

## Global Overview

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It was another good month for global equities with all the major regions, apart from Japan, registering positive returns (top graph). September's strong performance capped an impressive quarter with the FTSE 100 rising by more than 20% over the three-month period. Gains in emerging markets were even more spectacular. The extension of the equity rally was supported by global growth upgrades, rising risk appetite and better-than-expected earnings results. Enhancing the positive sentiment was an expectation that the major central banks would keep interest rates at current historic low levels for some time yet.

Despite this optimism some investors remain sceptical of the economic recovery, believing that consumption headwinds will build up into 2010 as government stimulus measures become gradually phased out. A further concern is the seeming reluctance of banks to lend to indebted consumers as they repair their balance sheets. The second graph on the right highlights how sharp the slowdown in bank lending has been, particularly over the past 18 months, although encouragingly we have seen a slight rebound in UK lending figures over the past couple of months. The bottom graph encourages the view that global trade has now finally bottomed as it depicts a pick-up in Asian exports following last year's steep decline.

### US

- Stock markets climb to cap a strong quarter
- Evidence that the US is exiting recession boosted by upbeat retail sales and housing data
- US dollar remains under pressure

### Europe

- Improving economic outlook and better-than-expected earnings results provide support for equities
- Sentiment picking up but unemployment continues to rise
- Strength of the euro currency remains an area of concern for the region's exporters

### UK

- The FTSE 100 index rallies through the psychologically important 5,000 for the first time since October 2008
- Takeover offers and bid speculation spur the equity rally
- Economic data less buoyant as reflected by a further rise in unemployment levels

### Asia Pacific

- Equity markets in Asia ex-Japan extend their recent rally
- Retail sales and industrial production continue to strengthen in China
- Japanese stocks lag due to political concerns and possible regulatory changes to the banking sector

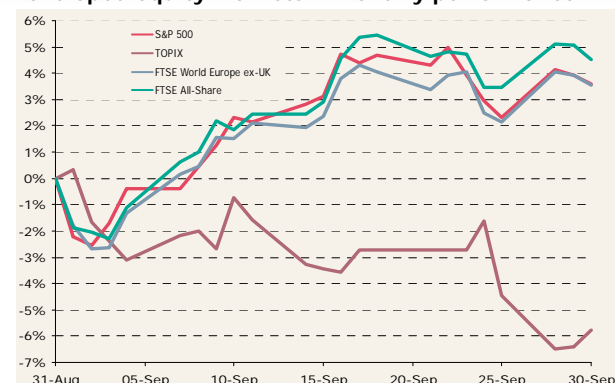
### Emerging Markets

- Emerging market equities perform strongly, buoyed by global growth upgrades and growing risk appetite
- Double-digit monthly returns in several countries, including Brazil and Russia
- Increasing importance of emerging countries reflected by enhanced status of G20 as main forum for global economic coordination instead of G8

### Fixed Income

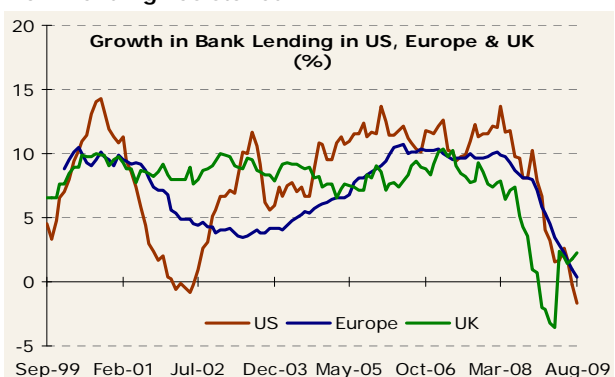
- UK corporate bond market posts sixth consecutive month of positive returns
- High yield and subordinated financials outperformed
- Government bonds stable despite ongoing heavy issuance and rally in risk assets

### Developed equity markets – monthly performance



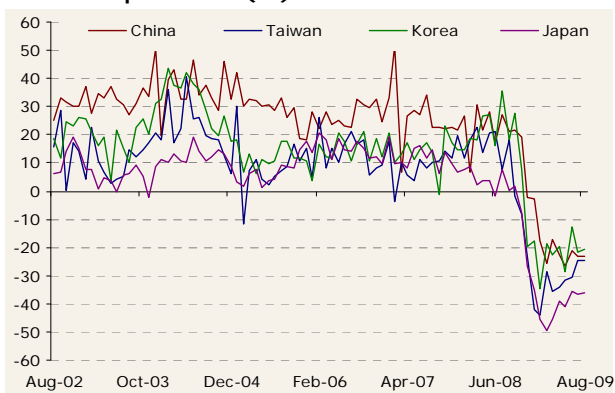
Source: Bloomberg L.P., local currency, capital returns only, rebased to zero. Period cover 31 August 2009 to 30 September 2009.

### Bank lending has stalled



Source: Datastream, September 1999 to September 2009.

### Asian exports picking up but y-o-y numbers still show steep declines (%)



Source: Bloomberg L.P., August 2002 to August 2009.

