

## Global Overview

### Global overview

The performance of global equity markets in October continued in the same vein as the previous month, with most markets registering double-digit losses against a backdrop of extreme volatility. On a relative basis, the UK was the best-performing region, followed by the US, Europe and Japan. The same picture was painted in the emerging markets region, with all regions finishing the month firmly in negative territory. Volatility was also evident in global bond markets. Government efforts to restore confidence in global financial markets continued unabated during the month, such as the co-ordinated interest-rate cut by several central banks on 8 October.

### US

- Manufacturing and consumer confidence both fell sharply
- The US Federal Reserve cut interest rates twice by a total of 1.0%, leaving the headline rate at 1.0%
- Two-thirds of S&P 500 companies having reported third-quarter earnings beat analysts' expectations

### Europe

- European governments follow UK's lead in guaranteeing interbank lending
- Healthcare sector displays resilience
- Volkswagen saw its share price rocket, briefly making it the largest company in the world by market capitalisation

### UK

- The UK equity market experienced another volatile month
- Consumer prices surge to 5.2% year-on-year in September
- UK interest rates now at 4.5%

### Asia pacific

- Equity markets across the Asia Pacific region fell sharply on concerns about the impact the weak global economy could have on economic and corporate performance in the region
- Asian authorities implemented both monetary and fiscal measures to support economic growth as easing inflation provided greater scope for expansionary policies
- Third-quarter growth in China slowed to 9%, the slowest pace for five years

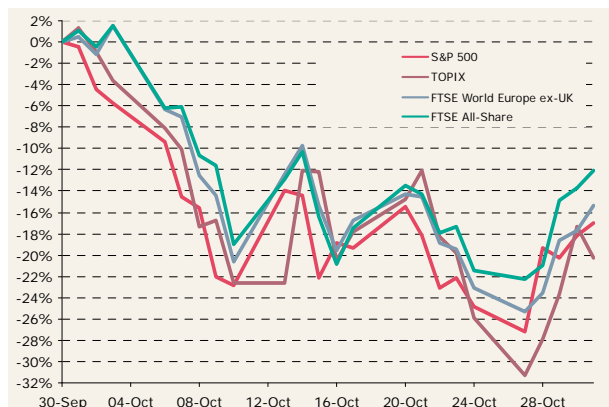
### Emerging Markets

- Emerging markets stocks and currencies tumble as global recession concerns deepened and commodity prices fall
- The MSCI Emerging Markets (US\$) index has one of its worst months ever, losing 27.5% of its value
- Fears rise that some countries could default on their foreign debt loans. IMF agrees rescue package for Hungary and Ukraine

### Fixed Income

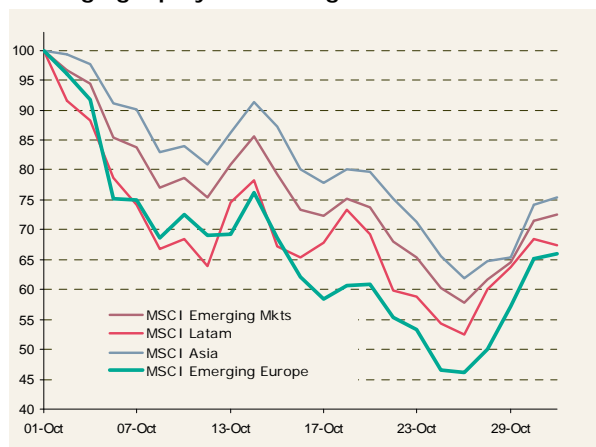
- Credit spreads reach new all-time widens as European high-yield bonds fall 19% over the month
- Co-ordinated action from central banks sees interest rates cut in a number of regions
- Short-dated government bond yields fall below headline lending rates in the US, UK and eurozone

### Developed equity markets



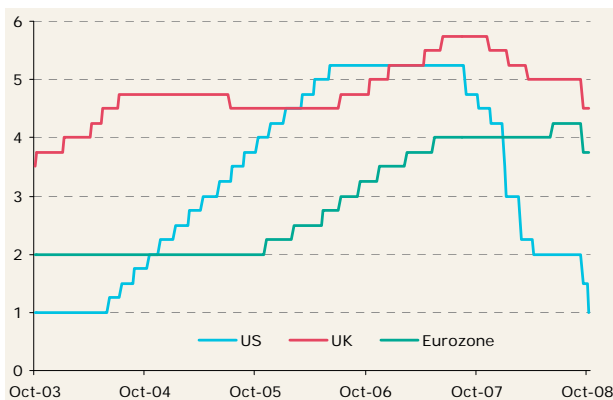
Source: Bloomberg L.P., local currency, capital returns only, rebased to 0, data to 31 October 2008

### Emerging equity market regions



Source: Bloomberg L.P., US\$, capital returns only, rebased to 100, data to 31 October 2008

### Interest rates cut in co-ordinated action (%)



Source: Bloomberg L.P., 31 October 2003 to 31 October 2008

## UK

The UK equity market experienced another volatile month and ended the period lower as reflected by the -12.1% fall in the FTSE All-Share index. Risk appetite continued to play a significant role in the market as fears of a global recession mounted. Against this backdrop, all FTSE indices ended the month in negative territory including the FTSE 100, the FTSE 250 and the FTSE Small Cap which fell by 10.7%, 20.4% and 20.1%, respectively.

