

## Global Overview

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All the major developed equity market regions ended the month in negative territory. On a relative basis, the US was the best performing market, while Europe was the weakest region. In the first half of the month, most global stock markets moved higher, reflecting positive sentiment from better-than-expected macroeconomic data and good third-quarter corporate results. However, these gains were not sustained due to profit-taking, as weaker-than-expected economic data released later in the month led investors to focus on the possible weakness in the global economic recovery.

Alongside the fall in global equities over the month was the mild weakness in government bond markets. The yield on the 10-year benchmark bond rose by 8bps, 3bps and 1bp in the US, UK and Europe, respectively.

### US

- Markets lower over the month as investors book profits
- US emerges from recession with stronger-than-expected annualised third-quarter growth of 3.5% as measured by GDP
- Third-quarter US corporate earnings-per-share easily beat consensus estimates

### Europe

- Markets fall - financial stocks weaker as competition commission takes tough stance on state-backed benefactors
- Economic sentiment across Eurozone rises for seventh consecutive month
- Inflation remains negative, while unemployment edges higher

### UK

- Risk aversion in the second half of the month leads UK equities into negative territory in October
- Despite this, the FTSE 100 index manages to end the month above the psychologically-important 5,000 level
- GDP could be increasing, but still negative

### Asia Pacific

- Third quarter GDP growth in China rises to 8.9% year-on-year
- Authorities in India, Singapore and Indonesia all increase 2009 GDP forecasts
- Japanese exports and industrial production improve, while unemployment falls for the second consecutive month

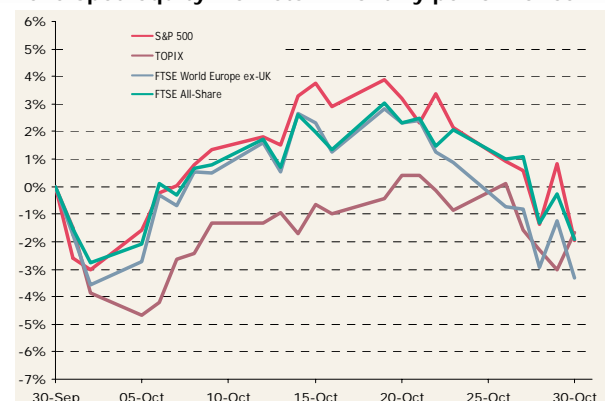
### Emerging Markets

- Global emerging market equities pause for breath following several months of big gains
- Firmer commodity prices aid Latin American stocks
- Fears of possible tighter monetary policy in some Asian countries, eg Korea and India, hurts local sentiment

### Fixed Income

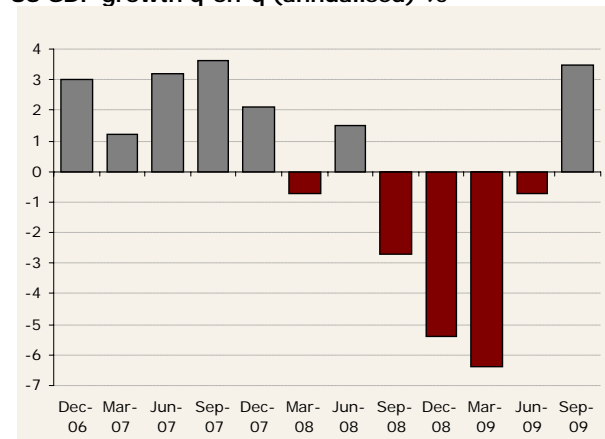
- Credit markets see further gains, led by lower quality debt
- Weak UK third quarter GDP likely to see an increase in quantitative easing
- Gilts and Treasuries fall marginally over the month

### Developed equity markets – monthly performance



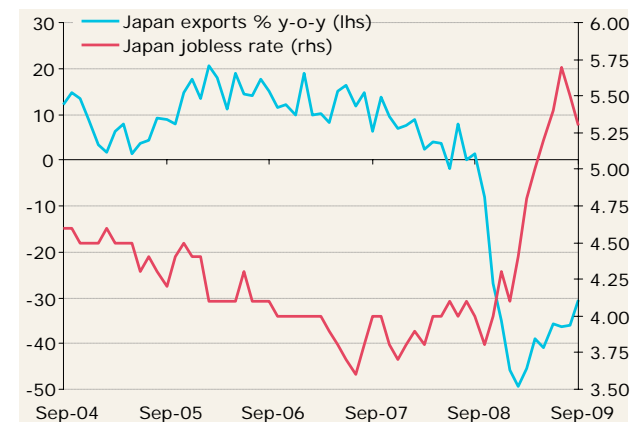
Source: Bloomberg L.P., local currency, capital returns only, rebased to zero. Period cover 30 September 2009 to 31 October 2009.

### US GDP growth q-on-q (annualised) %



Source: Bloomberg L.P., quarterly data to 30 September 2009

### Export recovery maintained and unemployment falls



Source: Bloomberg L.P., September 2004 to September 2009.