## UK

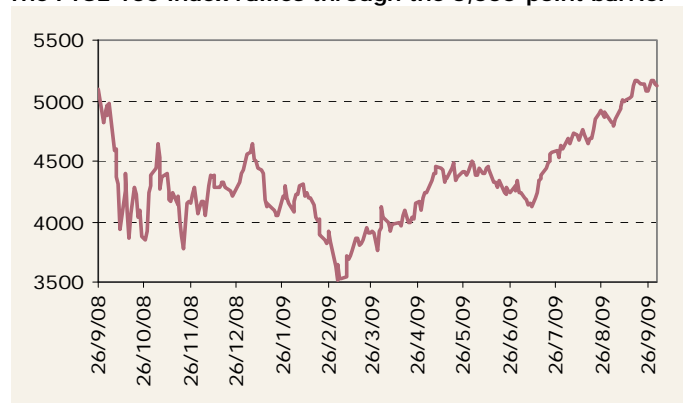
The UK stock market maintained its upward momentum in September, as reflected by the 4.5% rise in the FTSE All-Share index. The breadth of the rally was illustrated by the fact that only two sectors — fixed-line telecommunications and industrial metals — registered a decline over the month. Companies that were the subject of takeover offers or bid speculation were among the top performers in the FTSE 100 index. For example, food producer Cadbury rallied strongly after receiving and rejecting a takeover offer from US food producer Kraft Foods, while information technology company Autonomy rose sharply following rumours of a possible takeover bid from Microsoft or Oracle. Elsewhere in the equity market, mining companies performed well as investors focused on stronger commodity prices. In terms of performance on a market-capitalisation basis, the large-cap FTSE 100 index rose by 4.6%, but this was eclipsed by the performance of the FTSE Small Cap index, which rose by 6.8%. The FTSE 250 index lagged the wider UK market, returning 3.7%.

Several milestones were met during the month; for instance, on 9 September, the FTSE 100 index rallied through the psychologically important 5,000 level for the first time since October 2008; the price of gold rose above US\$1000 an ounce; and 15 September marked the first anniversary of the collapse of Lehman Brothers.

At the 10 September meeting, the Bank of England's Monetary Policy Committee voted unanimously to leave interest rates on hold at 0.5% and the Quantitative Easing Asset Purchase programme unchanged at £175bn. Elsewhere, inflation, as measured by the consumer prices index, fell to 1.6% year-on-year (y-o-y) in August from 1.8% y-o-y in July. Lower food and utility prices were the main drivers of the decline.

Data released during the month continued to underline the view that the worst of the recession is behind us. The housing market remained robust, with Nationwide's measure of house prices posting a 1.6% month-on-month (m-o-m) increase for August. This improvement was echoed by Halifax, which registered a 0.8% m-o-m increase. Second-quarter 2009 GDP came in slightly better-than-expected at -0.6% quarter-on-quarter (q-o-q) versus a previous estimate of -0.7% q-o-q. There was also good news regarding producer prices, with the index revealing that input prices for August came in at a stronger-than-expected 2.2% m-o-m — the highest since June 2008. It was not all good news on the economy, however, as the latest labour-market data continued to show little sign of improvement. In the three months to 31 July, the number of people unemployed rose by 210,000 to reach a 14-year high of 2.47 million. Using the claimant count measure of unemployment, the number of people claiming Jobseeker's Allowance rose by 24,400 in August.

### The FTSE 100 index rallies through the 5,000-point barrier



Source: Bloomberg L.P. Data from 26 September 2008 to 30 September 2009.

## United States

Rising share prices during September capped the strongest quarter for the Dow Jones Industrial Average in over 10 years. The Dow Jones and the S&P 500 indices rose by 2.3% and 3.6% in September, and the smaller companies Russell 2000 and the technology-orientated Nasdaq Composite both rose by 5.6% for the month.

A meeting of G20 nations agreed to a US proposal calling for mechanisms to foster 'sustainable and balanced growth', but the resultant agreement lacked enforcement provisions and left it open to criticism that it contained more rhetoric than substance. The dollar weakened against most major currencies over the month, as investors became more optimistic on the prospects for economic recovery in countries other than the US. Economic data generally pointed towards a gradual improvement in the US, but Federal Reserve Chairman Ben Bernanke announced the end of the recession at an event marking the first anniversary of Lehman Brothers' demise. Good news came from retail sales, which climbed by 2.7% in August after a 0.2% fall in July. Gains here were broad-based and not just tied to old-car-for-new government incentives. Employment news weakened late in the month. Private companies shed 254,000 workers in September, according to the ADP survey. This was the lowest payroll drop since July 2008, but was higher than analysts' estimated and pointed towards a slow recovery from the downturn. First-time jobless figures were also weaker than anticipated. Other economic indicators, such as the Chicago PMI, existing home sales and durable goods orders also disappointed, but new mortgage applications surged, and factory output and leading indicators increased by 0.8% and 0.6%, respectively, during August. House prices and new home sales also climbed and consumer spending surged by 1.3% in August, the largest increase since 2001. The second quarter current-account deficit narrowed and Q2 GDP was revised up from -1.0% to -0.7%.

