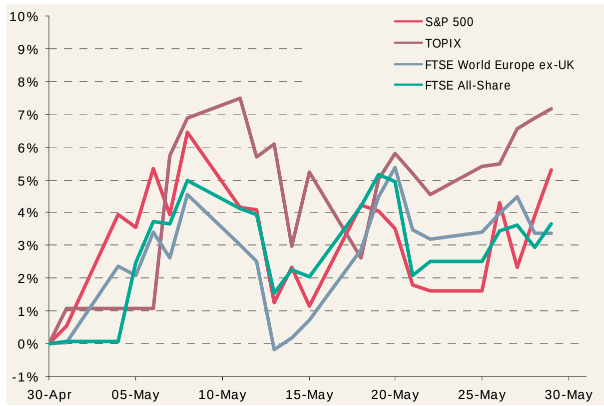
Emerging Markets

- Another month of strong returns with the MSCI Emerging Markets (US$) index up by 16.7%
- Latin American markets outperform as Brazilian equities derive benefit from higher commodity prices
- Russian stocks boosted by oil prices trading above US$60 per barrel

Fixed Income

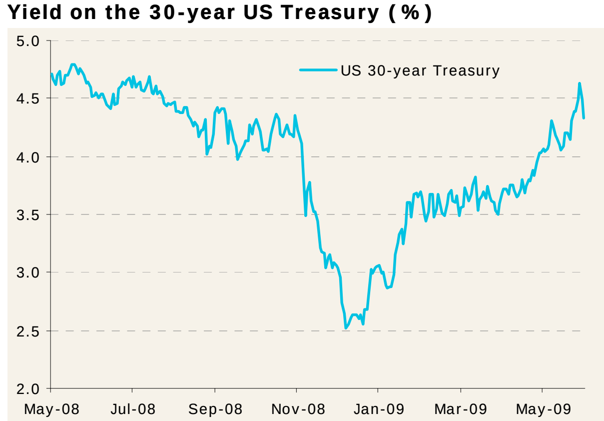
- Credit markets post positive returns as strong demand leads to a further tightening of credit spreads
- Primary markets continue to see record investment-grade issuance, while high-yield issuance also found support
- Government bond yields rise on concerns surrounding increased supply

Developed equity markets



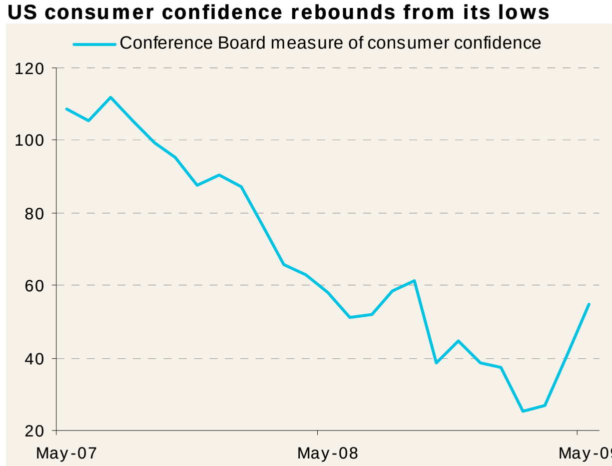
Source: Bloomberg L.P., local currency, capital returns only, rebased to 0, 30 April 2009 to 31 May 2009

Yield on the 30-year US Treasury (%)



Source: Bloomberg L.P., 30 May 2008 to 29 May 2009

US consumer confidence rebounds from its lows



Source: Bloomberg L.P., from 31 May 2007 to 31 May 2009. 1985 = 100.

UK

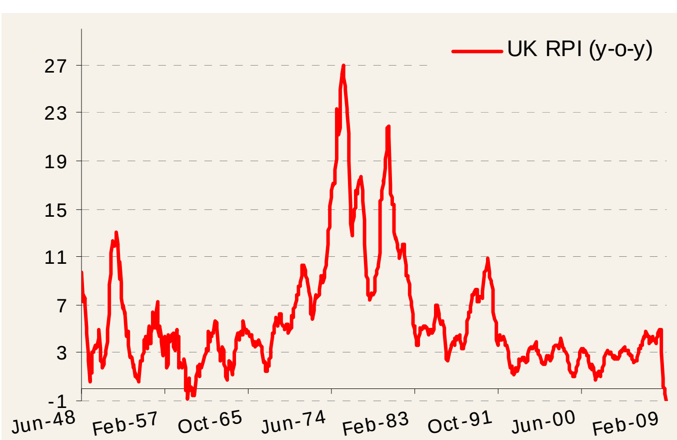
UK stock markets continued their climb from the lows of March, with investors receiving encouragement early in the month from rising retail sales, improving consumer sentiment and rising measures of manufacturing activity. Although news over the rest of the May was more mixed, the FTSE All Share index rose by 3.7% and the FTSE 100 index ended the month 4.1% higher. The FTSE 250 index and the FTSE SmallCap index lagged the performance of their large-cap counterpart, climbing by 0.6% and 3.1%, respectively.

