

Global Overview

Global overview

All major developed equity market regions continued their positive trend during December as steadily improving economic news flow and strong corporate results underpinned the forward momentum. Equity markets also brushed aside the news that Greece was downgraded by credit rating agencies S&P, Moody's and Fitch.

Corporate bond markets gave back some of their recent gains following weakness in government bonds after the negative rating actions on Greek sovereign debt. S&P downgraded Greece to BBB+, less than a week after placing Greece and Portugal on negative watch. The yield on the 2-year Greek government bond rose by 162bps while Greek banks saw spreads widen sharply in response.

In currency news, the euro lost considerable ground against the US dollar. Speculation that there would be further downgrades to European nations following the lower rating for Greece hurt the euro which lost 4.5% against the US dollar during December. Despite the December fall, the euro still gained 2.5% and 5% against the US dollar and Japanese Yen respectively, over the course of 2009. However, against sterling, the euro fell around 7% during the year.

US

- Markets rise, with riskier assets rebounding from November's flight-to-quality
- Manufacturing expands with a strong rise in new orders
- Citigroup and Wells Fargo raise funds to exit Troubled Asset Relief Program

Europe

- Eurozone CPI rises to 0.9%, a 10-month high
- German Ifo business sentiment index moves to highest since July 2008, while Italian consumer confidence reaches 7-year high
- Euro loses 4.5% against US dollar during December

UK

- UK equities end December higher
- Rate of increase in the number of people unemployed slows
- 50% tax on bankers' bonuses in excess of £25,000 dominates Pre-Budget Report headlines

Asia Pacific

- Third quarter GDP in Japan revised down from 4.8% annualised growth to 1.3%
- Bank of Japan announces ¥10 trillion in 3-month loans and government unveiled ¥7.2 trillion stimulus package to maintain economic growth
- China targets 8% growth in 2010, economic policies to remain supportive

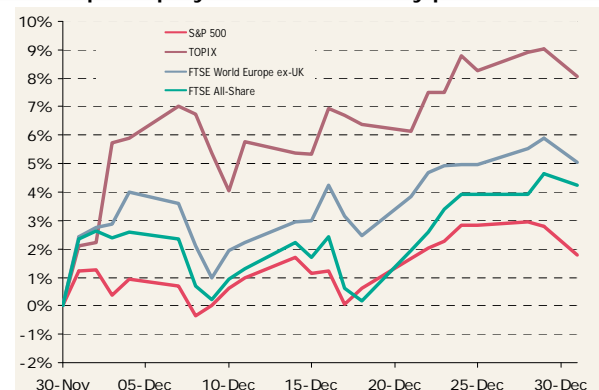
Emerging Markets

- A record year for global emerging equity markets, led by Brazil, Russia and India
- December's gains driven by Turkey (sovereign upgrade) and Korea and Taiwan (outperformance of technology stocks)
- Rising copper prices boost equities in Chile

Fixed Income

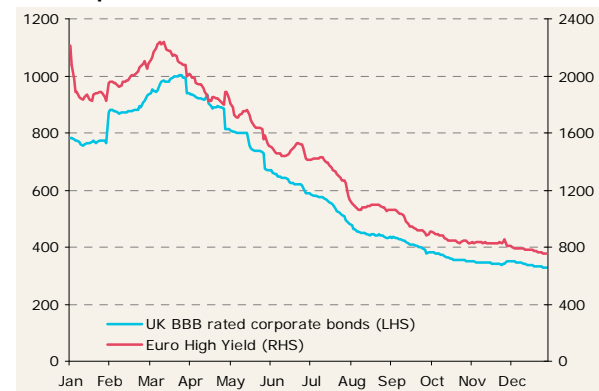
- Greek government debt downgraded
- Government bond yields increase
- Despite credit spreads narrowing, credit markets see a fall in value

Developed equity markets – monthly performance



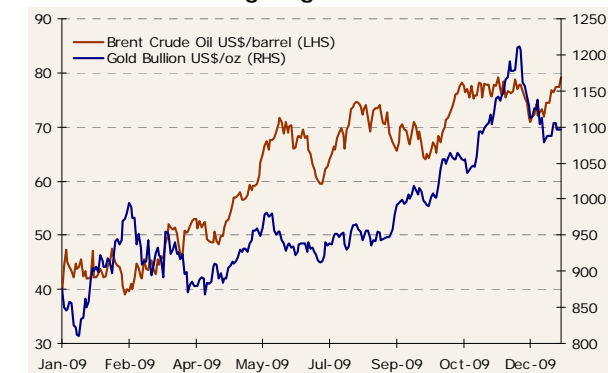
Source: Bloomberg L.P., local currency, capital returns only, rebased to zero. Period cover 1 December 2009 to 31 December 2009.