## UK

The UK equity market finished lower in October, as reflected by the 1.9% decline in the FTSE All-Share index. However, this negative return masked an eventful month for the stock market, the fortunes of which could be divided into two halves. In the first half of the month, UK equities moved higher, reflecting positive sentiment from better-than-expected economic data and promising third-quarter earnings results. However, in the second half, the positive upward momentum ran out of steam and UK equities trended lower, reflecting concern over weakness in the economy. This period was used by some investors to book profits.

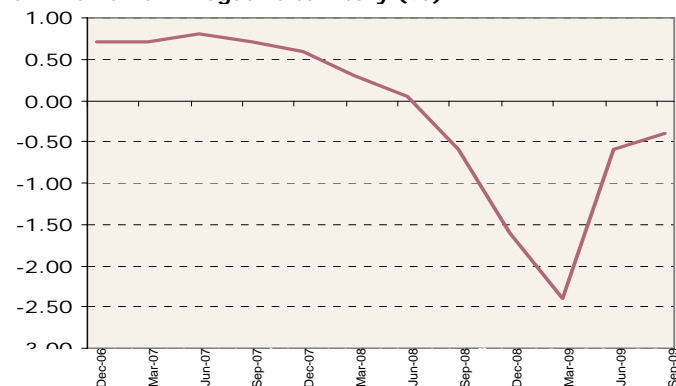
At the sector level, leisure goods, chemicals, beverages and personal goods were among the best performers in the FTSE All-Share index, while construction materials, electricity and banks lagged. At the stock level, G4S (Group 4 Security), Anglo American and Vedanta Resources were among the best performers in the FTSE 100 index, while Royal Bank of Scotland, Wolseley and British Airways were among the worst performers. On a market-capitalisation basis, the FTSE 100 index returned -1.7%, performing relatively better than the FTSE 250 index and the FTSE SmallCap index, which returned -2.8% and -3.3%, respectively. The relative outperformance of large caps over small- and mid-cap companies reflected investors' reluctance to take on risk.

The Bank of England's Monetary Policy Committee voted unanimously in favour of leaving interest rates unchanged at 0.5% and maintaining the quantitative-easing programme at £175bn in October. The most eagerly awaited piece of economic data in the month was the initial estimate for third-quarter GDP. The market was expecting a 0.2% quarter-on-quarter (q-o-q) rise, indicating that the UK economy had exited the recession, but the demonstrably weaker 0.4% q-o-q contraction was hugely disappointing.

In other economic news, inflation, as measured by the consumer prices index, fell to 1.1% year-on-year (y-o-y) in September from 1.6% y-o-y in August; its lowest level in five years. The decline reflected the downward trend in energy prices following the hike in gas and electricity prices in 2008. The retail prices index (which includes mortgage costs) also fell, to -1.4% y-o-y in September from -1.3% y-o-y a month earlier.

In the housing market, according to Nationwide's house price measure, housing prices rose 0.4% month-on-month (m-o-m) in October versus 0.9% m-o-m in September, signalling a moderation in house-price inflation. However, the monthly rise took annual house-price inflation into positive territory for the first time since March 2008, at 2.0% y-o-y.

### GDP remains in negative territory (%)



Source: Bloomberg L.P. Quarterly data from 31 December 2006 to 30 September 2009

## United States

The strong equity-market rally in the US faltered as investors started to take profits, especially in financials and consumer-cyclical stocks. The Dow Jones Industrial Average finished the month unchanged having briefly advanced through the 10,000 mark in mid-October. The broad S&P 500 index fell by 2.0%, while the technology-orientated Nasdaq Composite and the smaller companies Russell 2000 indices fell more sharply, finishing the month 3.6% and 6.9% lower, respectively.

US stock markets fell at the start of October on concerns of weakening economic activity underlined by a jump in weekly jobless claims and an unexpected fall in the Institute of Supply Management's manufacturing index between August and September. They then rallied strongly over the middle period on generally better economic data and strong third-quarter corporate earnings, before falling away again as twitchy investors sold on the back of weaker consumer confidence numbers, the imminent end of the reporting season and the prospect of withdrawal of monetary stimulus.

US third-quarter corporate earnings were strong. By the end of October, the percentage of companies reporting earnings-per-share and revenues ahead of analysts' expectations exceeded those in the second quarter. Stand-out performances came from JP Morgan and Goldman Sachs, boosted by strong returns from their investment banking divisions. In contrast, Bank of America lost US\$1bn primarily due to consumer credit provisions, expenses and restructuring charges and Citigroup recorded only a small profit. Among the bellwether's, GE disappointed, hampered by losses in its finance arm, but Apple, Caterpillar, Pfizer, Intel, Microsoft, Amazon and 3M impressed. IBM's revenue fell but its share price was boosted by its commitment of a further US\$5bn to its share buy-back programme.

The headline economic statistic was the return of the US economy to a growth trend. After shrinking over the previous four quarters, the 2009 third-quarter annualised gain came in at 3.5% against expectations of a 3.2% increase. Consumer spending accounted for 2.4% of the initial reading but, with the end of initiatives such as 'cash for clunkers', the news buoyed markets only temporarily before the end-of-month profit taking. Third-quarter core inflation fell to 1.4% from 2.0% in the second. In other news, the US managed to resolve many of its trade disputes with China, oil broke through US\$80 a barrel and the price of gold climbed to near record nominal levels as the US dollar showed further weakness, briefly rising above US\$1.50 against the euro.