The British Retail Consortium indicated that retail sales rose by 0.9% between March and April, up 2.6% from a year earlier. Data produced by the CBI late in the month showed falls in May, suggesting that the improvement may have been only short-term, but the pace of decline in retail sales appears to be slowing. Other signs that the economy may be starting to stabilise included better-than-expected improvements in the manufacturing PMI for both April and May and in the April Chartered Institute of Purchasing & Supply (CIPS) service-industry activity survey. Also climbing substantially were the Markit/CIPS UK construction survey and the Nationwide consumer confidence gauge (both April), the latter rising by the largest amount in two years.

Despite a number of positive indicators, concerns over rising government indebtedness moved ratings agency Standard & Poor's to reduce the country's medium-term outlook rating to 'negative' from 'stable', endangering its AAA sovereign credit rating. According to the Office of National Statistics, the UK's debt increased to £754bn in April, or 53.2% of GDP. Bank of England Governor Mervyn King provided a gloomy assessment of the UK's economic outlook, which negatively affected markets mid-month. Retrospective first-quarter economic news was overwhelmingly negative and included GDP contracting by 1.9%, the largest quarter-on-quarter fall since 1979. Much of this fall was due to inventory drawdown, although the pronounced reduction in outstanding goods should, it is hoped, mean that manufacturing and production will re-engage to meet demand. Unfortunately, reduced household spending may prove frictional to economic recovery. It fell the most in 30 years over the quarter and wages and benefits suffered their biggest drop in half a century. Elsewhere, CPI and RPI inflation fell further and unemployment climbed to reach 2.22 million, or 7.1% of the workforce.

In company news, Lloyds and RBS secured £558bn-worth of Treasury loan guarantees after stress-testing. Sentiment towards banks generally improved and it was one of the month's better performing sectors. Elsewhere, BA and Yell announced substantial losses. BT will lower its dividend but Vodafone's is to be increased.

RPI falls to its lowest level since records began in 1948



Source: Bloomberg L.P.

United States

The S&P 500 index rose by 5.3% over May. After record falls over the first two months of the year, the index has posted three successive monthly gains for the first time since the credit crisis began, leaving it 1.8% ahead year-to-date. The Dow Jones Industrial Average, the technology-orientated Nasdaq Composite and the smaller companies Russell 2000 finished 4.1%, 3.3% and 2.9% up on the month, respectively.

The US dollar weakened due to concerns over the scale of government bond issuance and this also played a role in supporting oil and gold prices. Treasury bonds were sold off as the likelihood of future inflation came more into focus leading to higher yields and mortgage rates. With the US 30-year mortgage rate climbing above 5%, the prospect of a recovery in the housing sector receded. Data on housing was generally poor in the month. With unemployment climbing to a 25-year high, reaching 8.9% in April, more US householders were unable to keep up repayments. This led to a record number (342,038) of default and foreclosure notices being issued. The overhang of 10.1-months supply of unsold new homes is also helping to depress US house prices and falling home values have left 22% of US mortgage holders in negative equity. More positively, the unsold new homes figure is falling, aided by new home starts in April being at their lowest since records began in 1959. Better affordability led to a pick up in new and existing home sales in April and existing home sales have stabilised around the 4.6 million per-annum mark.

In economic news, the commerce department revised the first-quarter decline in gross GDP from -6.1% to -5.7% and noted a large improvement in corporate profits, especially those of financials which are benefiting from being able to borrow at exceptionally low interest rates. Financials led sector gains, with sentiment aided by Bank of America's success in capital raising and risk appetite returning to markets in general. Consumer confidence rebounded strongly, with the Conference Board index rising from 40.8 in April to 54.9 in May. Retail sales, durable goods orders and leading indicators all jumped in April as a degree of optimism returned.

Company news was dominated by General Motors filing for Chapter 11 bankruptcy protection shortly after announcing a US $6bn loss for the first quarter. The restructuring will leave the company majority state owned after receiving a further US $30bn in government support. It is thought four of its eight brands will be discontinued and 1,100 US dealerships will be shut. Elsewhere, eight years after they merged, Time Warner announced it will spin off AOL ending an unhappy period for the company.

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

Level 1		Level 2 - Top 5	
Financials	13.1	Banks	15.6
Energy	10.2	Diversified Financials	15.2
Health Care	6.5	Energy	10.2
Materials	5.6	Insurance	9.8
Consumer Staples	5.5	Food, Beverage & Tob	9.3
S&P 500	**5.3**	**Level 2 - Bottom 5**	
Utilities	3.1	Telecom Services	-1.3
Industrials	2.7	Consumer Durables	-1.9
IT	2.4	Food & Staples Retail	-1.9
Consumer Discretionary	-1.1	Autos & Components	-5.0
Telecom Services	-1.3	Retailing	-6.0

Source: Datastream, figures in US$, total return

Europe

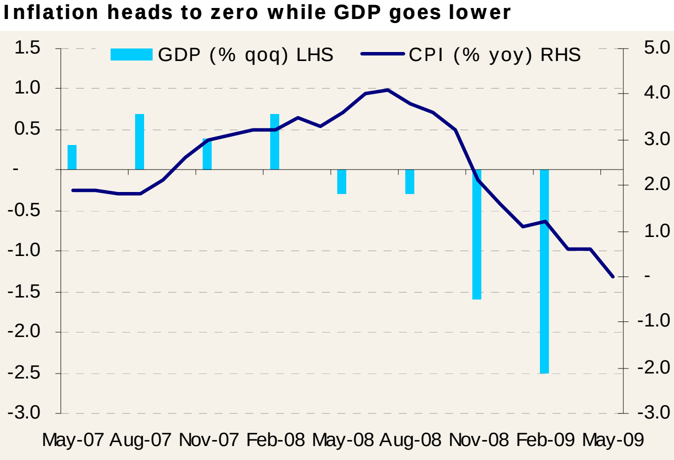
European stocks extended their recent good run, posting a third consecutive month of gains as investors speculated that the worst of the recession is over. Basic materials, financials and oils & gas were the best performing sectors, while consumer services and industrials sectors were at the other end of the spectrum.