In the latest government attempt to restore confidence in the markets, plans were announced to inject up to £37bn into banks in a move that will leave the government with a sizeable stake in each bank. However, the most notable initiative in the month to ease the credit crisis was the co-ordinated 50 basis-point reduction in interest rates by the Bank of England, along with the European Central Bank, the US Federal Reserve Committee and central banks of Canada, Sweden, Switzerland and the UAE. This move on 8 October took UK interest rates down to 4.5%. Minutes of the meeting — the second emergency meeting in the Monetary Policy Committee's history — showed that all nine members voted for the cut in rates. Elsewhere in the economy, UK inflation, as measured by the consumer prices index, rose 5.2% year-on-year (y-o-y) in September versus 4.7% y-o-y in August. The main driver of the surge in inflation was attributed to higher utility prices. UK retail sales for September grew at their slowest annual rate in two-and-a-half years and were down by 0.4% on the month. On a y-o-y basis, the annual growth rate was 1.8% in September versus 3.3% y-o-y in August.

In its latest house-price survey, Nationwide Building Society revealed that house prices continued to fall in October by 1.4% month-on-month (m-o-m) compared with a revised decline of 1.5% m-o-m in September. On a year-on-year basis, house prices fell 14.6%, the largest annual fall since records began in 1991. Elsewhere in the housing market, recent data from the Bank of England showed that September mortgage approvals for house purchases rose to 33,000 from 32,000 in August, the first rise since June 2007.

At the stock level, the best-performing companies in the FTSE 100 index included retailers Marks & Spencer and Next, and oil majors Royal Dutch and BP. By contrast, the worst performing companies included financials companies Royal Bank of Scotland and Barclays, and mining companies Lonmin, Kazakhmys, Eurasian Natural Resources and Xstrata.

In the currency markets, sterling lost ground against the US dollar and the euro amid concerns over the health of the UK economy. Sterling was particularly hard hit following the IMF's verdict that the UK could be one of the countries that was most affected by the global downturn.

### UK stock market performance — the year so far...



Source: Bloomberg L.P., data from 1 Jan 08 to 31 Oct 08 rebased to 100

## United States

A raft of poor data in October, indicating that US economic conditions continue to deteriorate, means that the new president elected on 4 November will face a difficult first term in office. The ISM factory index fell to 38.9 in October. A reading below 50 indicates a contraction in US manufacturing. This figure was worse than analysts had expected, and saw manufacturing falling at its fastest pace in 26 years. Consumer confidence also took a hit, with the Chicago Board's Confidence index recording its lowest reading since records began in 1967. Some good news regarding a pick up in sales of both new and existing housing was tempered by the S&P/Case-Shiller survey of home prices in 20 metropolitan areas. The latter showed that prices were 16.6% lower in August from the same month a year earlier, the fastest drop recorded since year-over-year records began in 2001. Credit card defaults also increased, and the predominantly negative news contributed to another poor month in the markets. The Dow Jones Industrial Average, the wider S&P 500 index and the technology-orientated Nasdaq finished down by 14.1%, 16.9% and 17.7%, respectively. The Russell 2000 index for smaller companies fell by 20.9%. The Dow Jones reached a closing low of 8,175.77 on 27 October, before a late rally pushed the index back above 9,000.

Stock markets weren't the only markets falling. The spot price of a barrel of West Texas crude oil declined by 32.6% to finish the month at US\$67.81, despite a cut in production by OPEC. The initial estimate of third-quarter economic growth in the US indicated that GDP contracted at an annualised rate of 0.3%. In an attempt to mitigate what is turning into a sharp economic downturn, the US Federal Reserve cut interest rates twice during the month leaving the headline rate at 1.0%. The US Treasury also took stakes in nine major banks. Currency movements were very strong with the carry trade continuing to unwind. The US dollar strengthened significantly against the euro and sterling, but fell against the yen.

In company news, Boeing finally agreed a deal with striking machinists. The eight week strike deferred US\$100m a day in revenue and pushed back the delivery time of its already delayed 787 model. Delta and Northwest Airlines closed their merger transaction. Many companies announced lay offs, including eBay, Micron, Merck, GE, Goldman Sachs, Motorola, American Express, Pepsico and Chrysler. More encouragingly, two-thirds of the just over 300 companies from the S&P 500 having reported third-quarter results beat analysts expectations, with earnings down by an average of 12%. A number of technology stocks reported strong earnings, and Exxon reported the largest quarterly profit in US corporate history from recurring business, at US\$14.83bn.

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

Level 1	Level 2 - Top 5	Level 2 - Bottom 5	
Telecom Services	-9.5	Banks	-7.0
Consumer Staples	-11.1	Pharma & Biotechnology	-8.5
Health Care	-11.8	Telecom Services	-9.5
Utilities	-11.9	Food & Staples Retail	-9.8
<b>S&amp;P 500</b>	<b>-16.9</b>	Household & Pers Prods	<b>-10.5</b>
IT	-17.8	<b>Level 2 - Bottom 5</b>	
Energy	-18.0	Autos & Components	-44.0
Industrials	-18.9	Insurance	-32.7
Consumer Discretionary	-19.3	Real Estate	-32.1
Materials	-22.2	Consumer Durables	-24.6
Financials	-22.7	Diversified Financials	-23.6

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

## Europe

European equities remained under pressure during October as further weakness in the macroeconomic outlook manifested itself and financial sector turmoil rumbled on. Market volatility reached unprecedented levels as the month bore witness to some of the region's largest one-day movements. Financials again led the fallers, closely followed by industrials and basic materials, while health care displayed the most resilience, ending the month almost flat. All indices within Europe suffered, with the scale of declines ranging between 7.5% and 19.2%, while smaller companies fared slightly worse. Both Spanish and Dutch indices were weakest, while the falls in the Swiss market were restricted by the strong outperformance of index heavyweights Novartis and Roche.