In company news, merger activity was headed by Kraft Foods' initial US\$16.7bn bid for Cadbury's. Xerox offered US\$6.4bn for Affiliated Computer Services and Abbott Laboratories bought the pharmaceuticals division of Solvay for US\$7.1bn. Dell bid for Perot Systems, Walt Disney purchased Marvel Entertainment and Baker Hughes bought out BJ Services, the oilfield-services company. In other news, AMR, the parent company of American Airlines, saw its share price take off, helped by a US\$2.9bn financing deal. eBay sold two-thirds of its stake in Skype, its internet-phone business, to private investors, and oil-exploration & distribution company Anadarko announced a major find off the coast of Sierra Leone, which boosted its share price.

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

Level 1	Level 2 - Top 5	
Industrials	6.6 Capital Goods	8.1
Consumer Discretionary	5.2 Media	7.5
Materials	4.7 Real Estate	7.3
Energy	4.6 Consumer Durables	7.1
IT	4.5 Consumer Services	5.8
<b>S&amp;P 500</b>	<b>3.6 Level 2 - Bottom 5</b>	
Consumer Staples	3.3 Autos & Components	-1.8
Telecom Services	2.8 Food & Staples Retail	-0.3
Financials	1.9 Health Care	-0.3
Utilities	1.1 Semiconductors	-0.1
Health Care	0.9 Utilities	1.1

Source: Datastream, figures in US\$, total return.

## Europe

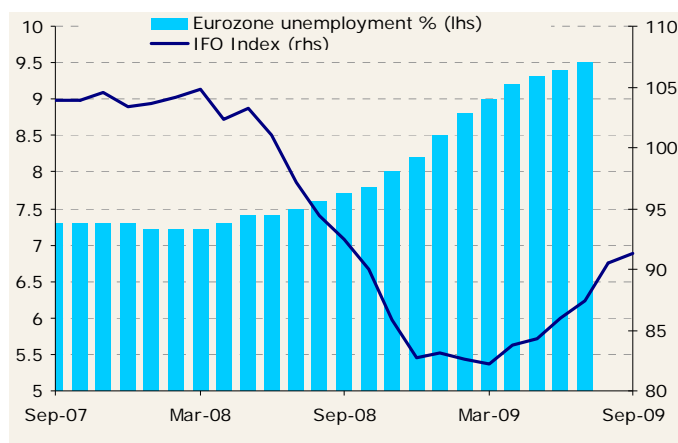
The wave of optimism regarding the economic outlook produced further support for European equity markets during September. Monthly gains across Europe of up to 5% rounded off one of the best quarterly increases for equities on record as ongoing improvements to economic data along with better-than-expected earnings for companies buoyed markets.

After leaving interest rates on hold at 1.0% at its last meeting, the ECB stressed its reluctance to follow other central banks in implementing bolder unconventional measures. However, President Jean-Claude Trichet also struck a cautious tone regarding recent signs of improvement in economic activity. The newly-published ECB staff forecasts were relatively gloomy, suggesting that the economy will barely expand next year. On the whole, the latest data have been pretty encouraging and should have brought the ECB some comfort. Business sentiment continued to improve in September, with the German Ifo survey posting another increase. Admittedly, the increase was modest, as was the composite Purchasing Managers' Index rise, but at least it is consistent with Eurozone economy being officially out of recession in Q3.

Elsewhere, prices in the Eurozone fell in September at a faster rate than they had in August. The inflation rate fell to -0.3% in the year to September, from -0.2% in the year to August, according to Eurostat. It is the fourth consecutive month that the rate of inflation has been negative. Prices had fallen 0.7% in July and 0.1% in June in the first spell of deflation since euro notes and coins were introduced in 2002. Unemployment is also still rising, albeit more slowly than at the start of the year, and is at its highest rate for over 11 years. The strength of the euro continues to make exporting difficult for European companies, and has adversely affected tourism and other services. As a major exporter the Eurozone as a whole remains acutely sensitive to the weakness in world trade which is only just starting to show a renewed upswing.

In other news, French telecoms and media company Vivendi unveiled a bid for Brazilian fixed-line operator GVT as part of its strategy to offset slowing growth in Europe by diversifying into emerging markets. Deutsche Telekom and France Telecom announced plans to merge their UK mobile businesses, T-Mobile and Orange respectively, creating the largest mobile operator in the UK. BNP Paribas announced a rights issue, stating it would use the proceeds to pay back the French government, while Santander announced plans to raise over \$7bn through the IPO of its Brazilian unit.

### German business sentiment picking up, but unemployment in the Eurozone continues to rise



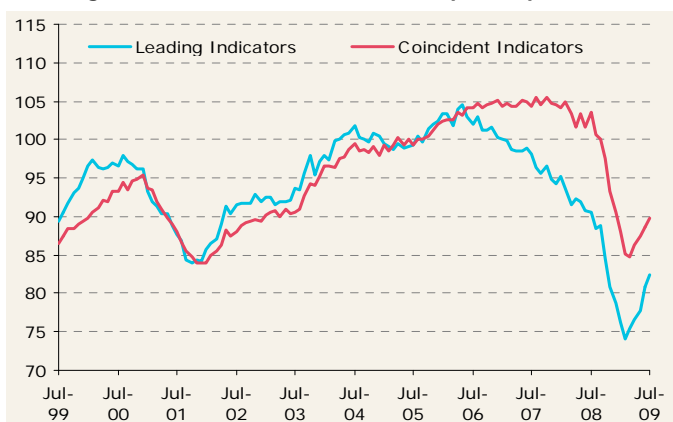
Source: Datastream, Sept 2007 to Sept 2009.