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

Level 1	Level 2 - Top 5	
Energy	3.2	Energy 3.2
Consumer Staples	1.0	Software & Services 3.0
IT	-0.4	Food & Staples Retail 2.0
<b>S&amp;P 500</b>	<b>-2.0</b>	Household & Pers Prods 0.9
Health Care	-2.3	Food, Beverage & Tob 0.7
Consumer Discretionary	-2.5	<b>Level 2 - Bottom 5</b>
Utilities	-3.2	Diversified Financials -7.2
Industrials	-4.7	Insurance -6.1
Telecom Services	-4.8	Semiconductor -5.8
Materials	-5.3	Materials -5.3
Financials	-6.0	Capital Goods -5.1

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

## Europe

Having experienced a strong rally since March, European equities fell slightly in October. So far, European companies have surprised on the upside when reporting their latest quarterly earnings numbers. However, the market has chosen to ignore these positive results amongst the cyclicals and financials. Financials have in fact led the market lower on fears that competition authorities may take a tough line on groups who have accepted government aid. Elsewhere, telecoms, consumer staples and energy sectors enjoyed positive earnings and the most robust share price performance over the month.

Macroeconomic data across the region remained mixed. Unemployment continues to rise while economic sentiment indices show an improving picture. The September jobless rate edged up to 9.7% as the number of people out of work rose by 184,000 on the month – the largest rise since May. Most regions experienced a deterioration, with Spain at the bottom of the pile where the jobless rate is now at 19.3%. Germany was unchanged at 7.6% while the French rate rose slightly to 10%. Economic sentiment improved across the region overall for the seventh consecutive month, with Germany, Spain, France and Italy leading the way. The increase in the Eurozone composite PMI, from 51.1 to 53.0, its highest level since December 2007, was rather better than the consensus expectation for a rise to 51.5. The pick-up was driven by sharp rises in the manufacturing and services indices. Meanwhile the German Ifo business sentiment index extended its run of monthly gains since March. Retail sales were lower for the fourth time in five months, reflecting weakness across all major expenditure categories.

Germany's brief bout of deflation ended in October, thanks to energy effects that look set to push the headline rate up further in the near term. The increase in CPI inflation, from -0.5% to 0.0%, was a touch sharper than the consensus forecast and came after three consecutive months of negative inflation. However, overall Eurozone inflation remained negative as the rate went from -0.3% to -0.1%, although most economists expect positive inflation soon.

In corporate news, ING shares weakened as it announced plans to sell off its insurance business in order to gain approval from European competition authorities for the state-backed bail out package it received during the financial crisis. Meanwhile, Santander profit edged up as resilient revenue growth in Europe and Latin America offset an increase in loan-loss provisions and Credit Suisse posted a third straight quarterly profit. Revenues were lower for H&M, Nestle and car firms Peugeot and Fiat while Electrolux posted a stronger-than-expected rise in profit amid aggressive cost-cuts. Finally, pharmaceutical giants Roche and Novartis both beat estimates and raised their 2009 sales forecasts amid strong sales growth

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

Level 1	Level 2 - Top 5		
Consumer Goods	2.1	Mining	7.8
Telecommunications	-0.2	Food Producers	5.6
Oil & Gas	-0.4	Tobacco	5.4
Health Care	-1.1	Household Goods	4.4
Materials	-2.2	Forestry & Paper	3.0
<b>FTSE Europe ex uk</b>	<b>-3.3</b>	<b>Level 2 - Bottom 5</b>	
Industrials	-4.4	Life Insurance	-17.4
Consumer Services	-5.2	Travel & Leisure	-11.2
Financials	-5.7	Aerospace & Defence	-10.0
Utilities	-7.6	Technology Hardware	-8.4
Technology	-8.0	Gas, Water & Multiutilities	-8.0

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

## Asia Pacific

Asian equity markets were mixed in October as robust economic data and largely positive corporate earnings were countered by profit taking. Doubts about the global recovery offered investors a catalyst to secure gains, although Chinese stocks were an exception. Domestically quoted Chinese equities and those listed in Hong Kong improved as data showed that China's economy expanded 8.9% year-on-year (y-o-y) in the third quarter, from 7.9% y-o-y and 6.1% y-o-y in the second and first quarters respectively. China's recovery has been boosted by government stimulus measures and strong loan growth, which continue to feed through to the economy. Industrial production, retail sales and house price data all strengthened in September and export volumes improved to -15.2% y-o-y in September, from -23.4% y-o-y in August. GDP growth in Singapore and Korea also strengthened and authorities in Singapore, India and Indonesia all revised their full-year GDP growth expectations higher. Updated IMF forecasts for Asia added to the upbeat tone, with growth expectations for the region in 2009 and 2010 increased to 2.8% and 5.8% respectively, from May's predictions of 1.2% and 4.3%. An improved economic outlook prompted the Reserve Bank of Australia to increase interest rates from a 49-year low of 3% to 3.25% and further tightening was signalled as underlying conditions improve. Samsung Electronics released record quarterly earnings, with third quarter profit up three-fold from a year earlier. Industrial & Commercial Bank of China and Bank of China both released robust third quarter earnings, helped by strong loan growth, while Aluminium Corporation of China (Chalco) posted its first profit in four quarters. Bharti Airtel was also in the news, as the group's proposed merger with MTN of South Africa ended following its failure to attain approval from South African authorities.