Markets suffered their greatest losses in the first part of the month before staging a brief rally following the announcement that European governments were to follow the UK's lead in guaranteeing interbank lending, while also setting aside a €100bn fund to inject capital, if needed. This was in addition to co-ordinated action from central banks on 8 October, which saw interest rates fall by 50bps in Europe, only five days after the ECB voted to keep rates unchanged at their regular scheduled monthly meeting. In the accompanying statement, the ECB was more hawkish than other central banks involved; however, since then, economic data has supported the case for further imminent rate reductions.

Eurozone composite PMI slumped from 46.9 to a record low of 44.6, suggesting that economic activity was falling at a rate of 0.4% q/q at the start of Q4. Meanwhile, the EC Economic Sentiment Indicator has slumped to a level consistent with 0.5% falls in GDP compared to a year earlier. Although industrial production rose by a healthy 1.1% m/m in August, the increase came after three consecutive falls and left the annual growth rate in negative territory. Elsewhere, the rise in unemployment in August brought further evidence that the downturn has started to impact the labour market. Additionally, lower commodity prices have taken the pressure off inflation, which fell to 3.2%, allowing monetary authorities the flexibility to lower interest rates.

In company news, Volkswagen saw its share price rocket, briefly making it the largest company in the world by market capitalisation, after Porsche announced it was raising its stake. Short sellers exited their positions having bet that the share price would fall. Elsewhere, Deutsche Bank posted a surprise rise in Q3 profits thanks to an amendment in EU accounting rules, while Commerzbank became Germany's first bank to accept government help in the shape of €8.2bn capital injection. Societe Generale reported worse-than-expected Q3 earnings, with profits down 83.7%.

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

Level 1	Level 2 - Top 5		
Health Care	-0.3	Automobiles & Parts	5.0
Consumer Goods	-7.4	Forestry & Paper	2.7
Telecommunications	-7.8	Pharmaceuticals & Biotech	0.9
Consumer Services	-8.5	Food & Drug Retailers	-0.8
Oil & Gas	-9.0	Mobile Telecoms	-3.1
Utilities	-12.7	Level 2 - Bottom 5	
Technology	-15.3	Life Insurance	-45.7
<b>FTSE Europe ex-UK</b>	<b>-15.3</b>	Oil Equipment & Services	<b>-37.3</b>
Materials	-22.3	Industrial Metals	-36.1
Industrials	-23.1	Mining	-34.9
Financials	-24.4	Industrial Engineering	-30.5

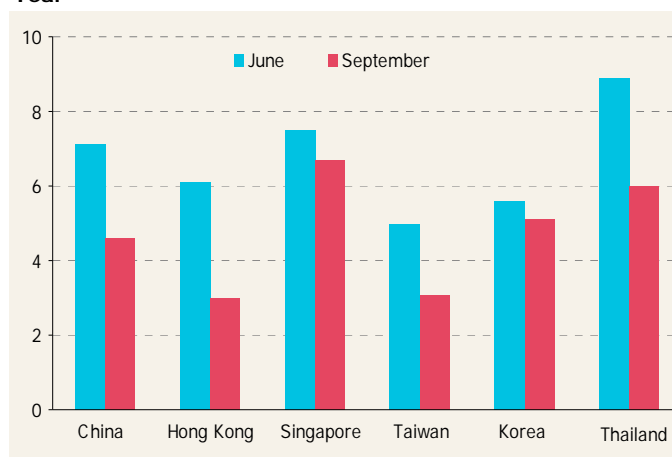
Source: FactSet. All figures in euro, total returns.

## Asia Pacific

Asian equities fell sharply in October. Whilst there were sporadic attempts to rally, the dominant trend during a volatile month remained one of weakness. The rise in concern over the economic outlook was evident from the widespread measures implemented by Asian policymakers, who just a few months ago were predominantly focused upon the threat of inflation. Central banks across the region reduced interest rates, including a 1% cut from the Reserve Bank of Australia and two reductions in both China and Korea. Indonesia was the exception, as a 0.25% increase took interest rates to 9.5%. Easing of monetary policy in China was accompanied by reduced bank reserve requirements and measures in support of the cooling housing market. Efforts to boost the Chinese economy coincided with data showing that third quarter gross domestic product growth had fallen to 9%, from 10.1% in the second quarter. In addition to interest rate cuts, other actions during the month included a A\$10.4bn stimulus package in Australia, where all bank deposits were guaranteed for three years, a US\$130bn bank rescue plan in Korea and bank deposits in Hong Kong and Taiwan were also guaranteed. Inflation data released during the month provided some positive news as consumer price indices eased further against a background of falling commodity prices.

There was no respite for Japanese equity markets in October as ongoing worries about global recession combined with gloomy domestic data to leave stocks sharply lower. During the month, the Nikkei 225 index and the Topix both fell to their lowest levels since the early 1980's. Domestic data saw the Japanese economy record its largest ever trade deficit in August on high energy costs and weak exports. Machinery orders fell for the third consecutive month and year-on-year retail sales for September were negative. Consumer price inflation (CPI) for September remained steady at 2.1% y/y, while core CPI eased modestly to 2.3%, from August's reading of 2.4%. Exporters came under pressure as weak retail spending data from the US weighed on sentiment and currency strength also undermined those groups with large overseas earnings. The yen ended the month trading at ¥98.46 against the US dollar, having ended September at ¥106.2. However, the yen's gains were trimmed at the end of the month as the Bank of Japan cut interest rates by 0.2% to 0.3%, albeit in a split vote that required governor Shirakawa to break the deadlock. The Japanese government also announced a ¥5 trillion stimulus package towards the end of the month aimed at supporting households, local authorities and small businesses.