## Asia Pacific

Economic Strength in Asian equities continued in September, with the majority of regional markets achieving positive performances. In a relatively quiet month for corporate news, economic data provided much of the equity market's direction. Chinese data was solidly positive, with both retail sales and industrial production posting strong year-on-year (y-o-y) advances of 15.4% and 12.3% respectively in August. Car sales in China continued their stellar rise, gaining 90% y-o-y, boosted by government subsidies. Although still significantly above the lows experienced earlier in the year, Chinese exports fell back modestly in August, compared to July, falling 23.4% y-o-y. Equities in Taiwan shrugged off political upheaval in the aftermath of Typhoon Morakot, which saw Premier Liu Chao-shiuan and his Cabinet resign en masse following the government's mishandling of the disaster. Details regarding the development of an 'Economic Cooperation Framework Agreement' between Taiwan and China helped to support optimism about the outlook for the Taiwanese economy. Economic news from Korea indicated that recovery remains on track, as the preliminary estimate of second quarter GDP was revised up from 2.3% quarter-on-quarter, to 2.6% quarter-on-quarter. The generally stronger tone to performance in Asian economies was also evident in Indonesia, where interest rates were held for the first time in ten months. The central bank kept rates at 6.5%, believing that the upside risks to inflation now outweigh concerns about weak economic growth.

Japanese equity markets were lower as short-term uncertainties gave investors a reason to secure profits after the market's recent strong performance. The Democratic Party of Japan's election saw questions arise about some of the new government's cabinet appointments and potential new policies, including the suggestion that some smaller companies could be able to defer debt repayments. The potential for regulatory changes stemming from September's G20 meeting that may impose stricter capital requirements on financial institutions also unsettled markets. A rising yen, underpinned by comments from the incoming Finance Minister, Hirohisa Fujii, that he does not support a weak yen, also added to concerns that currency strength could impact the key export sector's nascent recovery. Prevailing economic data continued to depict a mixed environment. The strength of Japan's economic recovery was called into question as second quarter GDP was revised down from an initial estimate of 3.7% y-o-y to 2.3% y-o-y. Unemployment also continued to rise, reaching 5.7% in July, adding to the pressure on domestic consumption levels. More positively, factory output rose for the sixth consecutive month in August and the Bank of Japan increased its assessment of the economy to 'showing signs of recovery'.

### Leading and coincident indicators in Japan improve



Source: Datastream, figures in US\$, total return, July 1999 to July 2009.

## Emerging Markets

Buoyed by global growth upgrades and growing risk appetite, emerging market equities performed strongly during September. The 8.9% monthly gain in the MSCI Emerging Markets (US\$) index pushed returns for the third quarter to over 20%. Combining the Q2/Q3 2009 periods, the benchmark has surged 60%, a big out-performance versus developed market equities. Reflecting the increasing economic power of emerging markets, world leaders agreed to make G20 as the main forum for global economic coordination instead of G8. This month's regional winner was Latin America, led by Peru and Brazil. Stocks in emerging Asia also did well with notable performances from Taiwan, Korea and Thailand. Russia also generated double-digit returns, although overall returns from the EMEA region were held back by the underperformance of Poland and Czech Republic.

Supporting stock gains in the Latin American region was the release of upbeat economic data from Brazil. New jobs were created and retail sales accelerated as consumers took advantage of historic low interest rates and tax incentives for buying home appliances. With employment and income levels rising, some analysts are now predicting that the economy won't shrink at all for the calendar year as a whole. Q2 GDP was positive at 1.9%. Following earlier moves by S&P and Fitch, Moody's Investors Service awarded Brazil investment-grade status. In another decision that reflected confidence in the region and a sign that financial markets were returning to normal, Banco Santander announced plans to raise US\$7.2 billion by selling shares in its Brazilian banking business. Elsewhere in the region, equities in Peru were supported by the notion that the economy had now reached a point of reflexion. The economy is expected to grow by 3.2% during the second half of 2009. Stocks gains in Mexico were held back by worries that the country's fiscal problem was not being properly addressed, although a pick up in US economic activity eased recessionary concerns.

The abundance of liquidity globally and the perception that Russian stocks are still undervalued (40% cheaper than the average for global emerging markets according to UBS) contributed towards their out-performance. Investor confidence was also enhanced by a lowering in the refinancing rate to 10%. For the first time in almost a year, Russia's service industry expanded after orders rose and business confidence improved, indicating its economy may have bottomed out. In Hungary the central bank cut its benchmark interest rate by 50bps to 7.5% as it increased its effort to stimulate the economy.