Stocks in Japan followed a similar pattern to many of their Asian neighbours as global macro concerns outweighed positive domestic data and generally positive earnings. Economic data pointed towards gradual improvement in Japan's economy, led by an unexpected drop in unemployment, which saw consecutive monthly declines in August and September, to stand at 5.3% having been 5.8% in July. Industrial production data and household confidence both improved and the recovery in exports also continued. Honda offered encouraging earnings news, by increasing its full year profit forecast from ¥55bn to ¥155bn (US\$1.68bn) as government incentives in key markets boosted sales. Nomura announced plans to raise up to US\$5.1bn to finance expansion in the US and the group resumed dividend payments as second quarter profits came in ahead of market forecasts. Results from Canon and Toshiba both beat expectations, while Casio fell after cutting its earnings guidance.

### GDP growth in China continues to recover



Source: Bloomberg L.P., 30/09/2004 to 30/09/2009.

## Emerging Markets

Following several months of big gains, global emerging equities paused for breath during October with the MSCI Emerging Markets (US\$) index unchanged on the month. Although stocks were underpinned by firmer commodity and oil prices, a late-month rally in the US dollar and concerns that central banks around the world may soon start unwinding stimulus measures, prompted some investors to book profits. Within the emerging regions, Latin America was the best performing, followed closely by Europe/Middle East/Africa. By comparison, emerging Asian equities were the laggards due to concerns over higher commodity import prices and fears of tighter monetary policy in countries such as India. Weaker technology stocks in Korea and Taiwan also had a negative impact.

The MSCI EM Latin America (US\$) index rose by 1.4%, which took year-to-date gains to over 80%. Leading this month's performance were Argentina and Brazil. Interest rates were kept unchanged at 8.75% in Brazil as its economy strengthened and inflation remained under control. A 2% tax on foreign purchases of equities and bonds was imposed by the Brazilian government in an attempt to stop further appreciation of its currency. The cost of borrowing was also left on hold at 4.5% in Mexico. Equities in Mexico edged modestly higher as the government approved tax reforms aimed at strengthening finances. The measures include raising the sales tax to 16% from 15%. However, uncertainties remain as to whether the government has gone far enough to cut the budget gap as failure to do so could fuel further debate about a possible country credit-rating downgrade.

In emerging Europe, stocks in Poland and Russia outperformed, whereas Turkey posted a negative return. Russia's central bank cut its key interest rate by 0.5% to 9.5% in an attempt to stimulate the banking sector and prevent a further strengthening of the rouble. The Russian currency has appreciated by 24% versus the US dollar since February. The country's equity market has more than doubled this year in the face of rebounding oil prices, which traded above US\$80 a barrel in October, and increased appetite for risk among investors. In Hungary the central bank reduced its benchmark interest rates by 50 basis points to 7%, its lowest level in three years. It indicated that further cuts could follow. In an effort to boost economic growth, interest rates in Turkey were lowered to 6.75% from 7.25%. Turkey's economy is not expected to return to growth until the fourth quarter.

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

Emerging Markets	0.0
Developed Markets	-1.8
Latin America	1.4
EMEA	1.3
EM Asia	-1.0
<b>Top five by country</b>	
Argentina	7.6
Poland	6.6
China	6.4
Malaysia	4.6
Russia	4.5
<b>Bottom five by country</b>	
Colombia	-9.1
Thailand	-6.4
Korea	-6.3
Czech Republic	-4.2
India	-4.1

Source: Datastream, MSCI country indices, price returns %, US\$, 30 September 2009 to 31 October 2009.

## Fixed Income

Corporate bonds continued to see steady, albeit more subdued, gains as UK investment-grade bonds posted their seventh consecutive month of positive returns. High yield and subordinated financials once again led returns. According to data from Merrill Lynch, sterling BBB rated spreads narrowed by 27bps and Tier 1 bank debt by 82bps, while European high-yield spreads decreased by 53bps. New issues continue to find demand, although the number of issues coming to market has reduced as many companies have now secured their refinancing needs. Evonik, an unrated German conglomerate, attracted bids worth more than six times the US\$750m on offer at 7.125%.

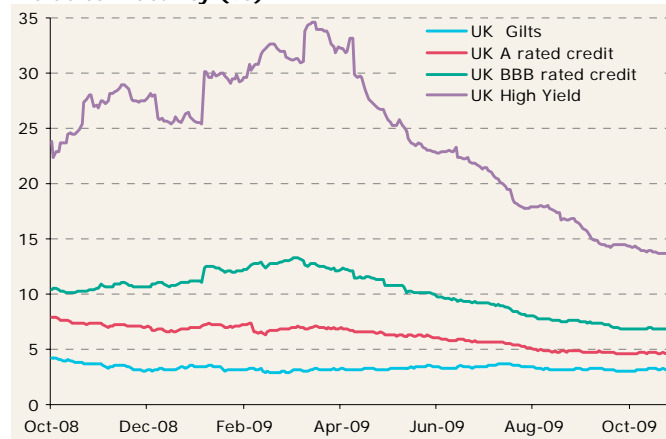
High yield defaults increased further, with Moody's reporting that September's high-yield default rate climbed to 9.3%. At the end of October, US lender CIT became the latest significant casualty, filing for bankruptcy protection after a debt-exchange offer to bondholders failed. However, the majority of bondholders have agreed a reorganisation that will see them receive new debt worth about 70% of the face value of existing bonds and CIT's debt reduce by US\$10bn.