### Inflationary pressures ease over Q3 2008 - % Year-on-Year



Source: Bloomberg L.P.

## Emerging Markets

Emerging markets stocks and currencies tumbled in October as global recession concerns deepened and commodity prices fell sharply. The MSCI Emerging Markets (US\$) index had one of its worse months ever, losing 27.5% of its value. Undermining sentiment were increased fears that some countries could start to default on their foreign debt loans. A planned nationalisation of private pensions in Argentina ignited these default concerns although news that the IMF had agreed a financial rescue package for Hungary and Ukraine restored some calm to the markets. From a regional perspective, Latin America was the weakest performer, followed by emerging Europe. On a relative basis, Asia stocks outperformed, garnering support from lower oil prices and interest-rate cuts in China, India and Taiwan. The rise in risk aversion was reflected by the yield premium on emerging markets bonds over US Treasuries jumping to 8.5%, the widest gap since 2002.

The MSCI Latin American (US\$) index fell by 31.8%, with the markets in Argentina and Brazil recording the largest individual country losses. Local currencies came under heavy pressure as foreign investors pulled capital out of the region. The sudden drop in the value of Brazil's currency, the real, to a three-year low versus the US dollar, will add to inflationary pressures. Interest rates were left on hold at 13.75%. In a measure to help alleviate the credit squeeze, the US Federal Reserve agreed to provide US\$30 billion each to the central banks of Brazil and Mexico. The effect of the global credit crunch was reflected by the 12.2% drop in remittances sent from abroad by Mexican workers during August. Remittances are the second biggest source of dollar flows to Mexico after oil exports.

Russia's RTS index had its worst monthly fall since the country defaulted in 1998, with the US\$ denominated exchange declining by 36.2%. Share price weakness was accentuated by forced position liquidations from hedge funds and sentiment was further undermined by oil prices trading as low as US\$60 per barrel. However, equities staged a minor rally in the final week, buoyed by news that the Russian government had pledged more than US\$200 billion to bolster companies and liquidity. In an attempt to stem currency weakness, interest rates in Hungary were hiked aggressively to 11.5% from 8.5%. In addition, the country secured a €20 billion rescue package from the IMF, the EU and the World Bank. By contrast, Romania and Bulgaria sought IMF advice but stated that they had no intention to ask for emergency financing.

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

MSCI Emerging Markets Free (\$)	-27.5%
MSCI Asia Pacific Ex-Japan (\$)	-24.6%
MSCI EMF Latin America (\$)	-31.8%
MSCI Emerging Markets Europe (\$)	-29.9%

### Top 5 By Country

Chilean Stock Market Select	-9.6%
FTSE/JSE Africa All-Share (SA)	-11.9%
Taiwan Weighted	-14.8%
Kuala Lumpur Composite	-15.2%
Malaysia Kuala Lumpur Composite Index	-15.2%

### Bottom 5 By Country

Argentinean Merval	-36.8%
Russian RTS (\$)	-36.2%
MSCI Brazil	-32.4%
Jakarta Composite	-31.4%
MSCI Mexico	-30.7%

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

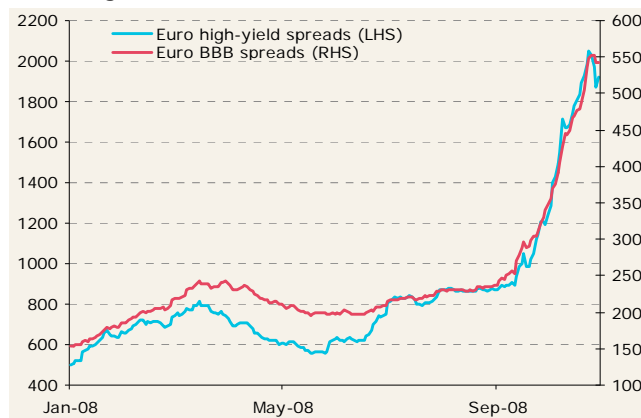
## Fixed Income

Fixed income markets witnessed further extreme volatility during October. The US\$700bn rescue plan for the US financial sector was passed by Congress, Germany announced a €50bn plan to save Hypo Real Estate and several European countries announced a 100% guarantee on savings or increased protection levels. Iceland rescued its three largest banks before it became the first Western nation to go to the IMF for support since 1976, as part of the deal Iceland increased its interest rate from 12% to 18%. In the UK, the government announced plans to part nationalise RBS, Lloyds TSB and HBOS by injecting £37bn, while Barclays raised additional funding from Middle Eastern investors.

In credit markets, spreads over government bonds widened by unprecedented levels. According to data from Merrill Lynch, European high-yield spreads increased by 711bps, while investment-grade spreads increased by 212bps. October saw European high-yield bonds fall by 19% in sterling terms. The cost of insuring against default also increased sharply, the iTraxx Crossover index (an index of mostly high-yield corporate bonds) rose by 211bps to 803bps (i.e. it costs €803,000 a year to insure €10m of debt over five years). Short-dated government bonds benefited from flights-to-quality leaving yields at extremely low levels. For example, the three-month US Treasury Bill at times traded with a negative real yield suggesting that investors would rather pay money to have their money kept safe by the US government than place it on deposit. Yields on the 10-year and 30-year benchmark issues were little changed. Currency markets were also volatile, with both sterling and the euro falling by 9.7% versus the US dollar. Following a sharp increase at the start of October, interbank lending rates began to retreat from mid-month as central banks continued to provide liquidity.