Economic data, though still very weak, did show some signs of improving. The eurozone economy continued to shrink in May, but the pace of contraction eased for the third month in a row, providing further signs that the depths of the recession have been passed. Overall eurozone GDP contracted by 2.5% in the first quarter of 2009, with Germany particularly weak judging by its 3.8% fall over Q1. Falling exports and investment was a key contributor to the decline. GDP in France fell by 1.2% quarter-on-quarter, Spain by 1.8%, while Italy's economy contracted by 2.4%, the most since records began in 1980.

With unemployment on the up, industrial production across the region was disappointing. French and Italian data was weak, while German data was flat in March. More positively, May's increase in the German ZEW index confirms that investors expect economic conditions to improve, but only from an extremely weak starting point. The seventh consecutive rise in the headline index left it at around a three-year high. Elsewhere, the eurozone composite PMI increased for the third month in a row in May and overshot expectations by a large margin. At 43.9, the index now stands at its highest level since September last year.

While May's eurozone inflation figures revealed that the annual rate has not yet entered negative territory, it is looking likely that inflation will drop further in June and beyond. The fall in the headline inflation rate from 0.6% to 0.0% is likely to have been primarily driven by core inflation dropping back after April's Easter-related surge. Annual food and energy inflation slowed too, despite the recent increase in the oil price. Further falls in both components should ensure that the headline rate heads well into negative territory in the near term, and with spare capacity rocketing and the slowing labour market set to place downward pressure on wage growth, the chances of a more prolonged period of deflation appear to be growing. The ECB cut interest rates by 25bps in May, to 1.0%, and followed it up with unconventional policy measures to stimulate the economy, although these looked timid when compared to those of other central banks.

Inflation heads to zero while GDP goes lower



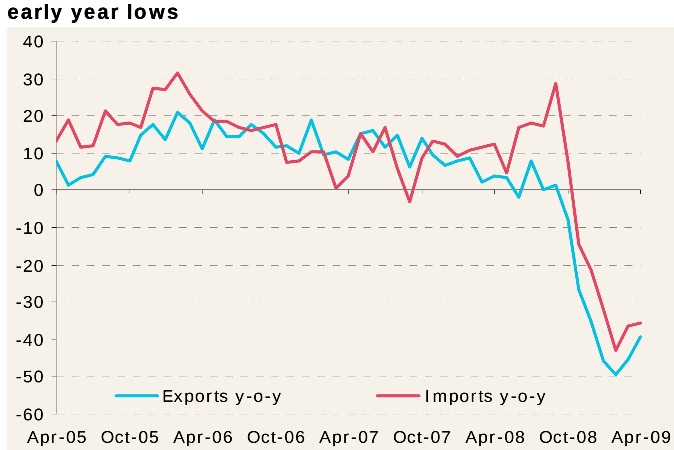
Source: Datastream, May 2007 to May 2009

Asia Pacific

Asian equities gained in May as investor attention moved increasingly towards signs of further recovery and away from backward looking data. This was evident in Hong Kong's first quarter Gross Domestic Product (GDP) figures, which showed that the economy had contracted at an annualised rate of 7.8%. However, stocks in Hong Kong closed higher, as the weak GDP reading had been widely expected and as fresh stimulus measures added to hopes that the first quarter will mark the low point in the current cycle. Equities in India made significant progress during May as a decisive victory for the incumbent Congress Party raised hopes that progressive economic reforms could be implemented. Indian equities rose 17% on the day of the election result and were further supported by annualised first quarter GDP growth of 5.8%, which was ahead of market forecasts. In China, cautiously optimistic comments from government officials supported expectations that recovery in the region's most influential economy could be sustainable. However, the People's Bank of China was quick to assert that the global economy had not yet reached a floor and that China's recovery is at a very early stage. Political issues also played a part in market developments elsewhere in Asia. Improvements in cross-straits relations between China and Taiwan were positive for equities in the latter, on hopes of greater involvement in the territory by mainland investors. The testing of a nuclear missile in North Korea had a negative impact, with the tests attracting widespread condemnation from world leaders. However, despite the rise in tensions surrounding North Korea, Asian markets were able to build on their recent recovery.

A downward revision to GDP for the fourth quarter of 2008 and an annualised contraction of 15.2% in the first quarter of this year were largely shrugged off by investors and Japanese equities closed higher in May. With weak GDP data already discounted, investors concentrated on signs of improvement. The Bank of Japan's governor helped to focus attention on the potential for improvement, by forecasting that Japan is likely to experience a 'mild' recovery. Japan's Cabinet Office echoed the central bank's views, stating that the pace of deterioration in the economy had 'become moderate' as exports have stabilised and inventories have been scaled back. A sharp rise in industrial production, which expanded 5.2% in April compared to March, represented the strongest rise for over 50 years and added to evidence suggesting Japan's economy may improve in subsequent quarters. Employment data released during the month, which showed that unemployment reached 5% in April and that the number of available jobs relative to the number of applicants had weakened, provided a reminder that underlying economic conditions remain challenging.