Credit spreads narrow further



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

Gold and oil both surge higher



Source: Datastream, 2 Jan 2009 to 3 Jan 2010

UK

The UK equity market ended 2009 with a flourish, as reflected by the 4.2% rise in the FTSE All-Share index over December. The month saw a rotation out of cyclical sectors into defensives, with tobacco, food producers and utilities performing particularly well. In terms of market capitalisation, the large-cap FTSE 100 index rose 4.3%, the mid-cap FTSE 250 index rose 4.4%, while the FTSE SmallCap index rose 2.2%.

The Bank of England's Monetary Policy Committee voted unanimously to keep interest rates unchanged at 0.5% at the December meeting. Inflation, as measured by the consumer prices index (CPI), came in slightly higher than expected in November, rising to 1.9% year-on-year (y-o-y) from 1.5% y-o-y in October (the consensus estimate was 1.8% y-o-y). Higher fuel prices exerted the largest upward effect on CPI. With inflation now just shy of the Bank of England's 2% target, expectations are growing that CPI will rise above 3% in early 2010 due to the influence of higher fuel prices in annual comparisons and the return to 17.5% VAT.

Economic news was mixed over the month. In terms of upbeat news, the labour market began to show signs of improvement, with the number of people claiming benefits unexpectedly dropping by 6,300 in November — the first fall since February 2008. Also encouraging was the slowdown in the rate of increase in the number of people unemployed: between August and October 2009, the number of people unemployed rose by 21,000, taking the total to 2.49 million — the smallest rise since the March-to-May 2008 period. There was also good news on UK manufacturing, with the PMI index rising from 51.8 in November to 54.1 in December.

On the negative economic news front, there was a surprise fall in retail sales volumes over November, which raised concern over the health of the UK economy and raised doubts about just how likely it is that consumers can help pull the country out of recession. According to retail sales data from the Office for National Statistics, the reading for November was down 0.3% month-on-month (m-o-m) compared to a rise of 0.6% m-o-m in October, much worse than the rise of 0.5% m-o-m which had been expected. Elsewhere in the economy, third quarter GDP was revised marginally higher to -0.2% y-o-y, which disappointed the market, which was looking for a stronger upward revision.

In the Pre-Budget Report, the most notable news was the 0.5% increase in National Insurance contributions, as well as the 50% tax on bankers' bonuses in excess of £25,000.

Consumer prices index (y-o-y, %)



Source: Bloomberg L.P., Data from 28 February 2001 to 30 November 09

United States

US equity markets recovered from the negative reaction to Dubai World missing a scheduled debt repayment and posted further gains over December. The Dow Jones Industrial Average and the broad S&P 500 index finished 0.8% and 1.8% higher, respectively. The technology-orientated Nasdaq and the smaller companies Russell 2000 indices were stronger, returning 5.8% and 7.9%, respectively. IT, utilities and telecom services led the sector gains, with consumer discretionary also buoyant as retail sales for November exceeded expectations. Financials suffered, however. Citigroup and Wells Fargo announced they would repay their bailout funds under the Troubled Asset Relief Program. Unfortunately for Citibank, Wells Fargo beat it to the market to raise US\$10.4bn in an offering, sating some of the appetite of the market. Despite being able to raise US\$17bn, Citibank received a relatively low price for its share issue, forcing the Treasury Department to shelve its plans to sell US\$5bn of stock it owned in the company amid some acrimony.

Economic news continued to list improvement in a number of important areas, including those related to manufacturing and housing. Manufacturing surprised on the upside, with the ISM manufacturing index coming in at 55.9 in December, up from 53.6 in November (a reading above 50 indicates expansion, below indicates contraction). Housing starts were up sharply in November and existing home sales surged to a three-year high. Initial jobless social security claims came in at 432,000 late in the month, below the 460,000 consensus estimate and the lowest figure since July 2008. Continuing claims were also less than estimated, at 4,981,000, the lowest since February 2009. The US dollar strengthened on the view that monetary policy may be tightened ahead of other nations in 2010.