With macroeconomic data rapidly weakening, the central banks of the US, UK, eurozone, Canada, Sweden and Switzerland all cut interest rates by 0.5% on 8 October. The cuts were accompanied by a joint statement explaining that inflationary pressures had begun to ease, reflecting a marked decline in energy and other commodity prices. US interest rates were also cut on 30 October by a further 0.5% to just 1% in a widely expected move. Data showed that the US economy shrank at an annualised rate of 0.3% between July and September and Consumer Confidence fell to the lowest level since records began in 1967. In the UK, unemployment saw the largest monthly increase in 17 years while the Office for National Statistics reported that the UK economy shrank for the first time in 16 years between July and September, as economic growth fell by 0.5%.

### Credit spreads reach new all-time widens before narrowing



Source: Bloomberg L.P., basis points, 1 January 2008 to 30 September 2008

## Global equity and commodity index performance - figures to 31 October 2008

Global	1 Month	3 Months	YTD	2007	2006	2005	2004	2003	2002	2001	2000	1999
MSCI World (lc)	-16.5%	-24.9%	-36.6%	2.8%	13.5%	13.7%	9.5%	22.8%	-25.2%	-15.2%	-10.8%	26.3%
MSCI World (\$)	-19.0%	-30.0%	-39.8%	7.1%	18.0%	7.6%	12.8%	30.8%	-21.1%	-17.8%	-14.0%	23.6%
MSCI World Value (\$)	-18.6%	-27.9%	-40.4%	1.0%	22.2%	7.0%	16.0%	35.2%	-21.3%	-16.2%	-1.3%	15.1%
MSCI World Growth (\$)	-19.4%	-31.9%	-39.2%	13.3%	13.8%	8.1%	9.7%	26.4%	-20.9%	-20.1%	-26.1%	31.7%
MSCI World Small Cap (\$)	-22.7%	-33.2%	-41.0%	-0.5%	15.8%	14.2%	22.6%	55.5%	-17.1%	-0.7%	-3.1%	25.3%
MSCI Emerging Markets Free (\$)	-27.5%	-45.2%	-54.2%	36.5%	29.2%	30.3%	22.4%	51.6%	-8.0%	-4.9%	-31.8%	63.7%
FTSE World (\$)	-19.6%	-30.9%	-40.5%	8.9%	18.8%	8.9%	13.7%	31.0%	-20.6%	-17.5%	-12.2%	24.2%
FTSE World ex US (\$)	-21.8%	-36.5%	-45.6%	13.0%	23.8%	13.5%	18.7%	36.9%	-16.6%	-21.5%	-15.2%	29.6%
<b>United States &amp; Canada</b>												
Dow Jones Industrials	-14.1%	-18.0%	-29.7%	6.4%	16.3%	-0.6%	3.1%	25.3%	-16.8%	-7.1%	-6.2%	25.2%
S&P 500	-16.9%	-23.6%	-34.0%	3.5%	13.6%	3.0%	9.0%	26.4%	-23.4%	-13.0%	-10.1%	19.5%
NASDAQ	-17.7%	-26.0%	-35.1%	9.8%	9.5%	1.4%	8.6%	50.0%	-31.5%	-21.1%	-39.3%	85.6%
Russell 2000	-20.9%	-24.8%	-29.8%	-2.7%	17.0%	3.3%	17.0%	45.4%	-21.6%	1.0%	-4.2%	19.6%
S&P/ TSX Composite (Canada)	-16.9%	-28.2%	-29.4%	7.2%	14.5%	21.9%	12.5%	24.3%	-14.0%	-13.9%	6.2%	29.7%
<b>Europe &amp; Africa</b>												
FTSE Europe (€)	-13.7%	-21.9%	-34.8%	9.7%	14.9%	19.3%	9.9%	21.7%	-27.2%	-19.5%	-1.8%	17.6%
FTSE Europe (euro)	-13.3%	-21.7%	-39.0%	0.6%	17.2%	23.0%	9.4%	12.6%	-31.7%	-17.3%	-2.9%	--
FTSE Europe ex-UK (€)	-14.9%	-23.2%	-35.9%	12.6%	16.8%	20.6%	10.9%	26.2%	-28.7%	-21.7%	0.2%	17.8%
FTSE Europe ex-UK (euro)	-14.6%	-22.9%	-40.0%	3.3%	19.1%	24.2%	10.3%	16.7%	-33.1%	-19.5%	-0.9%	--
MSCI Europe (Growth)	-12.5%	-21.6%	-34.6%	9.0%	14.0%	20.2%	6.4%	10.6%	-31.0%	-21.9%	-11.8%	27.7%
MSCI Europe (Value)	-14.7%	-22.8%	-41.7%	-2.3%	17.9%	23.1%	12.4%	22.6%	-30.8%	-13.8%	4.5%	27.7%
CAC 40 (France)	-13.5%	-20.6%	-37.9%	1.3%	17.5%	23.4%	7.4%	16.1%	-33.7%	-22.0%	-0.5%	51.1%
DAX (Germany)	-14.5%	-23.0%	-38.2%	22.3%	22.0%	27.1%	7.3%	37.1%	-43.9%	-19.8%	-7.5%	39.1%
Technology All-Share Price (Ger)	-22.8%	-30.7%	-47.3%	22.2%	22.3%	18.2%	-0.3%	62.1%	-63.1%	-60.2%	-40.0%	66.2%
Ibex 35 (Spain)	-17.0%	-23.3%	-40.0%	7.3%	31.8%	18.2%	17.4%	28.2%	-28.1%	-7.8%	-21.7%	18.3%
Mib30 (Italy)	-15.4%	-24.5%	-43.4%	-6.5%	17.5%	13.3%	16.9%	11.8%	-26.0%	-26.2%	1.7%	22.3%
Swiss Market Index	-7.5%	-13.8%	-27.5%	-3.4%	15.8%	33.2%	3.7%	18.5%	-27.8%	-21.1%	7.5%	5.7%
Amsterdam Exchanges (Netherlands)	-19.2%	-33.1%	-48.1%	4.1%	13.4%	25.5%	3.1%	4.6%	-36.3%	-20.5%	-5.0%	24.7%