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

Emerging Markets	8.9
Developed Markets	3.8
Latin America	12.0
EM Asia	9.0
EMEA	5.4

### Top five by country

Peru	18.1
Brazil	15.1
Russia	15.0
Taiwan	12.7
Korea	12.1

### Bottom five by country

Poland	-2.2
Czech Republic	-0.8
Philippines	-0.2
Israel	0.2
Egypt	1.3

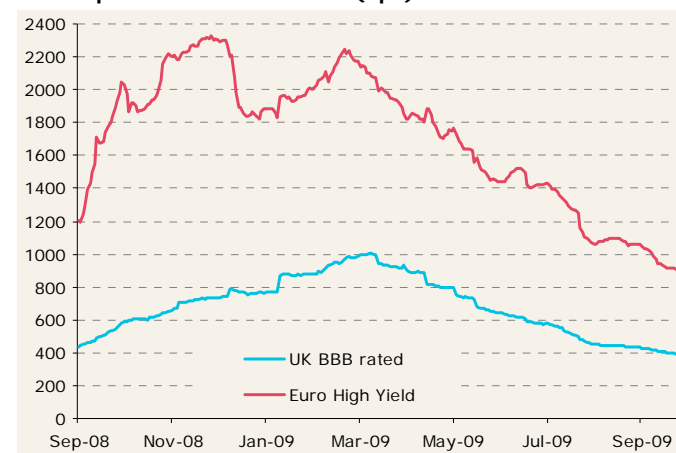
Source: Datastream, price returns %, US\$, 31 August 2009 to 30 September 2009.

## Fixed Income

Corporate bonds posted further positive returns with strong performance from high yield and subordinated financials. According to data from Merrill Lynch, sterling BBB rated spreads decreased by 55bps for a 2.7% gain while European high-yield spreads decreased by 172bps. Despite news early in the month that RBS was prevented from calling four subordinated bonds, spreads on Tier 1 and Upper Tier 2 debt narrowed by 121bps and 211bps respectively with both posting gains of around 7%. The new issue market saw firm demand for financials, as seen by Societe Generale's US\$1bn 8.75% Tier 1 issue, which saw bids of US\$5bn. Sentiment in high yield continued to improve, Fiat, which issued a three-year bond in July at 9%, was able to issue a €1.25bn five-year bond at 7.75%, attracting orders worth €8bn. Moody's reported that the European high-yield default rate climbed to 8.2% in August, compared with 0.7% for the same period last year and a peak of just below 16% in 2002. Having forecast in March that defaults would peak at 21% in the final quarter of 2009, Moody's is now expecting the default rate to peak at 11% before dropping to 6.5% by August of next year. Despite ongoing heavy issuance and the rally in risk assets, government bond yields were broadly unchanged. Over the month, the yield on the 10-year benchmark bond fell by 9bps and 4bps in the US and Europe respectively, while the 10-year gilt yield rose by 4bps. Sterling three-month interbank lending rates continued to fall, declining from to 0.54%, the lowest level on record.

The Bank of England unanimously voted to keep both the base rate and the quantitative easing (QE) programme unchanged. The minutes highlighted that although the members who voted for more QE in August still believed there was a case for more stimulus, they did not think it was worth adjusting the asset purchase programme at this point. Despite economic news in the run-up to the meeting being generally positive, questions were raised about the sustainability of each piece of upbeat data, and it appears that the Committee is wary of tightening policy until it is sure that a durable recovery in private demand is underway. Annual CPI inflation fell from 1.8% in July to 1.6% in August, led by stable gas and electricity prices, while the RPI measure rose from -1.4% to -1.3%. Sterling continued to weaken, losing 1.6% against the US dollar and 3.8% against the euro. Eurozone interest rates remained at 1%. The European Central Bank (ECB) acknowledged the improvement in economic indicators, but remains very cautious in its assessment. Although it now sees "increasing signs of stabilisation", ECB President Trichet warned that "more of a bumpy road ahead" is expected and that "prudence and caution were of the essence". Annual Eurozone CPI inflation remained negative in September, with the end of month estimate reporting a 0.3% drop.

### Credit spreads narrow further (bps)



Source: Bloomberg L.P., 30 September 2008 to 1 September 2009.