In company news, General Electric sold its majority stake in NBC Universal to rival broadcaster Comcast for US\$13.75bn early in the month, although this raised some objections over the concentration of media ownership. Continuing the mergers and acquisitions theme, Exxon agreed to buy XTO Energy, a major developer of gas-shale fields, in an all-stock deal thought to be worth US\$31bn. In other news, Boeing's Dreamliner finally took to the air on December 15 after a two-year delay. Sino-America relations suffered over the month. Besides being at loggerheads in discussions over reducing carbon emissions, resulting in a watered-down Copenhagen Accord, China protested over the introduction of tariffs, and likelihood of further duties, on imports of subsidised steel products into the US after the US International Trade Commission found in favour of complaining US steel makers.

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

Level 1	Level 2 - Top 5	
IT	5.6 Semiconductors	9.9
Utilities	5.2 Media	8.5
Telecom Services	4.6 Real Estate	6.1
Consumer Discretionary	4.3 Utilities	5.2
Health Care	1.9 Autos & Components	5.1
S&P 500	1.8 Level 2 - Bottom 5	
Materials	1.4 Banks	-4.3
Industrials	1.1 Household & Pers Prods	-2.6
Consumer Staples	-0.7 Diversified Financials	-2.5
Energy	-1.0 Food & Staples Retail	-1.7
Financials	-1.6 Energy	-1.0

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

Europe

European equities delivered solid gains once more during December as steadily improving economic data along with positive corporate news flow underpinned markets. Even a downgrade to Greece from credit rating agencies S&P, Moody's and Fitch could not dent the upward momentum, resulting in a strong end to a fine year for the asset class. Basic materials led the way in December, while utilities were also strong. Financial and telecom sectors were at the other end of the spectrum.

In macroeconomic news, the German Ifo business sentiment index moved up once more, taking the index to its highest level since July 2008. The increase was a touch sharper than expected although sentiment is now rising far more modestly than during the summer. Latest news from the consumer sector was also encouraging, suggesting that households may be starting to respond to looser monetary and fiscal policy. French consumer spending on manufactured goods is expected to be strong in the final quarter of 2009, while Italian consumer confidence rose to its highest level in over seven years. Elsewhere, December's fall in German unemployment was an encouraging sign for the consumer sector, particularly when taken together with this year's income tax cuts.

December's rise in eurozone CPI inflation, from 0.5% to 0.9%, was in line with the consensus forecast and left the rate at a ten-month high. December's rise in the oil price had pointed to an increase in annual energy inflation that could have caused the entire 0.4 percentage point rise in the headline rate. Energy effects might push inflation up a little further over the next few months but, unless oil prices rise very sharply, it is likely to remain below the ECB's 2% ceiling and certainly far beneath the peak of 4% reached in 2008. More importantly, underlying price pressures in the eurozone remain extremely subdued. Consumers' inflation expectations and developments in producer prices point to a very sharp drop in core inflation to come. Furthermore, many argue that the increases in unemployment will soon cause wage growth to fall, meaning that deflation may be the bigger risk for the future.

In currency news, the euro lost considerable ground against the US dollar. Speculation that there would be further downgrades to European nations following the lower rating for Greece hurt the euro which lost 4.5% against the US dollar during December. Despite the December fall, the euro still gained 2.5% and 5% against the US dollar and Japanese Yen respectively, over the course of 2009. However, against sterling, the euro fell around 7% during the year.

Euro gains versus US Dollar and Japanese Yen but loses ground to Sterling in 2009



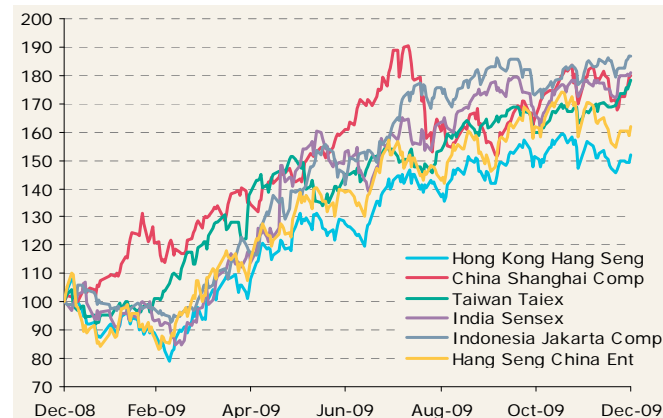
Source: Datastream, Jan 09 – Dec 10. Rebased to 100 as at 1/1/09