HSBC European Smaller Cos ex-UK	-21.3%	-31.7%	-46.6%	-3.0%	33.8%	39.6%	--	--	--	--	--	--
Russian RTS (\$)	-36.2%	-60.7%	-66.2%	19.2%	70.7%	83.3%	8.3%	58.0%	38.1%	81.5%	-18.2%	197.4%
FTSE/JSE Africa All-Share (SA)	-11.9%	-24.3%	-27.5%	16.2%	37.7%	43.0%	21.9%	12.0%	-11.3%	28.1%	-2.6%	66.8%
<b>UK</b>												
FTSE All-Share	-12.1%	-20.6%	-33.6%	2.0%	13.2%	18.1%	9.2%	16.6%	-25.0%	-15.4%	-8.0%	21.2%
FTSE 100	-10.7%	-19.1%	-32.2%	3.8%	10.7%	16.7%	7.5%	13.6%	-24.5%	-16.2%	-10.2%	17.8%
FTSE 250	-20.4%	-29.1%	-41.1%	-4.7%	27.1%	26.8%	19.6%	34.3%	-27.3%	-9.3%	1.6%	32.8%
FTSE SmallCap	-20.1%	-29.7%	-43.3%	-12.4%	18.2%	19.8%	11.4%	35.9%	-29.4%	-19.0%	2.8%	49.6%
FTSE TechMARK 100	-14.7%	-20.6%	-27.8%	8.5%	5.6%	19.7%	17.9%	56.4%	-55.9%	-42.6%	-32.2%	159.6%
<b>Asia Pacific</b>												
Hong Kong Hang Seng	-22.5%	-38.5%	-49.8%	39.3%	34.2%	4.5%	13.2%	34.9%	-18.2%	-24.5%	-11.0%	68.8%
China SE Shanghai Composite	-24.6%	-37.7%	-67.1%	96.7%	130.4%	-8.3%	-15.4%	10.3%	-17.5%	-20.6%	51.7%	19.2%
Singapore Times	-23.9%	-38.8%	-48.2%	18.7%	28.0%	14.0%	15.6%	32.8%	-20.3%	-17.3%	-21.8%	N/A
Taiwan Weighted	-14.8%	-30.7%	-42.7%	8.7%	19.5%	6.7%	4.2%	32.3%	-19.8%	17.1%	-43.9%	31.6%
Korean Composite	-23.1%	-30.2%	-41.3%	32.3%	4.0%	54.0%	10.5%	29.2%	-9.5%	37.5%	-50.9%	82.8%
Thai Stock Exchange	-30.2%	-38.4%	-51.5%	26.2%	-4.7%	6.8%	-13.5%	116.6%	17.3%	12.9%	-44.1%	35.4%
Mumbai Sensex 30	-23.9%	-31.8%	-51.8%	47.1%	46.7%	42.3%	13.1%	72.9%	3.5%	-17.9%	-20.6%	63.8%
Jakarta Composite	-31.4%	-45.5%	-54.2%	52.1%	55.3%	16.2%	44.6%	62.8%	8.4%	-5.8%	-38.5%	70.1%
Malaysia Kuala Lumpur Composite Index	-15.2%	-25.7%	-40.2%	31.8%	21.8%	-0.8%	14.3%	22.8%	-7.1%	2.4%	-16.3%	38.6%
Philippines Composite Index	-24.1%	-24.3%	-46.1%	21.4%	42.3%	15.0%	26.4%	41.6%	-12.8%	-21.8%	-30.3%	8.8%
Hang Seng China Enterprises Index	-27.1%	-47.1%	-59.0%	55.9%	94.0%	12.4%	-5.6%	152.2%	13.2%	8.2%	-17.7%	14.1%
Malaysia Kuala Lumpur Composite Index	-15.2%	-25.7%	-40.2%	31.8%	21.8%	-0.8%	14.3%	22.8%	-7.1%	2.4%	-16.3%	38.6%
<b>Japan</b>												
Topix	-20.3%	-33.5%	-41.2%	-12.2%	1.9%	43.5%	10.2%	23.8%	-18.3%	-19.6%	-25.5%	58.4%
Nikkei 225	-23.8%	-35.9%	-44.0%	-11.1%	6.9%	40.2%	7.6%	24.5%	-18.6%	-23.5%	-27.2%	36.8%
TSE2	-16.1%	-28.8%	-39.9%	-21.3%	-19.3%	71.4%	40.9%	43.9%	-12.8%	-12.1%	-25.8%	121.3%
Jasdaq	-16.2%	-26.5%	-39.2%	-16.3%	-33.8%	44.1%	33.8%	75.4%	-18.5%	-12.9%	-44.3%	244.5%
TSE Mothers Index	-25.7%	-41.3%	-61.8%	-29.5%	-56.3%	47.7%	30.6%	133.0%	-36.2%	-23.1%	n/a	n/a
Osaka Hercules index	-23.6%	-40.2%	-59.3%	-34.6%	-51.9%	78.2%	25.4%	n/a	n/a	n/a	n/a	n/a
MSCI Japan Index	-21.1%	-34.4%	-42.7%	-11.3%	6.1%	42.9%	9.7%	21.6%	-19.4%	-19.5%	-20.3%	45.7%
<b>Latin America</b>												
MSCI EMF Latin America (\$)	-31.8%	-49.9%	-50.6%	46.9%	39.3%	44.9%	34.8%	67.1%	-24.8%	-4.3%	-18.4%	55.5%
MSCI Mexico	-30.7%	-41.3%	-44.4%	9.3%	39.0%	45.2%	45.0%	29.8%	-15.0%	15.9%	-21.5%	78.5%
MSCI Brazil	-32.4%	-53.3%	-53.6%	75.3%	40.5%	50.0%	30.5%	102.9%	-33.8%	-21.8%	-14.2%	61.6%
Argentinean Merval	-36.8%	-47.3%	-53.0%	2.9%	35.5%	12.2%	28.3%	104.2%	77.7%	-29.1%	-24.3%	28.0%
Chilean Stock Market Select	-9.6%	-17.4%	-18.4%	13.3%	37.1%	9.4%	21.0%	48.5%	-15.5%	9.1%	-3.6%	43.0%
<b>Commodities</b>												
Oil - UK Brent Crude Spot	-33.9%	-47.7%	-31.4%	56.1%	2.1%	46.3%	32.0%	1.6%	55.4%	-14.4%	-9.4%	135.5%
Oil - US West Texas Intermediary	-32.6%	-45.3%	-29.4%	57.2%	0.0%	40.5%	33.6%	4.2%	57.3%	-26.0%	4.7%	111.7%
Reuters CRB Index	-22.3%	-35.5%	-25.2%	16.7%	-7.4%	16.9%	11.2%	8.9%	23.0%	-16.3%	11.1%	7.3%
Gold Spot Price	-16.8%	-20.7%	-13.1%	31.0%	23.2%	17.9%	5.5%	19.4%	24.8%	2.5%	-5.5%	-0.1%
Baltic Dry Index	-73.5%	-89.8%	-90.7%	107.9%	82.7%	-47.7%	-3.5%	174.2%	98.4%	-45.2%	21.2%	66.1%