Japanese exports and imports both begin to recover from early year lows



Source: Bloomberg L.P., 30 April 2005 to 30 April 2009.

Emerging Markets

Another month of strong returns saw the MSCI Emerging Markets (US$) index rise by 16.7%. Year-to-date gains of 36.3% for the benchmark now compare very favourably to the returns generated by developed markets. May's outperformance was enhanced by rising risk appetite fuelled by a belief that the downturn in the world economy may have bottomed out. The Baltic Dry index, seen by many as a key indicator of the health of the global economy, surged 95.6% higher. In another promising sign that stability was returning to financial markets, there was a further improvement in credit markets as the spread of emerging market bond yields over US Treasuries narrowed and the Vix volatility index fell below 30% for the first time since September 2008.

The best performing region was Latin America, followed by EMEA. In particular, Brazilian and Russian stocks did well, drawing support from rising commodity prices. However, it was Indian equities that topped the country leader board as financial markets reacted positively to the Congress Party's victory in the general election. This was based on the likelihood that a stable government would be in a stronger position to implement economic reform and market liberalisation.

Brazilian equities performed best within the Latin American region in May. The MSCI Brazil (US$) index increased by 21.9%, outperforming the MSCI EM Latin America (US$) index which rose by 20.4%. Brazilian stocks were boosted by better news on the domestic economy and another cut in interest rates. The benchmark Selic-rate was reduced by 100bps to 10.25%. The cost of borrowing was also reduced in Mexico, Chile and Peru. With Mexico heading towards its first recession in eight years, interest rates were lowered to 5.25% from 6.0%.

Within the emerging European region, Russia was the month's winner with a gain of over 30%, followed closely by Hungary. By contrast, stocks in the Czech Republic and Poland were laggards. Buying momentum in Russian equities was boosted by a sharp rise in oil prices. Crude for July delivery jumped to US$67.50, a doubling in price from this year's low seen on 20 January. Optimism that Russia's economic cycle may now have reached its lowest point also aided sentiment along with another cut in the refinancing rate. Despite the prospect of further cuts in interest rates, the rouble posted its biggest monthly advance versus the US dollar since 1995. Calmer conditions in the foreign exchange market coupled with slowing inflation enabled the authorities in the Czech Republic to cut interest rates to a record low of 1.5%.

Regional performance one-month returns (%)

Emerging Markets	16.7
Developed Markets	8.6
Latin America	20.4
EMEA	18.0
Asia	14.7
Top five by country	
India	36.6
Russia	30.4
Hungary	27.3
Singapore	23.8
Brazil	21.9
Bottom five by country	
Argentina	1.8
Morocco	3.0
Poland	3.6
South Korea	4.0
Czech Republic	4.6

Source: Bloomberg L.P., MSCI capital returns, US$.

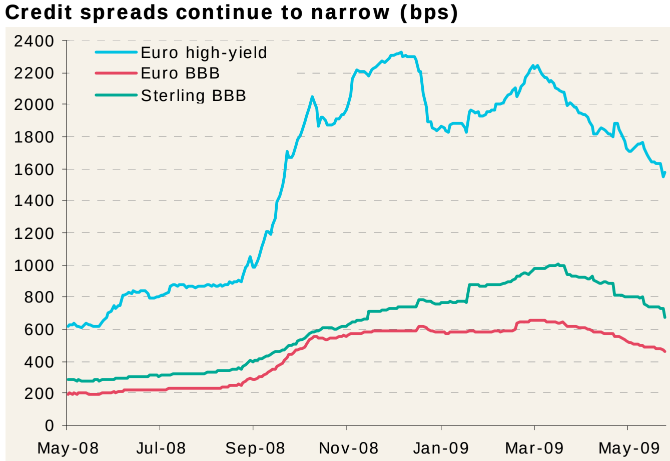
Fixed Income

May was another positive month for credit markets as strong demand saw spreads tighten further. According to Merrill Lynch, European high-yield spreads decreased by 305bps, posting a 10.0% gain in sterling terms. Investment grade spreads also tightened, sterling BBB rated spreads decreased by 137bps. Subordinated bank capital continued to improve following a continued rise in non-guaranteed financial issuance, although news that Bradford & Bingley would not make interest payments on £325m of subordinated bonds unsettled credit markets towards the end of the month. The primary issue market continued unabated. According to Dealogic, investment-grade companies have sold €525.76bn year-to-date, almost twice the previous record. May saw the first notable European high-yield deal since January, and only the fourth since July 2007, with an €800m offering from Pernod Ricard receiving orders worth more than €5bn. There were further high-yield issues in the US including a US $1.1bn from Ford Motor Credit at a yield of 13%.