Government bonds fell slightly despite benefiting from a brief flight-to-quality towards the end of the month. Earlier, US Treasury prices weakened sharply ahead of a record US\$123bn weekly supply that met mixed demand. Over the month, the yield on the 10-year benchmark bond rose by 8bps, 3bps and 1bps in the US, UK and Europe respectively.

In the UK, third quarter GDP was estimated to have fallen by 0.4%, significantly behind the consensus forecast of a 0.2% increase. This marked the sixth consecutive quarterly fall, the longest contraction since quarterly records began in 1955, and means that UK GDP has fallen by almost 6% during the current recession. The weakness in second quarter GDP was one of the reasons that the Monetary Policy Committee (MPC) gave for extending quantitative easing in August; consequently, a further extension of quantitative easing is expected in November.

Annual UK CPI inflation fell from 1.6% in August to 1.1% in September, principally due to average gas and electricity bills, which were unchanged between August and September this year but rose a year ago when some of the major suppliers increased their tariffs. The RPI measure remains negative at -1.4%. Sterling three-month interbank lending rates saw the first monthly increase since the bank rate was cut to 0.5% in March, rising by 5bps to 0.59%.

### Yields to maturity (%)



Source: Bloomberg L.P., Merrill Lynch indices, 1 October 2008 to 31 October 2009

## Global equity and commodity index performance - figures to 31 October 2009

Global	1 Month	3 Months	YTD	2008	2007	2006	2005	2004	2003	2002	2001	2000
MSCI World (lc)	-2.3%	4.0%	15.2%	-40.1%	2.8%	13.5%	13.7%	9.5%	22.8%	-25.2%	-15.2%	-10.8%
MSCI World (\$)	-1.8%	5.9%	20.2%	-42.9%	-0.5%	15.8%	14.2%	22.6%	55.5%	-17.1%	-0.7%	-3.1%
MSCI World Value (\$)	-2.7%	6.2%	17.6%	-41.8%	-5.3%	11.9%	21.3%	18.8%	44.0%	-21.6%	3.5%	1.1%
MSCI World Growth (\$)	-0.9%	5.6%	22.7%	-42.6%	8.9%	18.8%	8.9%	13.7%	31.0%	-20.6%	-17.5%	-12.2%
MSCI World Small Cap (\$)	-4.0%	7.6%	32.6%	-46.0%	13.0%	23.8%	13.5%	18.7%	36.9%	-16.6%	-21.5%	-15.2%
MSCI Emerging Markets Free (\$)	0.0%	8.3%	61.2%	-39.4%	27.5%	15.8%	26.2%	25.3%	22.9%	-8.4%	-8.8%	4.3%
FTSE World (\$)	-1.8%	6.2%	23.2%	-51.0%	31.2%	26.2%	17.1%	15.7%	41.9%	-6.3%	-6.8%	-14.9%
FTSE World ex US (\$)	-1.7%	7.2%	29.8%	-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	0.0%	5.9%	10.7%	-33.8%	6.4%	16.3%	-0.6%	3.1%	25.3%	-16.8%	-7.1%	-6.2%
S&P 500	-2.0%	4.9%	14.7%	-38.5%	3.5%	13.6%	3.0%	9.0%	26.4%	-23.4%	-13.0%	-10.1%
NASDAQ	-3.6%	3.4%	29.7%	-40.5%	9.8%	9.5%	1.4%	8.6%	50.0%	-31.5%	-21.1%	-39.3%
Russell 2000	-6.9%	1.1%	12.7%	-34.8%	-2.7%	17.0%	3.3%	17.0%	45.4%	-21.6%	1.0%	-4.2%
S&P/ TSX Composite (Canada)	-4.2%	1.1%	21.4%	-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 (€)	-4.3%	10.3%	10.5%	-28.2%	9.7%	14.9%	19.3%	9.9%	21.7%	-27.2%	-19.5%	-1.8%
FTSE Europe (euro)	-2.3%	5.4%	19.4%	-45.4%	0.6%	17.2%	23.0%	9.4%	12.6%	-31.7%	-17.3%	-2.9%
FTSE Europe ex-UK (€)	-5.3%	10.7%	9.0%	-26.8%	12.6%	16.8%	20.6%	10.9%	26.2%	-28.7%	-21.7%	0.2%
FTSE Europe ex-UK (euro)	-3.4%	5.8%	17.8%	-44.4%	3.3%	19.1%	24.2%	10.3%	16.7%	-33.1%	-19.5%	-0.9%
MSCI Europe (Growth)	-1.0%	5.5%	14.0%	-37.7%	9.0%	14.0%	20.2%	6.4%	10.6%	-31.0%	-21.9%	-11.8%
MSCI Europe (Value)	-4.4%	7.7%	17.7%	-44.1%	-2.3%	17.9%	23.1%	12.4%	22.6%	-30.8%	-13.8%	4.5%
CAC 40 (France)	-4.9%	5.3%	12.1%	-42.7%	1.3%	17.5%	23.4%	7.4%	16.1%	-33.7%	-22.0%	-0.5%
DAX (Germany)	-4.6%	1.6%	12.6%	-40.4%	22.3%	22.0%	27.1%	7.3%	37.1%	-43.9%	-19.8%	-7.5%
Technology All-Share Price (Ger)	-3.4%	8.4%	37.3%	-50.1%	22.2%	22.3%	18.2%	-0.3%	62.1%	-63.1%	-60.2%	-40.0%
Ibex 35 (Spain)	-2.9%	5.2%	24.1%	-39.4%	7.3%	31.8%	18.2%	17.4%	28.2%	-28.1%	-7.8%	-21.7%