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

## FTSE World Sector Returns (%) - Figures to 30 September 2008

Best - 1 Month	Absolute	Relative*	Worst - 1 Month	Absolute	Relative*
Pharmaceuticals & Biotech	-7.4	12.1	Life Insurance	-40.7	-21.2
Tobacco	-10.0	9.5	Oil Equipment & Services	-34.3	-14.8
Household Goods	-11.4	8.1	Industrial Metals	-33.2	-13.7
Food Producers	-12.5	7.1	Industrial Engineering	-31.7	-12.2
Electricity	-12.9	6.6	Mining	-30.7	-11.2
Best - 3 Months	Absolute	Relative*	Worst - 3 Months	Absolute	Relative*
Household Goods	-9.9	20.6	Industrial Metals	-59.4	-29.0
Pharmaceuticals & Biotech	-13.8	16.7	Mining	-55.0	-24.5
Tobacco	-16.4	14.1	Oil Equipment & Services	-50.4	-20.0
General Retailers	-18.1	12.4	Industrial Engineering	-48.2	-17.7
Beverages	-18.5	12.0	Life Insurance	-46.7	-16.3
Best - YTD	Absolute	Relative*	Worst - YTD	Absolute	Relative*
Household Goods	-21.7	17.3	Industrial Metals	-57.9	-18.8
Tobacco	-22.5	16.5	Life Insurance	-57.0	-18.0
General Retailers	-25.6	13.5	General Financial	-55.8	-16.7
Food Producers	-26.3	12.7	Mining	-55.0	-15.9
Beverages	-28.2	10.8	Industrial Engineering	-54.4	-15.3

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

## Global bond performance - figures to 31 October 2008

Government Bonds	Current Yield (%)	Basis Point Movement Over:										
		1 Month	3 Months	YTD	2007	2006	2005	2004	2003	2002	2001	2000
US Treasuries 2 year	1.56	-39.6	-94.4	-148.3	-176.1	40.8	133.5	124.6	22.1	-142.4	-206.9	-111.8
US Treasuries 10 year	3.96	14.1	1.8	-5.9	-67.9	31.1	17.3	-2.8	43.2	-123.5	-6.1	-133.2
US Treasuries 30 year	4.33	1.9	-24.3	-12.2	-35.8	27.5	-29.1	-24.7	29.4	-68.6	0.9	-102.0
UK Gilts 2 year	2.89	-108.7	-188.0	-143.8	-81.8	99.2	-24.7	13.9	54.5	-100.6	-50.7	-116.1
UK Gilts 10 year	4.52	7.4	-28.2	1.8	-23.4	64.0	-43.6	-25.8	42.1	-67.2	16.5	-60.3
UK Gilts 30 year	4.51	1.5	-0.2	21.2	9.8	23.1	-42.8	-27.9	23.8	-25.3	47.0	-37.0
German Bund 2 year	2.54	-93.3	-171.7	-142.1	8.3	104.0	38.0	-12.3	-11.6	-92.8	-79.7	23.8
German Bund 10 year	3.90	-11.5	-45.5	-40.7	36.8	63.8	-37.4	-60.8	8.3	-79.4	15.1	-50.6
German Bund 30 year	4.44	-15.5	-21.4	-16.2	55.1	48.0	-71.2	-65.6	9.7	-55.1	4.5	-61.5
Japanese Gov Bond 2 year	0.55	-21.1	-23.7	-21.1	-4.1	51.3	17.7	-1.0	6.5	-5.7	-35.3	19.5
Japanese Gov Bond 10 year	1.48	0.4	-6.3	0.4	-21.3	20.5	3.9	7.1	46.1	-45.9	-27.8	-2.9
Japanese Gov Bond 20 year	2.12	-2.4	-8.0	-2.4	6.9	9.0	-9.0	20.4	34.1	-49.9	-13.6	-16.5