Government bond yields rose to six-month highs on concerns about the scale of issuance required to finance economic stimulus as well as following an increase in risk appetite. Over the month, the yield on the 10-year benchmark bond rose by 34bps, 25bps and 41bps in the US, UK and Europe. Standard & Poor's lowered their outlook on the UK's AAA rating to 'negative' from 'stable' due to the fact that public sector debt might rise towards 100% of GDP, although both Moody's and Fitch affirmed their 'stable' rating for the UK. Although sterling fell following the news, it gained 9.5% against the US dollar over the month and 2.3% against the euro. Sterling three-month interbank lending rates continued to fall, declining from 1.45% to 1.28% over the month.

In the UK, the MPC voted unanimously to keep rates unchanged at 0.5% and increase the quantitative easing programme by £50bn to £125bn as it judged that the risk of stimulating demand too little was greater than that of providing too much support. The May Inflation Report dampened expectations of rate hikes in 2009 and 2010 as, even on the assumption that Bank Rate is held at 0.5%, the MPC saw inflation below target in two years time. The MPC also revised down its growth forecasts significantly. The subsequent April inflation release reported UK annual CPI inflation at 2.3%, although the RPI measure fell to -1.2% following the continued impact of sharp falls in mortgage rates over the past year. In the US, GM edged closer to bankruptcy, while the Fed reduced its GDP forecasts and raised its unemployment estimates. In Europe, the ECB cut rates by a further 25bps to 1%, extended unlimited funds for up to 12 months to banks and announced it would purchase €60bn in covered bonds. At the end of the month, eurozone CPI inflation was reported to have fallen to 0% for May.

Credit spreads continue to narrow (bps)