Swiss Market Index	-0.6%	5.6%	13.6%	-34.8%	-3.4%	15.8%	33.2%	3.7%	18.5%	-27.8%	-21.1%	7.5%
Amsterdam Exchanges (Netherlands)	-2.9%	6.8%	22.9%	-52.3%	4.1%	13.4%	25.5%	3.1%	4.6%	-36.3%	-20.5%	-5.0%
HSBC European Smaller Cos ex-UK	-3.1%	13.3%	47.7%	-49.5%	-3.0%	33.8%	39.6%	--	--	--	--	--
Russian RTS (\$)	7.5%	32.5%	113.4%	-72.4%	19.2%	70.7%	83.3%	8.3%	58.0%	38.1%	81.5%	-18.2%
FTSE/JSE Africa All-Share (SA)	5.8%	8.7%	22.6%	-25.7%	16.2%	37.7%	43.0%	21.9%	12.0%	-11.3%	28.1%	-2.6%
<b>UK</b>												
FTSE All-Share	-1.9%	9.8%	17.0%	-32.8%	2.0%	13.2%	18.1%	9.2%	16.6%	-25.0%	-15.4%	-8.0%
FTSE 100	-1.7%	9.5%	13.8%	-31.3%	3.8%	10.7%	16.7%	7.5%	13.6%	-24.5%	-16.2%	-10.2%
FTSE 250	-2.8%	11.1%	39.7%	-40.3%	-4.7%	27.1%	26.8%	19.6%	34.3%	-27.3%	-9.3%	1.6%
FTSE SmallCap	-3.3%	16.7%	50.6%	-45.8%	-12.4%	18.2%	19.8%	11.4%	35.9%	-29.4%	-19.0%	2.8%
FTSE TechMARK 100	-1.9%	13.1%	30.7%	-25.8%	8.5%	5.6%	19.7%	17.9%	56.4%	-55.9%	-42.6%	-32.2%
<b>Asia Pacific</b>												
Hong Kong Hang Seng	3.8%	5.7%	51.2%	-48.3%	39.3%	34.2%	4.5%	13.2%	34.9%	-18.2%	-24.5%	-11.0%
China SE Shanghai Composite	7.8%	-12.2%	64.5%	-65.4%	96.7%	130.4%	-8.3%	-15.4%	10.3%	-17.5%	-20.6%	51.7%
Singapore Times	-0.8%	-0.3%	50.5%	-49.2%	18.7%	28.0%	14.0%	15.6%	32.8%	-20.3%	-17.3%	-21.8%
Taiwan Weighted	-2.3%	3.7%	59.9%	-46.0%	8.7%	19.5%	6.7%	4.2%	32.3%	-19.8%	17.1%	-43.9%
Korean Composite	-5.5%	1.5%	40.6%	-40.7%	32.3%	4.0%	54.0%	10.5%	29.2%	-9.5%	37.5%	-50.9%
Thai Stock Exchange	-4.4%	9.8%	52.3%	-47.6%	26.2%	-4.7%	6.8%	-13.5%	116.6%	17.3%	12.9%	-44.1%
Mumbai Sensex 30	-7.2%	1.4%	64.8%	-52.4%	47.1%	46.7%	42.3%	13.1%	72.9%	3.5%	-17.9%	-20.6%
Jakarta Composite	-4.0%	1.9%	74.7%	-50.6%	52.1%	55.3%	16.2%	44.6%	62.8%	8.4%	-5.8%	-38.5%
Malaysia Kuala Lumpur Composite Index	3.4%	5.8%	41.8%	-39.3%	31.8%	21.8%	-0.8%	14.3%	22.8%	-7.1%	2.4%	-16.3%
Philippines Composite Index	3.8%	3.9%	55.3%	-48.3%	21.4%	42.3%	15.0%	26.4%	41.6%	-12.8%	-21.8%	-30.3%
Hang Seng China Enterprises Index	7.7%	5.3%	61.8%	-51.1%	55.9%	94.0%	12.4%	-5.6%	152.2%	13.2%	8.2%	-17.7%
Malaysia Kuala Lumpur Composite Index	3.4%	5.8%	41.8%	-39.3%	31.8%	21.8%	-0.8%	14.3%	22.8%	-7.1%	2.4%	-16.3%
<b>Japan</b>												
Topix	-1.7%	-5.8%	4.1%	-41.8%	-12.2%	1.9%	43.5%	10.2%	23.8%	-18.3%	-19.6%	-25.5%
Nikkei 225	-1.0%	-3.1%	13.3%	-42.1%	-11.1%	6.9%	40.2%	7.6%	24.5%	-18.6%	-23.5%	-27.2%
TSE2	-2.5%	-3.3%	12.0%	-40.8%	-21.3%	-19.3%	71.4%	40.9%	43.9%	-12.8%	-12.1%	-25.8%
Jasdaq	-2.3%	-1.7%	0.8%	-33.2%	-16.3%	-33.8%	44.1%	33.8%	75.4%	-18.5%	-12.9%	-44.3%
TSE Mothers Index	-3.0%	-5.5%	35.4%	-58.7%	-29.5%	-56.3%	47.7%	30.6%	133.0%	-36.2%	-23.1%	--
Osaka Hercules index	-2.0%	-7.9%	16.6%	-58.1%	-34.6%	-51.9%	78.2%	25.4%	--	--	--	--
MSCI Japan Index	-1.4%	-5.9%	4.6%	-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 (\$)	1.4%	15.7%	80.1%	-52.8%	46.9%	39.3%	44.9%	34.8%	67.1%	-24.8%	-4.3%	-18.4%
MSCI Mexico	0.4%	7.1%	36.5%	-44.0%	9.3%	39.0%	45.2%	45.0%	29.8%	-15.0%	15.9%	-21.5%
MSCI Brazil	2.4%	19.7%	102.1%	-57.6%	75.3%	40.5%	50.0%	30.5%	102.9%	-33.8%	-21.8%	-14.2%
Argentinean Merval	2.0%	23.0%	96.0%	-49.8%	2.9%	35.5%	12.2%	28.3%	104.2%	77.7%	-29.1%	-24.3%
Chilean Stock Market Select	-1.7%	2.7%	39.5%	-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	9.9%	5.0%	78.2%	-55.5%	56.1%	2.1%	46.3%	32.0%	1.6%	55.4%	-14.4%	-9.4%
Oil - US West Texas Intermediary	9.0%	10.9%	72.6%	-53.5%	57.2%	0.0%	40.5%	33.6%	4.2%	57.3%	-26.0%	4.7%
Reuters CRB Index	4.2%	5.0%	17.8%	-36.0%	16.7%	-7.4%	16.9%	11.2%	8.9%	23.0%	-16.3%	11.1%
Gold Spot Price	3.7%	9.6%	18.5%	5.8%	31.0%	23.2%	17.9%	5.5%	19.4%	24.8%	2.5%	-5.5%
Baltic Dry Index	39.8%	-7.4%	300.9%	-91.5%	107.9%	82.7%	-47.7%	-3.5%	174.2%	98.4%	-45.2%	21.2%