## Global equity and commodity index performance - figures to 30 September 2009

Global	1 Month	3 Months	YTD	2008	2007	2006	2005	2004	2003	2002	2001	2000
MSCI World (ic)	2.9%	14.3%	18.0%	-40.1%	2.8%	13.5%	13.7%	9.5%	22.8%	-25.2%	-15.2%	-10.8%
MSCI World (\$)	3.8%	16.9%	22.5%	-42.9%	-0.5%	15.8%	14.2%	22.6%	55.5%	-17.1%	-0.7%	-3.1%
MSCI World Value (\$)	3.3%	18.9%	20.9%	-41.8%	-5.3%	11.9%	21.3%	18.8%	44.0%	-21.6%	3.5%	1.1%
MSCI World Growth (\$)	4.4%	14.9%	23.9%	-42.6%	8.9%	18.8%	8.9%	13.7%	31.0%	-20.6%	-17.5%	-12.2%
MSCI World Small Cap (\$)	5.7%	21.8%	38.1%	-46.0%	13.0%	23.8%	13.5%	18.7%	36.9%	-16.6%	-21.5%	-15.2%
MSCI Emerging Markets Free (\$)	8.9%	20.1%	61.2%	-39.4%	27.5%	15.8%	26.2%	25.3%	22.9%	-8.4%	-8.8%	4.3%
FTSE World (\$)	4.2%	17.6%	25.5%	-51.0%	31.2%	26.2%	17.1%	15.7%	41.9%	-6.3%	-6.8%	-14.9%
FTSE World ex US (\$)	4.7%	19.5%	32.0%	-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	2.3%	15.0%	10.7%	-33.8%	6.4%	16.3%	-0.6%	3.1%	25.3%	-16.8%	-7.1%	-6.2%
S&P 500	3.6%	15.0%	17.0%	-38.5%	3.5%	13.6%	3.0%	9.0%	26.4%	-23.4%	-13.0%	-10.1%
NASDAQ	5.6%	15.7%	34.6%	-40.5%	9.8%	9.5%	1.4%	8.6%	50.0%	-31.5%	-21.1%	-39.3%
Russell 2000	5.6%	18.9%	21.0%	-34.8%	-2.7%	17.0%	3.3%	17.0%	45.4%	-21.6%	1.0%	-4.2%
S&P/ TSX Composite (Canada)	4.8%	9.8%	26.8%	-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 (€)	6.6%	26.6%	15.5%	-28.2%	9.7%	14.9%	19.3%	9.9%	21.7%	-27.2%	-19.5%	-1.8%
FTSE Europe (euro)	2.7%	18.0%	22.2%	-45.4%	0.6%	17.2%	23.0%	9.4%	12.6%	-31.7%	-17.3%	-2.9%
FTSE Europe ex-UK (€)	7.5%	29.1%	15.2%	-26.8%	12.6%	16.8%	20.6%	10.9%	26.2%	-28.7%	-21.7%	0.2%
FTSE Europe ex-UK (euro)	3.5%	20.3%	21.8%	-44.4%	3.3%	19.1%	24.2%	10.3%	16.7%	-33.1%	-19.5%	-0.9%
MSCI Europe (Growth)	4.0%	15.4%	15.2%	-37.7%	9.0%	14.0%	20.2%	6.4%	10.6%	-31.0%	-21.9%	-11.8%
MSCI Europe (Value)	3.8%	23.9%	23.1%	-44.1%	-2.3%	17.9%	23.1%	12.4%	22.6%	-30.8%	-13.8%	4.5%
CAC 40 (France)	3.9%	20.9%	17.9%	-42.7%	1.3%	17.5%	23.4%	7.4%	16.1%	-33.7%	-22.0%	-0.5%
DAX (Germany)	3.9%	18.0%	18.0%	-40.4%	22.3%	22.0%	27.1%	7.3%	37.1%	-43.9%	-19.8%	-7.5%
Technology All-Share Price (Ger)	6.6%	19.7%	42.1%	-50.1%	22.2%	22.3%	18.2%	-0.3%	62.1%	-63.1%	-60.2%	-40.0%
Ibex 35 (Spain)	3.4%	20.1%	27.8%	-39.4%	7.3%	31.8%	18.2%	17.4%	28.2%	-28.1%	-7.8%	-21.7%
FTSEMib (Italy)	4.7%	23.1%	20.6%	-49.5%	-7.0%	16.0%	15.5%	14.9%	14.4%	-27.3%	-26.0%	2.5%
Swiss Market Index	1.7%	17.0%	14.2%	-34.8%	-3.4%	15.8%	33.2%	3.7%	18.5%	-27.8%	-21.1%	7.5%
Amsterdam Exchanges (Netherlands)	5.1%	22.2%	26.6%	-52.3%	4.1%	13.4%	25.5%	3.1%	4.6%	-36.3%	-20.5%	-5.0%
HSBC European Smaller Cos ex-UK	7.2%	25.1%	52.1%	-49.5%	-3.0%	33.8%	39.6%	--	--	--	--	--
Russian RTS (\$)	17.6%	27.1%	98.5%	-72.4%	19.2%	70.7%	83.3%	8.3%	58.0%	38.1%	81.5%	-18.2%
FTSE/JSE Africa All-Share (SA)	-0.1%	13.0%	15.8%	-25.7%	16.2%	37.7%	43.0%	21.9%	12.0%	-11.3%	28.1%	-2.6%
<b>UK</b>												
FTSE All-Share	4.5%	21.3%	19.3%	-32.8%	2.0%	13.2%	18.1%	9.2%	16.6%	-25.0%	-15.4%	-8.0%
FTSE 100	4.6%	20.8%	15.8%	-31.3%	3.8%	10.7%	16.7%	7.5%	13.6%	-24.5%	-16.2%	-10.2%