Asia Pacific

Asian equity markets rose in December as economic and corporate news pointed towards further progress in the new year. During the month, China's annual Economic Work Conference (EWC) detailed the priorities for economic policy in 2010 and emphasised their intention to maintain existing macro-economic objectives. The EWC also announced spending priorities and reforms aimed at encouraging domestic consumption, which is considered an integral part of the long-term re-balancing of China's economy. Prevailing economic data continued to underline the strength of China's recovery as industrial production, exports and imports all showed continued strength. In Australia, interest rates were raised for the third consecutive month, with November employment numbers particularly strong. Australian quoted Axa Asia Pacific was a notable mover, as the group accepted a A\$13.3bn (US\$12bn) bid from National Australia Bank. The growing economic co-operation between China and Taiwan was also a feature as ICBC, China's largest mainland bank, was rumoured to be interested in acquiring a 20% stake in Taiwan's Cathay Financial Holdings. This followed the signing of an economic Memorandum of Understanding between the two countries, permitting capital investments in each other's financial institutions.

Japanese equities were higher in the final month of the year, with the domestic economy dominating newsflow. Third quarter GDP growth was revised down heavily, from an initial estimate of 4.8% (annualised) to 1.3%, with the difference was largely attributed to weaker than expected corporate expenditure. However, amid fresh concerns about deflation, the Bank of Japan made ¥10 trillion (US\$115bn) available to banks in 3-month loans and the government unveiled fresh stimulus measures, valued at ¥7.2 trillion (US\$81bn), concentrating on employment, environmental initiatives and support for specific regions. December also saw the latest quarterly Tankan survey, which showed that confidence among large manufacturers had strengthened, with further modest improvement expected in the first quarter of 2010. At corporate level, Tokyo Electron, the world's second largest maker of chip manufacturing equipment, issued a positive trading statement as orders in the three months to December exceeded expectations. Volkswagen agreed to buy a 19.9% stake in Suzuki Motor for ¥222.5bn (US\$2.5bn) and Panasonic's deal to buy 50.2% of Sanyo Electric was approved by regulators, giving the company a leading position in hybrid and electric car batteries. Banking stocks were active, rising on reports that the introduction of stringent new capital requirements could be implemented over the long-term, before retreating as the Basel Committee on Banking Supervision formally recommended the end of 2012 as the deadline.

Asian equity markets rise strongly in 2009



Source: Bloomberg L.P., 31/12/08 to 31/12/09, local currency, rebased to 100

Emerging Markets

It was a record year for global emerging equity markets during 2009 with the MSCI Emerging Markets (US\$) index rising by 74.5%, a superior return compared to developed markets. The benchmark rose by 3.8% during December, with gains supported by encouraging economic data and positive corporate earnings results. The best performing region during the month was Europe/Middle East & Africa (EMEA), driven by the strong performance of Turkish equities. Emerging Asian stocks, led by Korea and Taiwan, also did well as stronger global economic prospects for 2010 enhanced positive sentiment, in particular towards technology companies. Despite being this month's laggards, Latin American equities took the top slot for yearly performance.

An upgrade for Turkey's sovereign debt from Fitch Ratings boosted local share prices on the basis that the move could encourage foreign equity investors and help Turkish companies issue debt. The two-notch upgrade to BB+, to just below investment grade, reflects how the country has been able to implement counter-cyclical fiscal and monetary policies without sparking an exchange rate crisis. Turkey has successfully brought interest rates down to single digits for the first time in its modern history. The MSCI Turkey (US\$) index rose by 19.6% during December. The performance of other markets in the EMEA region was more mixed however, with gains in Russia being offset by declines in Poland and the Czech Republic. In an effort to stimulate Russia's economic recovery, the central bank lowered its benchmark interest rate by 25bps to 8.75%. Weaker currencies and rising unemployment levels provided a negative backdrop for equity markets in Poland and the Czech Republic.