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

FTSE World Sector Returns (%) - Figures to 31 October 2009					
Best - 1 Month	Absolute	Relative*	Worst - 1 Month	Absolute	Relative*
Beverages	2.7	4.5	Life Insurance	-8.9	-7.1
Food Producers	2.6	4.5	Const & Bldg Mats	-6.0	-4.2
Software & Services	2.3	4.1	Travel & Leisure	-5.8	-4.0
Oil & Gas Producers	2.2	4.0	Aerospace & Defence	-5.4	-3.6
Industrial Metals	1.8	3.6	Electricity	-5.3	-3.5
Best - 3 Months	Absolute	Relative*	Worst - 3 Months	Absolute	Relative*
Forestry & Paper	14.1	7.9	Automobiles & Parts	-1.6	-7.8
Oil Equipment & Services	12.9	6.7	Leisure Goods	-0.7	-6.9
Personal Goods	11.0	4.8	Electricity	-0.4	-6.6
Beverages	9.7	3.5	Life Insurance	2.0	-4.2
Banks	9.7	3.5	Mobile Telecoms	2.2	-4.0
Best - YTD	Absolute	Relative*	Worst - YTD	Absolute	Relative*
Industrial Metals	68.2	45.0	Electricity	-4.6	-27.8
Mining	57.0	33.8	Gas, Water & Multiutilities	1.7	-21.5
Oil Equipment & Services	54.5	31.3	Fixed-Line Telecoms	3.2	-20.0
Technology Hardware	44.9	21.7	Pharmaceuticals & Biotech	4.7	-18.5
Electronic Equipment	41.7	18.5	Nonlife Insurance	4.7	-18.5