Source: Bloomberg L.P.

## Global currency movements - figures to 31 October 2008

	Current Value	Change Over:									
		1 Month	3 Months	YTD	2007	2006	2005	2004	2003	2002	
Euro/US Dollar	1.27	-9.7%	-18.4%	-12.8%	10.5%	11.4%	-12.6%	7.6%	20.0%	18.0%	
Euro/GB Sterling	0.79	0.1%	0.7%	7.8%	9.1%	-2.0%	-2.7%	0.1%	8.3%	6.7%	
Euro/Swiss Franc	1.48	-6.6%	-9.6%	-10.7%	2.8%	3.4%	0.7%	-0.9%	7.5%	-1.8%	
Euro/Swedish Krona	9.89	1.3%	4.7%	4.8%	4.4%	-3.9%	4.2%	-0.3%	-0.7%	-2.0%	
Euro/Norwegian Krone	8.56	3.6%	7.0%	8.0%	-3.6%	3.0%	-3.0%	-1.9%	15.4%	-8.8%	
Euro/Danish Krone	7.45	-0.2%	-0.2%	-0.2%	0.0%	0.0%	0.3%	-0.1%	0.3%	0.0%	
US Dollar/Yen	98.5	-7.2%	-8.8%	-11.9%	-6.5%	1.1%	12.8%	-4.3%	-9.7%	-9.8%	
US Dollar/Canadian Dollar	1.21	13.9%	18.3%	21.4%	-16.8%	0.3%	-3.4%	-7.3%	-17.5%	-1.3%	
US Dollar/South African Rand	9.78	18.0%	33.3%	42.5%	-2.1%	9.7%	10.5%	-15.2%	-22.0%	-28.3%	
US Dollar/Brazilian Real	2.16	13.4%	37.9%	21.3%	-20.0%	-9.3%	-13.7%	-8.1%	-18.3%	53.2%	
US Dollar/Polish Zloty	2.78	15.2%	35.0%	12.9%	-18.1%	-11.8%	7.2%	-19.3%	-2.5%	-3.4%	
US Dollar/Hungarian Forint	201.1	17.0%	33.9%	16.1%	-10.0%	-11.8%	15.0%	-13.3%	-7.0%	-18.3%	
US Dollar/South Korean Won	1290.5	6.9%	27.5%	38.0%	0.6%	-8.6%	-2.5%	-13.2%	0.5%	-9.7%	
US Dollar/Taiwan Dollar	32.98	2.4%	7.7%	1.7%	-0.5%	-0.7%	3.3%	-6.5%	-1.9%	-0.9%	
US Dollar/Thai Baht	35.04	3.5%	4.5%	17.7%	-19.1%	-15.7%	5.1%	-1.8%	-8.1%	-2.5%	
US Dollar/Singapore Dollar	1.48	3.4%	8.5%	3.0%	-6.8%	-8.1%	1.9%	-4.0%	-2.0%	-6.0%	
US Dollar/Argentinean Peso	3.39	8.1%	11.3%	7.5%	2.9%	0.9%	1.9%	1.4%	-12.8%	236.0%	
GB Sterling/US Dollar	1.61	-9.7%	-19.0%	-0.6%	1.3%	13.7%	-10.2%	7.4%	10.9%	10.7%	
GB Sterling/South African Rand	15.72	6.6%	8.0%	-19.0%	-0.7%	25.9%	0.5%	-9.1%	-13.5%	-21.0%	
Australian Dollar/US Dollar	0.67	-15.7%	-29.1%	15.4%	11.0%	7.6%	-6.1%	3.8%	33.9%	10.2%	
New Zealand Dollar/US Dollar	0.58	-13.0%	-20.6%	-23.7%	8.8%	3.0%	-4.8%	9.5%	25.0%	25.9%	

Source: Bloomberg L.P.

### Important Information

Sources: Invesco Perpetual. Invesco Perpetual and Atlantic Trust are indirect, wholly-owned subsidiaries of Invesco Ltd. This material is provided for information purposes and is not an offer to buy or sell any security. All material is compiled from sources believed to be reliable and current but accuracy cannot be guaranteed. The opinions expressed herein are based on current market conditions and are subject to change. It is not our intention to state, indicate or imply that current or past results are indicative of future performance. *Investment Products Offered are Not FDIC-Insured, May Lose Value and are Not Bank Guaranteed.*  
For Public Use 6984-10/08 [www.atlantictrust.com](http://www.atlantictrust.com)