The 1.6% monthly gain recorded by the MSCI EM Latin America (US\$) index pushed returns for 2009 up to 98.1%. Chile was the region's best performing country during December, followed by Mexico, with consumer-related stocks faring well in both countries. Brazilian stocks also finished the year on a winning note. In economic news, Brazil's unemployment rate fell to 7.4% in November and retail sales rose 8.4% year-on-year in October as consumer demand continue to increase. In order to keep the country's inflation rate within its target range, the Brazilian central bank left interest rates on hold at 8.75%. The government expects the economy to grow by between 7%-8% in 2010. The unemployment rate also declined in Mexico although demand for big ticket items such as cars and computers remains weak.

Country performance – decade, year and month (%)

Country	Decade	2009	Dec'09
Colombia	1,529	84	3.3
Peru	952	72	-6.6
Czech Republic	903	28	-5.1
Brazil	520	129	1.6
Egypt	371	40	7.3
Russia	326	105	3.3
Indonesia	322	128	5.7
India	274	103	3.5
Chile	269	87	8.6
Mexico	240	57	2.8
South Africa	232	58	5.0
Hungary	180	78	-1.2
Morocco	173	-5	-1.2
China	150	63	0.5
Korea	149	72	8.3

Source: Merrill Lynch, Datastream, MSCI country indices as at 31 December 2009, total returns.

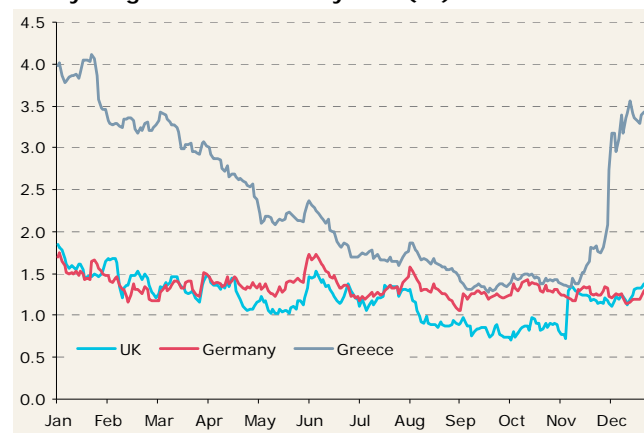
Fixed Income

Corporate bond markets gave back some of their recent gains following weakness in government bonds after negative rating actions on Greek sovereign debt. S&P downgraded Greece to BBB+, less than a week after placing Greece and Portugal on negative watch. Moody's and Fitch also downgraded Greece's debt with the outlook remaining negative. The yield on the 2-year Greek government bond rose by 162bps while Greek banks saw spreads widen sharply in response. Elsewhere, the government of Abu Dhabi agreed to provide US\$10bn to the Dubai Financial Support Fund. The money will be used to satisfy upcoming obligations of Dubai World, which had asked creditors for a six-month delay on repaying its debts during November. Government bond issuance remained high in the UK and US although December was a relatively quiet month for Eurozone issuers, with most countries having already completed their 2009 borrowing requirements. Over the month, the yield on the 10-year benchmark bond rose by 49bps, 64bps and 23bps in the US, UK and Europe respectively.

According to data from Merrill Lynch, sterling BBB rated spreads narrowed by 25bps although they suffered a 0.8% fall in value, the first monthly fall seen since March 2009. European high-yield spreads decreased by 58bps while sterling Tier 1 bank debt saw spreads narrow by 34bps. Citigroup and Wells Fargo became the final two banks to announce plans to exit the US government's Troubled Asset Relief Program (TARP), announcing they would issue new shares worth US\$20bn and US\$10bn respectively to repay TARP funding.

In the UK, the Monetary Policy Committee voted unanimously to keep the quantitative easing asset purchase plan at £200bn and Bank Rate at 0.5%. The minutes reported that little had happened to change the economic and inflation outlook since November, and so no change in policy was warranted. In his Pre-Budget Report, the Chancellor announced little change to the forecast for gilt issuance. Borrowing is expected to be £178bn in the current fiscal year (previously £175bn) and £176bn in 2010-11 (previously £173bn). The public debt ratio is projected to rise to 78% by 2014-15. Annual UK CPI inflation rose from 1.5% in October to 1.9% in November, the largest upward pressure came from fuels and lubricants, where prices rose by 2.8% between October and November this year but fell by a record 8.3% a year ago. The RPI measure increased, for the same reasons, from -0.8% to 0.3%. Sterling three-month interbank lending rates remained unchanged at 0.61%.