FTSE 250	3.7%	23.3%	43.7%	-40.3%	-4.7%	27.1%	26.8%	19.6%	34.3%	-27.3%	-9.3%	1.6%
FTSE SmallCap	6.8%	29.0%	55.8%	-45.8%	-12.4%	18.2%	19.8%	11.4%	35.9%	-29.4%	-19.0%	2.8%
FTSE TechMARK 100	7.0%	20.9%	33.2%	-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	6.2%	14.0%	45.6%	-48.3%	39.3%	34.2%	4.5%	13.2%	34.9%	-18.2%	-24.5%	-11.0%
China SE Shanghai Composite	4.2%	-6.1%	52.6%	-65.4%	96.7%	130.4%	-8.3%	-15.4%	10.3%	-17.5%	-20.6%	51.7%
Singapore Times	3.1%	14.5%	51.7%	-49.2%	18.7%	28.0%	14.0%	15.6%	32.8%	-20.3%	-17.3%	-21.8%
Taiwan Weighted	10.0%	16.7%	63.6%	-46.0%	8.7%	19.5%	6.7%	4.2%	32.3%	-19.8%	17.1%	-43.9%
Korean Composite	5.1%	20.4%	48.8%	-40.7%	32.3%	4.0%	54.0%	10.5%	29.2%	-9.5%	37.5%	-50.9%
Thai Stock Exchange	9.8%	20.0%	59.4%	-47.6%	26.2%	-4.7%	6.8%	-13.5%	116.6%	17.3%	12.9%	-44.1%
Mumbai Sensex 30	9.3%	18.2%	77.5%	-52.4%	47.1%	46.7%	42.3%	13.1%	72.9%	3.5%	-17.9%	-20.6%
Jakarta Composite	5.4%	21.7%	82.1%	-50.6%	52.1%	55.3%	16.2%	44.6%	62.8%	8.4%	-5.8%	-38.5%
Malaysia Kuala Lumpur Composite Index	2.4%	11.8%	37.1%	-39.3%	31.8%	21.8%	-0.8%	14.3%	22.8%	-7.1%	2.4%	-16.3%
Philippines Composite Index	-2.9%	14.9%	49.5%	-48.3%	21.4%	42.3%	15.0%	26.4%	41.6%	-12.8%	-21.8%	-30.3%
Hang Seng China Enterprises Index	5.1%	8.2%	50.3%	-51.1%	55.9%	94.0%	12.4%	-5.6%	152.2%	13.2%	8.2%	-17.7%
Malaysia Kuala Lumpur Composite Index	2.4%	11.8%	37.1%	-39.3%	31.8%	21.8%	-0.8%	14.3%	22.8%	-7.1%	2.4%	-16.3%
<b>Japan</b>												
Topix	-5.8%	-2.1%	5.9%	-41.8%	-12.2%	1.9%	43.5%	10.2%	23.8%	-18.3%	-19.6%	-25.5%
Nikkei 225	-3.4%	1.8%	14.4%	-42.1%	-11.1%	6.9%	40.2%	7.6%	24.5%	-18.6%	-23.5%	-27.2%
TSE2	-4.2%	0.7%	14.8%	-40.8%	-21.3%	-19.3%	71.4%	40.9%	43.9%	-12.8%	-12.1%	-25.8%
Jasdaq	-1.5%	2.4%	3.2%	-33.2%	-16.3%	-33.8%	44.1%	33.8%	75.4%	-18.5%	-12.9%	-44.3%
TSE Mothers Index	0.7%	2.2%	39.6%	-58.7%	-29.5%	-56.3%	47.7%	30.6%	133.0%	-36.2%	-23.1%	--
Osaka Hercules index	-7.4%	-9.6%	19.0%	-58.1%	-34.6%	-51.9%	78.2%	25.4%	--	--	--	--
MSCI Japan Index	-5.7%	-1.8%	6.1%	-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 (\$)	12.0%	24.0%	77.6%	-52.8%	46.9%	39.3%	44.9%	34.8%	67.1%	-24.8%	-4.3%	-18.4%
MSCI Mexico	1.6%	17.6%	36.1%	-44.0%	9.3%	39.0%	45.2%	45.0%	29.8%	-15.0%	15.9%	-21.5%
MSCI Brazil	15.1%	26.7%	97.3%	-57.6%	75.3%	40.5%	50.0%	30.5%	102.9%	-33.8%	-21.8%	-14.2%
Argentinean Merval	16.5%	30.7%	92.2%	-49.8%	2.9%	35.5%	12.2%	28.3%	104.2%	77.7%	-29.1%	-24.3%
Chilean Stock Market Select	6.2%	9.1%	41.9%	-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	-1.6%	-1.0%	62.0%	-55.5%	56.1%	2.1%	46.3%	32.0%	1.6%	55.4%	-14.4%	-9.4%
Oil - US West Texas Intermediary	0.9%	1.0%	58.3%	-53.5%	57.2%	0.0%	40.5%	33.6%	4.2%	57.3%	-26.0%	4.7%
Reuters CRB Index	2.3%	3.8%	13.0%	-36.0%	16.7%	-7.4%	16.9%	11.2%	8.9%	23.0%	-16.3%	11.1%
Gold Spot Price	6.0%	8.3%	15.1%	5.1%	31.0%	23.0%	18.0%	5.5%	19.3%	24.7%	2.5%	-5.5%
Baltic Dry Index	-8.3%	-40.9%	186.8%	-91.5%	107.9%	82.7%	-47.7%	-3.5%	174.2%	98.4%	-45.2%	21.2%