Source: Bloomberg L.P., 31 May 2008 to 31 May 2009

May 2009

Global Market Report

A Monthly Report on the World Markets

Global equity and commodity index performance - figures to 31 May 2009

Global	1 Month	3 Months	YTD	2008	2007	2006	2005	2004	2003	2002	2001	2000
MSCI World (lc)	5.2%	22.8%	3.4%	-40.1%	2.8%	13.5%	13.7%	9.5%	22.8%	-25.2%	-15.2%	-10.8%
MSCI World ($)	8.6%	29.2%	5.4%	-42.9%	-0.5%	15.8%	14.2%	22.6%	55.5%	-17.1%	-0.7%	-3.1%
MSCI World Value ($)	9.0%	33.1%	3.1%	-41.8%	-5.3%	11.9%	21.3%	18.8%	44.0%	-21.6%	3.5%	1.1%
MSCI World Growth ($)	8.3%	25.7%	7.7%	-42.6%	8.9%	18.8%	8.9%	13.7%	31.0%	-20.6%	-17.5%	-12.2%
MSCI World Small Cap ($)	8.5%	36.1%	12.4%	-46.0%	13.0%	23.8%	13.5%	18.7%	36.9%	-16.6%	-21.5%	-15.2%
MSCI Emerging Markets Free ($)	16.7%	54.8%	36.3%	-39.4%	27.5%	15.8%	26.2%	25.3%	22.9%	-8.4%	-8.8%	4.3%
FTSE World ($)	9.1%	31.4%	7.5%	-51.0%	31.2%	26.2%	17.1%	15.7%	41.9%	-6.3%	-6.8%	-14.9%
FTSE World ex US ($)	12.4%	36.8%	11.9%	-44.2%	13.6%	16.8%	10.2%	17.5%	35.9%	-23.5%	-16.8%	-2.6%
United States & Canada												
Dow Jones Industrials	4.1%	20.4%	-3.1%	-33.8%	6.4%	16.3%	-0.6%	3.1%	25.3%	-16.8%	-7.1%	-6.2%
S&P 500	5.3%	25.0%	1.8%	-38.5%	3.5%	13.6%	3.0%	9.0%	26.4%	-23.4%	-13.0%	-10.1%
NASDAQ	3.3%	28.8%	12.5%	-40.5%	9.8%	9.5%	1.4%	8.6%	50.0%	-31.5%	-21.1%	-39.3%
Russell 2000	2.9%	28.9%	0.4%	-34.8%	-2.7%	17.0%	3.3%	17.0%	45.4%	-21.6%	1.0%	-4.2%
S&P/ TSX Composite (Canada)	11.2%	27.7%	15.4%	-19.4%	-1.9%	7.8%	1.1%	-5.7%	12.4%	-21.7%	-14.8%	27.6%
Europe & Africa												
FTSE Europe (£)	2.2%	19.2%	-4.7%	-28.2%	9.7%	14.9%	19.3%	9.9%	21.7%	-27.2%	-19.5%	-1.8%
FTSE Europe (euro)	4.1%	21.0%	4.9%	-45.4%	0.6%	17.2%	23.0%	9.4%	12.6%	-31.7%	-17.3%	-2.9%
FTSE Europe ex-UK (£)	1.4%	20.8%	-6.6%	-26.8%	12.6%	16.8%	20.6%	10.9%	26.2%	-28.7%	-21.7%	0.2%
FTSE Europe ex-UK (euro)	3.3%	22.6%	2.9%	-44.4%	3.3%	19.1%	24.2%	10.3%	16.7%	-33.1%	-19.5%	-0.9%
MSCI Europe (Growth)	3.7%	13.8%	0.9%	-37.7%	9.0%	14.0%	20.2%	6.4%	10.6%	-31.0%	-21.9%	-11.8%
MSCI Europe (Value)	3.2%	26.7%	2.5%	-44.1%	-2.3%	17.9%	23.1%	12.4%	22.6%	-30.8%	-13.8%	4.5%
CAC 40 (France)	3.7%	21.3%	1.9%	-42.7%	1.3%	17.5%	23.4%	7.4%	16.1%	-33.7%	-22.0%	-0.5%
DAX (Germany)	3.6%	28.5%	2.7%	-40.4%	22.3%	22.0%	27.1%	7.3%	37.1%	-43.9%	-19.8%	-7.5%
Technology All-Share Price (Ger)	6.2%	33.0%	17.8%	-50.1%	22.2%	22.3%	18.2%	-0.3%	62.1%	-63.1%	-60.2%	-40.0%
Ibex 35 (Spain)	4.3%	23.7%	2.5%	-39.4%	7.3%	31.8%	18.2%	17.4%	28.2%	-28.1%	-7.8%	-21.7%
Mib30 (Italy)	3.2%	25.6%	2.5%	-48.4%	-6.5%	17.5%	13.3%	16.9%	11.8%	-26.0%	-26.2%	1.7%
Swiss Market Index	2.4%	14.1%	-3.3%	-34.8%	-3.4%	15.8%	33.2%	3.7%	18.5%	-27.8%	-21.1%	7.5%
Amsterdam Exchanges (Netherlands)	7.8%	18.0%	5.5%	-52.3%	4.1%	13.4%	25.5%	3.1%	4.6%	-36.3%	-20.5%	-5.0%
HSBC European Smaller Cos ex-UK	8.2%	36.4%	21.9%	-49.5%	-3.0%	33.8%	39.6%	--	--	--	--	--
Russian RTS ($)	30.6%	99.7%	72.1%	-72.4%	19.2%	70.7%	83.3%	8.3%	58.0%	38.1%	81.5%	-18.2%
FTSE/JSE Africa All-Share (SA)	10.3%	23.3%	5.9%	-25.7%	16.2%	37.7%	43.0%	21.9%	12.0%	-11.3%	28.1%	-2.6%
UK												
FTSE All-Share	3.7%	16.7%	2.0%	-32.8%	2.0%	13.2%	18.1%	9.2%	16.6%	-25.0%	-15.4%	-8.0%
FTSE 100	4.1%	15.3%	-0.4%	-31.3%	3.8%	10.7%	16.7%	7.5%	13.6%	-24.5%	-16.2%	-10.2%
FTSE 250	0.6%	25.2%	19.0%	-40.3%	-4.7%	27.1%	26.8%	19.6%	34.3%	-27.3%	-9.3%	1.6%
FTSE SmallCap	3.1%	33.5%	23.0%	-45.8%	-12.4%	18.2%	19.8%	11.4%	35.9%	-29.4%	-19.0%	2.8%
FTSE TechMARK 100	0.8%	12.3%	10.7%	-25.8%	8.5%	5.6%	19.7%	17.9%	56.4%	-55.9%	-42.6%	-32.2%
Asia Pacific												
Hong Kong Hang Seng	17.1%	41.8%	26.3%	-48.3%	39.3%	34.2%	4.5%	13.2%	34.9%	-18.2%	-24.5%	-11.0%
China SE Shanghai Composite	6.3%	26.4%	44.6%	-65.4%	96.7%	130.4%	-8.3%	-15.4%	10.3%	-17.5%	-20.6%	51.7%
Singapore Times	21.3%	46.0%	32.2%	-49.2%	18.7%	28.0%	14.0%	15.6%	32.8%	-20.3%	-17.3%	-21.8%
Taiwan Weighted	15.0%	51.2%	50.1%	-46.0%	8.7%	19.5%	6.7%	4.2%	32.3%	-19.8%	17.1%	-43.9%
Korean Composite	1.9%	31.3%	24.1%	-40.7%	32.3%	4.0%	54.0%	10.5%	29.2%	-9.5%	37.5%	-50.9%
Thai Stock Exchange	14.0%	29.9%	24.5%	-47.6%	26.2%	-4.7%	6.8%	-13.5%	116.6%	17.3%	12.9%	-44.1%
Mumbai Sensex 30	28.3%	64.5%	51.6%	-52.4%	47.1%	46.7%	42.3%	13.1%	72.9%	3.5%	-17.9%	-20.6%
Jakarta Composite	11.3%	49.1%	41.4%	-50.6%	52.1%	55.3%	16.2%	44.6%	62.8%	8.4%	-5.8%	-38.5%
Malaysia Kuala Lumpur Composite Index	5.4%	17.2%	19.1%	-39.3%	31.8%	21.8%	-0.8%	14.3%	22.8%	-7.1%	2.4%	-16.3%
Philippines Composite Index	13.6%	27.6%	27.6%	-48.3%	21.4%	42.3%	15.0%	26.4%	41.6%	-12.8%	-21.8%	-30.3%
Hang Seng China Enterprises Index	14.8%	51.1%	32.1%	-51.1%	55.9%	94.0%	12.4%	-5.6%	152.2%	13.2%	8.2%	-17.7%
Malaysia Kuala Lumpur Composite Index	5.4%	17.2%	19.1%	-39.3%	31.8%	21.8%	-0.8%	14.3%	22.8%	-7.1%	2.4%	-16.3%
Japan												
Topix	7.2%	18.7%	4.5%	-41.8%	-12.2%	1.9%	43.5%	10.2%	23.8%	-18.3%	-19.6%	-25.5%
Nikkei 225	7.9%	25.8%	7.5%	-42.1%	-11.1%	6.9%	40.2%	7.6%	24.5%	-18.6%	-23.5%	-27.2%
TSE2	6.4%	12.6%	4.0%	-40.8%	-21.3%	-19.3%	71.4%	40.9%	43.9%	-12.8%	-12.1%	-25.8%
Jasdaq	7.2%	5.0%	-9.1%	-33.2%	-16.3%	-33.8%	44.1%	33.8%	75.4%	-18.5%	-12.9%	-44.3%
TSE Mothers Index	14.4%	32.6%	21.8%	-58.7%	-29.5%	-56.3%	47.7%	30.6%	133.0%	-36.2%	-23.1%	--
Osaka Hercules index	21.6%	33.0%	20.4%	-58.1%	-34.6%	-51.9%	78.2%	25.4%	--	--	--	--
MSCI Japan Index	7.0%	19.4%	5.2%	-43.6%	-11.3%	6.1%	42.9%	9.7%	21.6%	-19.4%	-19.5%	-20.3%
Latin America												
MSCI EMF Latin America ($)	20.4%	55.1%	46.5%	-52.8%	46.9%	39.3%	44.9%	34.8%	67.1%	-24.8%	-4.3%	-18.4%
MSCI Mexico	16.7%	51.6%	14.7%	-44.0%	9.3%	39.0%	45.2%	45.0%	29.8%	-15.0%	15.9%	-21.5%
MSCI Brazil	21.9%	59.9%	62.2%	-57.6%	75.3%	40.5%	50.0%	30.5%	102.9%	-33.8%	-21.8%	-14.2%
Argentinean Merval	24.5%	55.7%	47.0%	-49.8%	2.9%	35.5%	12.2%	28.3%	104.2%	77.7%	-29.1%	-24.3%
Chilean Stock Market Select	16.1%	25.6%	30.5%	-22.1%	13.3%	37.1%	9.4%	21.0%	48.5%	-15.5%	9.1%	-3.6%
Commodities												
Oil - UK Brent Crude Spot	32.3%	44.7%	55.6%	-55.5%	56.1%	2.1%	46.3%	32.0%	1.6%	55.4%	-14.4%	-9.4%
Oil - US West Texas Intermediary	29.7%	48.1%	48.7%	-53.5%	57.2%	0.0%	40.5%	33.6%	4.2%	57.3%	-26.0%	4.7%
Reuters CRB Index	13.8%	19.6%	10.2%	-36.0%	16.7%	-7.4%	16.9%	11.2%	8.9%	23.0%	-16.3%	11.1%
Gold Spot Price	10.2%	3.9%	11.0%	5.8%	31.0%	23.2%	17.9%	5.5%	19.4%	24.8%	2.5%	-5.5%
Baltic Dry Index	95.6%	75.9%	351.4%	-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.