Two-year government bond yields (%)



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

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

Global	1 Month	3 Months	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
MSCI World (lc)	3.6%	4.1%	22.8%	-40.1%	2.8%	13.5%	13.7%	9.5%	22.8%	-25.2%	-15.2%	-10.8%
MSCI World (\$)	1.7%	3.7%	27.0%	-42.9%	-0.5%	15.8%	14.2%	22.6%	55.5%	-17.1%	-0.7%	-3.1%
MSCI World Value (\$)	0.9%	1.7%	23.0%	-41.8%	-5.3%	11.9%	21.3%	18.8%	44.0%	-21.6%	3.5%	1.1%
MSCI World Growth (\$)	2.5%	5.7%	30.9%	-42.6%	8.9%	18.8%	8.9%	13.7%	31.0%	-20.6%	-17.5%	-12.2%
MSCI World Small Cap (\$)	4.4%	2.6%	41.7%	-46.0%	13.0%	23.8%	13.5%	18.7%	36.9%	-16.6%	-21.5%	-15.2%
MSCI Emerging Markets Free (\$)	3.8%	8.3%	74.5%	-54.5%	36.5%	29.2%	30.3%	22.4%	51.6%	-8.0%	-4.9%	-31.8%
FTSE World (\$)	1.9%	4.0%	30.5%	-51.0%	31.2%	26.2%	17.1%	15.7%	41.9%	-6.3%	-6.8%	-14.9%
FTSE World ex US (\$)	2.0%	2.9%	35.8%	-44.2%	13.6%	16.8%	10.2%	17.5%	35.9%	-23.5%	-16.8%	-2.6%
United States & Canada												
Dow Jones Industrials	0.8%	7.4%	18.8%	-33.8%	6.4%	16.3%	-0.6%	3.1%	25.3%	-16.8%	-7.1%	-6.2%
S&P 500	1.8%	5.5%	23.5%	-38.5%	3.5%	13.6%	3.0%	9.0%	26.4%	-23.4%	-13.0%	-10.1%
NASDAQ	5.8%	6.9%	43.9%	-40.5%	9.8%	9.5%	1.4%	8.6%	50.0%	-31.5%	-21.1%	-39.3%
Russell 2000	7.9%	3.5%	25.2%	-34.8%	-2.7%	17.0%	3.3%	17.0%	45.4%	-21.6%	1.0%	-4.2%
S&P/ TSX Composite (Canada)	2.6%	3.1%	30.7%	-19.4%	-1.9%	7.8%	1.1%	-5.7%	12.4%	-21.7%	-14.8%	27.6%
Europe & Africa												
FTSE Europe (E)	3.0%	1.7%	17.5%	-28.2%	9.7%	14.9%	19.3%	9.9%	21.7%	-27.2%	-19.5%	-1.8%
FTSE Europe (euro)	6.1%	4.6%	27.8%	-45.4%	0.6%	17.2%	23.0%	9.4%	12.6%	-31.7%	-17.3%	-2.9%
FTSE Europe ex-UK (E)	2.5%	0.2%	15.4%	-26.8%	12.6%	16.8%	20.6%	10.9%	26.2%	-28.7%	-21.7%	0.2%
FTSE Europe ex-UK (euro)	5.5%	3.1%	25.6%	-44.4%	3.3%	19.1%	24.2%	10.3%	16.7%	-33.1%	-19.5%	-0.9%
MSCI Europe (Growth)	5.0%	5.9%	22.0%	-37.7%	9.0%	14.0%	20.2%	6.4%	10.6%	-31.0%	-21.9%	-11.8%
MSCI Europe (Value)	4.7%	1.3%	24.7%	-44.1%	-2.3%	17.9%	23.1%	12.4%	22.6%	-30.8%	-13.8%	4.5%
CAC 40 (France)	7.0%	3.7%	22.3%	-42.7%	1.3%	17.5%	23.4%	7.4%	16.1%	-33.7%	-22.0%	-0.5%
DAX (Germany)	5.9%	5.0%	23.8%	-40.4%	22.3%	22.0%	27.1%	7.3%	37.1%	-43.9%	-19.8%	-7.5%