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

Global bond performance - figures to 31 October 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	0.89	-5.6	-22.2	12.5	-228.3	-176.1	40.8	133.5	124.6	22.1	-142.4	-206.9	
US Treasuries 10 year	3.38	7.8	-9.7	117.1	-181.1	-67.9	31.1	17.3	-2.8	43.2	-123.5	-6.1	
US Treasuries 30 year	4.23	17.5	-7.3	154.9	-177.6	-35.8	27.5	-29.1	-24.7	29.4	-68.6	0.9	
UK Gilts 2 year	0.82	-2.7	-38.1	-19.3	-331.8	-81.8	99.2	-24.7	13.9	54.5	-100.6	-50.7	
UK Gilts 10 year	3.61	2.7	-18.2	59.9	-148.5	-23.4	64.0	-43.6	-25.8	42.1	-67.2	16.5	
UK Gilts 30 year	4.13	4.3	-37.4	43.1	-60.1	9.8	23.1	-42.8	-27.9	23.8	-25.3	47.0	
German Bund 2 year	1.28	2.3	2.5	-46.6	-220.9	8.3	104.0	38.0	-12.3	-11.6	-92.8	-79.7	
German Bund 10 year	3.23	1.0	-7.0	28.2	-135.8	36.8	63.8	-37.4	-60.8	8.3	-79.4	15.1	
German Bund 30 year	3.98	3.1	-3.9	44.3	-106.5	55.1	48.0	-71.2	-65.6	9.7	-55.1	4.5	
Japanese Gov Bond 2 year	0.26	1.4	-2.1	-11.6	-33.5	-9.0	51.3	17.7	-1.0	6.5	-5.7	-35.3	
Japanese Gov Bond 10 year	1.42	11.4	-0.4	24.1	-33.6	-17.5	20.5	3.9	7.1	46.1	-45.9	-27.8	
Japanese Gov Bond 20 year	2.14	8.7	-1.0	43.7	-39.6	3.0	9.0	-9.0	20.4	34.1	-49.9	-13.6	

Source: Bloomberg LP

Global currency movements - figures to 31 October 2009											
	Current	Change Over:									
	Value	1 Month	3 Months	YTD	2008	2007	2006	2005	2004	2003	
Euro/US Dollar	1.48	1.2%	5.0%	5.6%	-4.5%	11.7%	11.3%	-13.3%	8.2%	20.3%	
Euro/GB Sterling	0.90	-1.3%	5.3%	-7.2%	31.9%	9.3%	-2.2%	-3.0%	-0.1%	8.8%	
Euro/Swiss Franc	1.51	0.1%	-1.4%	1.2%	-9.9%	3.0%	3.4%	0.8%	-1.0%	7.3%	
Euro/Swedish Krona	10.37	1.5%	0.1%	-5.0%	15.9%	4.1%	-3.6%	4.1%	-0.7%	-1.0%	
Euro/Norwegian Krone	8.36	-1.3%	-4.4%	-14.7%	23.0%	-3.5%	3.2%	-2.9%	-1.9%	15.4%	
Euro/Danish Krone	7.44	0.0%	0.0%	-0.1%	-0.1%	0.0%	-0.1%	0.3%	-0.1%	0.3%	
US Dollar/Yen	91.0	1.7%	-4.9%	0.9%	-19.5%	-5.8%	1.2%	14.6%	-4.2%	-9.9%	
US Dollar/Canadian Dollar	1.07	-0.5%	-1.0%	-12.2%	23.8%	-15.1%	-0.4%	-3.7%	-6.6%	-18.0%	
US Dollar/South African Rand	7.65	3.1%	-1.9%	-18.4%	37.6%	-2.8%	10.9%	12.2%	-14.9%	-23.5%	
US Dollar/Brazilian Real	1.73	-3.6%	-8.1%	-25.8%	32.5%	-17.7%	-8.1%	-12.4%	-8.6%	-18.0%	
US Dollar/Polish Zloty	2.85	-1.0%	-3.0%	-3.8%	21.7%	-16.3%	-10.9%	9.2%	-20.3%	-2.1%	
US Dollar/Hungarian Forint	183.7	-0.1%	-2.5%	-2.6%	10.1%	-10.3%	-10.5%	18.5%	-13.3%	-7.6%	
US Dollar/South Korean Won	1186.5	0.7%	-3.4%	-5.8%	35.1%	0.3%	-7.7%	-2.7%	-13.2%	0.6%	
US Dollar/Taiwan Dollar	32.52	1.6%	-0.9%	-0.9%	1.2%	-0.5%	-0.7%	3.6%	-6.7%	-2.2%	
US Dollar/Thai Baht	33.43	-0.1%	-1.7%	-3.6%	2.9%	-5.6%	-13.0%	5.5%	-1.8%	-8.2%	
US Dollar/Singapore Dollar	1.40	-0.8%	-3.0%	-3.3%	0.5%	-6.2%	-7.8%	1.9%	-3.9%	-2.1%	
US Dollar/Argentinean Peso	3.82	-0.6%	-0.3%	10.7%	9.6%	2.5%	1.4%	1.8%	1.6%	-13.4%	
GB Sterling/US Dollar	1.65	2.6%	-0.2%	13.7%	-27.6%	2.3%	13.9%	-10.7%	8.3%	10.5%	
GB Sterling/South African Rand	12.64	5.7%	-2.1%	13.7%	-0.3%	-0.6%	26.2%	0.2%	-7.8%	-15.4%	
Australian Dollar/US Dollar	0.91	3.6%	10.4%	-7.2%	-21.1%	11.2%	7.7%	-5.9%	3.8%	33.0%	
New Zealand Dollar/US Dollar	0.73	1.3%	11.3%	32.1%	-25.3%	9.8%	3.0%	-5.0%	9.6%	24.6%	

Source: Bloomberg LP.

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