Source: Bloomberg L.P.

## Global bond performance - figures to 30 September 2009

Government Bonds	Current	Basis Point Movement Over:										
	Yield (%)	1 Month	3 Months	YTD	2008	2007	2006	2005	2004	2003	2002	2001
US Treasuries 2 year	0.95	-2.3	-16.4	18.1	-228.3	-176.1	40.8	133.5	124.6	22.1	-142.4	-206.9
US Treasuries 10 year	3.31	-9.3	-22.8	109.3	-181.1	-67.9	31.1	17.3	-2.8	43.2	-123.5	-6.1
US Treasuries 30 year	4.05	-12.8	-27.9	137.4	-177.6	-35.8	27.5	-29.1	-24.7	29.4	-68.6	0.9
UK Gilts 2 year	0.85	1.3	-45.6	-16.6	-331.8	-81.8	99.2	-24.7	13.9	54.5	-100.6	-50.7
UK Gilts 10 year	3.59	3.6	-9.6	57.2	-148.5	-23.4	64.0	-43.6	-25.8	42.1	-67.2	16.5
UK Gilts 30 year	4.09	-3.1	-30.8	38.8	-60.1	9.8	23.1	-42.8	-27.9	23.8	-25.3	47.0
German Bund 2 year	1.26	2.2	-10.0	-48.9	-220.9	8.3	104.0	38.0	-12.3	-11.6	-92.8	-79.7
German Bund 10 year	3.22	-3.7	-16.2	27.2	-135.8	36.8	63.8	-37.4	-60.8	8.3	-79.4	15.1
German Bund 30 year	3.94	-3.6	-24.8	41.2	-106.5	55.1	48.0	-71.2	-65.6	9.7	-55.1	4.5
Japanese Gov Bond 2 year	0.25	-0.4	-7.0	-13.0	-33.5	-9.0	51.3	17.7	-1.0	6.5	-5.7	-35.3
Japanese Gov Bond 10 year	1.30	-0.9	-5.8	12.7	-33.6	-17.5	20.5	3.9	7.1	46.1	-45.9	-27.8
Japanese Gov Bond 20 year	2.05	-3.7	2.0	35.0	-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 30 September 2009

	Current	Change Over:									
	Value	1 Month	3 Months	YTD	2008	2007	2006	2005	2004		
Euro/US Dollar	1.46	2.1%	4.2%	4.9%	-4.3%	10.6%	11.5%	-12.7%	7.9%		
Euro/GB Sterling	0.91	3.8%	7.1%	-4.5%	30.1%	9.1%	-2.1%	-2.7%	0.4%		
Euro/Swiss Franc	1.52	0.0%	-0.4%	1.8%	-10.0%	3.0%	3.4%	0.7%	-0.9%		
Euro/Swedish Krona	10.19	-0.2%	-5.8%	-7.0%	16.2%	4.5%	-4.0%	4.3%	-0.4%		
Euro/Norwegian Krone	8.46	-1.9%	-6.3%	-12.9%	22.4%	-3.7%	3.1%	-3.0%	-1.9%		
Euro/Danish Krone	7.44	0.0%	0.0%	0.0%	-0.1%	0.0%	-0.1%	0.3%	-0.1%		
US Dollar/Yen	89.7	-3.4%	-6.9%	-1.2%	-18.8%	-6.1%	0.9%	15.1%	-4.6%		
US Dollar/Canadian Dollar	1.07	-2.7%	-8.0%	-12.2%	22.8%	-14.9%	0.2%	-3.3%	-7.3%		
US Dollar/South African Rand	7.51	-3.5%	-3.0%	-20.2%	37.2%	-1.8%	10.3%	11.9%	-15.4%		
US Dollar/Brazilian Real	1.77	-5.7%	-10.0%	-23.6%	30.1%	-16.7%	-8.6%	-12.1%	-8.1%		
US Dollar/Polish Zloty	2.87	0.6%	-9.4%	-3.3%	20.2%	-15.1%	-10.5%	8.0%	-19.5%		
US Dollar/Hungarian Forint	183.9	-3.1%	-5.3%	-3.4%	9.8%	-9.1%	-10.8%	17.7%	-13.3%		
US Dollar/South Korean Won	1175.6	-5.9%	-7.6%	-6.7%	34.6%	0.6%	-7.9%	-2.4%	-13.1%		
US Dollar/Taiwan Dollar	32.15	-2.3%	-2.0%	-2.0%	1.2%	-0.5%	-0.7%	3.3%	-6.4%		
US Dollar/Thai Baht	33.45	-1.6%	-1.9%	-3.7%	3.1%	-6.7%	-12.0%	5.4%	-1.8%		
US Dollar/Singapore Dollar	1.41	-2.3%	-2.8%	-2.0%	-0.1%	-6.3%	-7.7%	1.8%	-3.8%		
US Dollar/Argentinean Peso	3.84	-0.3%	1.2%	11.3%	9.6%	2.9%	1.0%	2.0%	1.5%		
GB Sterling/US Dollar	1.60	-1.6%	-2.7%	9.9%	-26.5%	1.3%	13.9%	-10.3%	7.4%		
GB Sterling/South African Rand	12.03	-5.1%	-5.7%	9.9%	0.9%	-1.1%	26.3%	0.4%	-9.1%		
Australian Dollar/US Dollar	0.88	4.9%	9.4%	-12.3%	-19.6%	11.2%	7.5%	-6.3%	4.1%		
New Zealand Dollar/US Dollar	0.72	5.8%	12.1%	25.4%	-23.4%	8.8%	3.4%	-5.4%	9.8%		

Source: Bloomberg L.P.

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