Technology All-Share Price (Ger)	4.4%	7.8%	53.2%	-50.1%	22.2%	22.3%	18.2%	-0.3%	62.1%	-63.1%	-60.2%	-40.0%
Ibex 35 (Spain)	2.5%	1.6%	29.8%	-39.4%	7.3%	31.8%	18.2%	17.4%	28.2%	-28.1%	-7.8%	-21.7%
FTSEMIB (Italy)	6.0%	-1.0%	19.5%	-49.5%	-7.0%	16.0%	15.5%	14.9%	14.4%	-27.3%	-26.0%	2.5%
Swiss Market Index	4.6%	3.5%	18.3%	-34.8%	-3.4%	15.8%	33.2%	3.7%	18.5%	-27.8%	-21.1%	7.5%
Amsterdam Exchanges (Netherlands)	9.6%	7.7%	36.3%	-52.3%	4.1%	13.4%	25.5%	3.1%	4.6%	-36.3%	-20.5%	-5.0%
HSBC European Smaller Cos ex-UK	4.6%	1.7%	55.0%	-49.5%	-3.0%	33.8%	39.6%	--	--	--	--	--
Russian RTS (\$)	5.1%	15.2%	128.6%	-72.4%	19.2%	70.7%	83.3%	8.3%	58.0%	38.1%	81.5%	-18.2%
FTSE/JSE Africa All-Share (SA)	2.9%	11.1%	28.6%	-25.7%	16.2%	37.7%	43.0%	21.9%	12.0%	-11.3%	28.1%	-2.6%
UK												
FTSE All-Share	4.2%	4.8%	25.0%	-32.8%	2.0%	13.2%	18.1%	9.2%	16.6%	-25.0%	-15.4%	-8.0%
FTSE 100	4.3%	5.4%	22.1%	-31.3%	3.8%	10.7%	16.7%	7.5%	13.6%	-24.5%	-16.2%	-10.2%
FTSE 250	4.4%	1.8%	46.3%	-40.3%	-4.7%	27.1%	26.8%	19.6%	34.3%	-27.3%	-9.3%	1.6%
FTSE SmallCap	2.2%	-3.8%	49.8%	-45.8%	-12.4%	18.2%	19.8%	11.4%	35.9%	-29.4%	-19.0%	2.8%
FTSE TechMARK 100	5.7%	5.2%	40.1%	-25.8%	8.5%	5.6%	19.7%	17.9%	56.4%	-55.9%	-42.6%	-32.2%
Asia Pacific												
Hong Kong Hang Seng	0.2%	4.4%	52.0%	-48.3%	39.3%	34.2%	4.5%	13.2%	34.9%	-18.2%	-24.5%	-11.0%
China SE Shanghai Composite	2.6%	17.9%	80.0%	-65.4%	96.7%	130.4%	-8.3%	-15.4%	10.3%	-17.5%	-20.6%	51.7%
Singapore Times	6.1%	8.4%	64.5%	-49.2%	18.7%	28.0%	14.0%	15.6%	32.8%	-20.3%	-17.3%	-21.8%
Taiwan Weighted	8.0%	9.0%	78.3%	-46.0%	8.7%	19.5%	6.7%	4.2%	32.3%	-19.8%	17.1%	-43.9%
Korean Composite	8.2%	0.6%	49.7%	-40.7%	32.3%	4.0%	54.0%	10.5%	29.2%	-9.5%	37.5%	-50.9%
Thai Stock Exchange	6.6%	2.4%	63.2%	-47.6%	26.2%	-4.7%	6.8%	-13.5%	116.6%	17.3%	12.9%	-44.1%
Mumbai Sensex 30	3.2%	2.0%	81.0%	-52.4%	47.1%	46.7%	42.3%	13.1%	72.9%	3.5%	-17.9%	-20.6%
Jakarta Composite	4.9%	2.7%	87.0%	-50.6%	52.1%	55.3%	16.2%	44.6%	62.8%	8.4%	-5.8%	-38.5%
Malaysia Kuala Lumpur Composite Index	1.1%	5.9%	45.2%	-39.3%	31.8%	21.8%	-0.8%	14.3%	22.8%	-7.1%	2.4%	-16.3%
Philippines Composite Index	0.3%	9.0%	63.0%	-48.3%	21.4%	42.3%	15.0%	26.4%	41.6%	-12.8%	-21.8%	-30.3%