ATLANTIC TRUST
PRIVATE WEALTH MANAGEMENT

FTSE World Sector Returns (%) - figures to 31 May 2009					
Best - 1 Month	**Absolute**	**Relative***	**Worst - 1 Month**	**Absolute**	**Relative***
Oil Equipment & Services	17.1	11.0	General Retailers	-1.8	-7.9
Industrial Metals	14.9	8.8	Automobiles & Parts	-0.5	-6.6
Mining	12.8	6.7	Nonlife Insurance	0.2	-5.9
General Financial	12.7	6.7	Equity Investment Instruments	1.3	-4.8
Life Insurance	12.3	6.2	Fixed-Line Telecoms	1.5	-4.6
Best - 3 Months	**Absolute**	**Relative***	**Worst - 3 Months**	**Absolute**	**Relative***
Life Insurance	64.5	39.1	Electricity	3.8	-21.6
General Financial	54.2	28.9	Fixed-Line Telecoms	5.3	-20.1
Forestry & Paper	53.5	28.1	Telecommunications	6.4	-19.0
Banks	52.9	27.5	Mobile Telecoms	8.2	-17.2
Real Estate	44.6	19.2	Pharmaceuticals & Biotech	8.2	-17.2
Best - YTD	**Absolute**	**Relative***	**Worst - YTD**	**Absolute**	**Relative***
Oil Equipment & Services	37.4	30.5	Nonlife Insurance	-8.3	-15.1
Industrial Metals	32.3	25.4	Household Goods	-7.3	-14.2
Automobiles & Parts	28.9	22.0	Electricity	-7.2	-14.1
General Financial	25.9	19.0	Gas, Water & Multiutilities	-6.6	-13.5
Mining	25.6	18.7	Fixed-Line Telecoms	-6.5	-13.3

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

Global bond performance - figures to 31 May 2009

Government Bonds	Current Yield (%)	1 Month	3 Months	YTD	2008	2007	2006	2005	2004	2003	2002	2001
		Basis Point Movement Over:										
US Treasuries 2 year	**0.92**	1.6	-5.5	15.1	-228.3	-176.1	40.8	133.5	124.6	22.1	-142.4	-206.9
US Treasuries 10 year	**3.46**	34.0	44.6	124.7	-181.1	-67.9	31.1	17.3	-2.8	43.2	-123.5	-6.1
US Treasuries 30 year	**4.34**	30.4	62.8	166.0	-177.6	-35.8	27.5	-29.1	-24.7	29.4	-68.6	0.9
UK Gilts 2 year	**1.05**	2.4	-36.3	3.8	-331.8	-81.8	99.2	-24.7	13.9	54.5	-100.6	-50.7
UK Gilts 10 year	**3.74**	24.6	12.7	72.7	-148.5	-23.4	64.0	-43.6	-25.8	42.1	-67.2	16.5
UK Gilts 30 year	**4.55**	20.7	21.7	85.5	-60.1	9.8	23.1	-42.8	-27.9	23.8	-25.3	47.0
German Bund 2 year	**1.41**	8.2	10.8	-33.6	-220.9	8.3	104.0	38.0	-12.3	-11.6	-92.8	-79.7
German Bund 10 year	**3.58**	40.7	47.4	63.7	-135.8	36.8	63.8	-37.4	-60.8	8.3	-79.4	15.1
German Bund 30 year	**4.36**	45.9	57.8	82.6	-106.5	55.1	48.0	-71.2	-65.6	9.7	-55.1	4.5
Japanese Gov Bond 2 year	**0.36**	-3.3	-4.6	-2.1	-33.5	-9.0	51.3	17.7	-1.0	6.5	-5.7	-35.3
Japanese Gov Bond 10 year	**1.49**	5.8	21.0	31.6	-33.6	-17.5	20.5	3.9	7.1	46.1	-45.9	-27.8
Japanese Gov Bond 20 year	**2.16**	13.2	24.8	45.1	-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 31 May 2009

	Current Value	Change Over: 1 Month	3 Months	YTD	2008	2007	2006	2005	2004	2003
Euro/US Dollar	**1.42**	7.0%	11.8%	1.3%	-4.2%	10.5%	11.4%	-12.6%	7.6%	20.0%
Euro/GB Sterling	**0.87**	-2.2%	-1.2%	-8.4%	29.9%	9.1%	-2.0%	-2.7%	0.1%	8.3%
Euro/Swiss Franc	**1.51**	0.1%	1.9%	1.1%	-9.7%	2.8%	3.4%	0.7%	-0.9%	7.5%
Euro/Swedish Krona	**10.68**	0.3%	-6.5%	-2.5%	16.0%	4.4%	-3.9%	4.2%	-0.3%	-0.7%
Euro/Norwegian Krone	**8.91**	2.7%	-0.2%	-8.3%	22.5%	-3.6%	3.0%	-3.0%	-1.9%	15.4%
Euro/Danish Krone	**7.45**	0.0%	0.0%	0.1%	-0.2%	0.0%	0.0%	0.3%	-0.1%	0.3%
US Dollar/Yen	**95.3**	-3.3%	-2.3%	5.2%	-18.9%	-6.1%	1.1%	14.7%	-4.3%	-9.7%
US Dollar/Canadian Dollar	**1.09**	-8.5%	-14.5%	-10.4%	22.1%	-14.4%	0.3%	-3.3%	-7.3%	-17.5%
US Dollar/South African Rand	**7.94**	-6.9%	-21.5%	-16.7%	38.8%	-2.0%	10.7%	11.7%	-15.2%	-22.0%
US Dollar/Brazilian Real	**1.97**	-10.1%	-17.4%	-14.9%	30.0%	-16.7%	-8.5%	-12.1%	-8.1%	-18.3%
US Dollar/Polish Zloty	**3.18**	-4.9%	-13.2%	7.2%	20.7%	-15.3%	-10.5%	7.8%	-19.3%	-2.5%
US Dollar/Hungarian Forint	**200.5**	-8.2%	-15.2%	5.5%	9.7%	-9.1%	-10.6%	17.6%	-13.3%	-7.0%
US Dollar/South Korean Won	**1255.3**	-2.2%	-18.2%	-0.3%	34.7%	0.6%	-8.0%	-2.4%	-13.2%	0.5%
US Dollar/Taiwan Dollar	**32.63**	-1.4%	-6.6%	-0.5%	1.1%	-0.5%	-0.7%	3.4%	-6.5%	-1.9%
US Dollar/Thai Baht	**34.32**	-2.7%	-5.2%	-1.2%	3.1%	-4.9%	-13.6%	5.4%	-1.8%	-8.1%
US Dollar/Singapore Dollar	**1.44**	-2.5%	-6.6%	1.0%	-0.7%	-6.4%	-7.5%	1.9%	-4.0%	-2.0%
US Dollar/Argentinean Peso	**3.75**	0.9%	5.1%	8.5%	9.6%	3.0%	0.9%	2.0%	1.4%	-12.8%
GB Sterling/US Dollar	**1.62**	9.5%	13.1%	10.9%	-26.5%	1.3%	13.7%	-10.2%	7.4%	10.9%
GB Sterling/South African Rand	**12.85**	2.7%	-11.3%	10.9%	2.0%	-0.7%	25.9%	0.5%	-9.1%	-13.5%
Australian Dollar/US Dollar	**0.80**	10.4%	25.4%	-7.5%	-19.7%	11.0%	7.6%	-6.1%	3.8%	33.9%
New Zealand Dollar/US Dollar	**0.64**	13.3%	27.9%	14.0%	-24.4%	8.8%	3.0%	-4.8%	9.5%	25.0%