Hang Seng China Enterprises Index	-1.4%	7.9%	62.1%	-51.1%	55.9%	94.0%	12.4%	-5.6%	152.2%	13.2%	8.2%	-17.7%
Malaysia Kuala Lumpur Composite Index	1.1%	5.9%	45.2%	-39.3%	31.8%	21.8%	-0.8%	14.3%	22.8%	-7.1%	2.4%	-16.3%
Australian All Ordinaries Index	3.5%	3.0%	33.4%	-43.0%	13.8%	19.9%	16.2%	22.6%	11.1%	-11.4%	6.5%	0.1%
NZX - New Zealand All Index	2.8%	0.7%	12.9%	-37.4%	-4.9%	12.7%	1.2%	18.5%	18.2%	-2.6%	10.0%	-15.5%
Japan												
Topix	8.1%	-0.2%	5.6%	-41.8%	-12.2%	1.9%	43.5%	10.2%	23.8%	-18.3%	-19.6%	-25.5%
Nikkei 225	12.8%	4.1%	19.0%	-42.1%	-11.1%	6.9%	40.2%	7.6%	24.5%	-18.6%	-23.5%	-27.2%
TSE2	4.0%	-7.2%	6.6%	-40.8%	-21.3%	-19.3%	71.4%	40.9%	43.9%	-12.8%	-12.1%	-25.8%
Jasdaq	5.8%	-2.7%	0.3%	-33.2%	-16.3%	-33.8%	44.1%	33.8%	75.4%	-18.5%	-12.9%	-44.3%
TSE Mothers Index	7.5%	-7.8%	28.7%	-58.7%	-29.5%	-56.3%	47.7%	30.6%	133.0%	-36.2%	-23.1%	--
Osaka Hercules Index	9.0%	-5.1%	12.9%	-58.1%	-34.6%	-51.9%	78.2%	25.4%	--	--	--	--
MSCI Japan Index	8.8%	1.2%	7.4%	-43.6%	-11.3%	6.1%	42.9%	9.7%	21.6%	-19.5%	-19.5%	-20.3%
Latin America												
MSCI EMF Latin America (\$)	1.6%	11.6%	98.1%	-52.8%	46.9%	39.3%	44.9%	34.8%	67.1%	-24.8%	-4.3%	-18.4%
MSCI Mexico	1.9%	12.5%	53.1%	-44.0%	9.3%	39.0%	45.2%	45.0%	29.8%	-15.0%	15.9%	-21.5%
MSCI Brazil	1.2%	12.1%	121.3%	-57.6%	75.3%	40.5%	50.0%	30.5%	102.9%	-33.8%	-21.8%	-14.2%
Argentinean Merval	8.1%	11.8%	115.0%	-49.8%	2.9%	35.5%	12.2%	28.3%	104.2%	77.7%	-29.1%	-24.3%
Chilean Stock Market Select	10.0%	6.2%	50.7%	-22.1%	13.3%	37.1%	9.4%	21.0%	48.5%	-15.5%	9.1%	-3.6%
Commodities												
Oil - UK Brent Crude Spot	-0.9%	14.1%	84.9%	-55.5%	56.1%	2.1%	46.3%	32.0%	1.6%	55.4%	-14.4%	-9.4%
Oil - US West Texas Intermediary	2.7%	12.4%	77.9%	-53.5%	57.2%	0.0%	40.5%	33.6%	4.2%	57.3%	-26.0%	4.7%
Reuters CRB Index	2.2%	9.2%	23.5%	-36.0%	16.7%	-7.4%	16.9%	11.2%	8.9%	23.0%	-16.3%	11.1%
Gold Spot Price	-6.4%	9.0%	25.5%	5.1%	31.0%	23.0%	18.0%	5.5%	19.3%	24.7%	2.5%	-5.5%
Baltic Dry Index	-22.7%	35.4%	288.2%	-91.5%	107.9%	82.7%	-47.7%	-3.5%	174.2%	98.4%	-45.2%	21.2%

FTSE World Sector Returns (%) - figures to 31 December 2009

Best - 1 Month	Absolute	Relative*	Worst - 1 Month	Absolute	Relative*
Automobiles & Parts	11.7	7.9	Banks	-0.8	-4.6
Leisure Goods	11.5	7.7	General Industrials	0.8	-3.0
Electronic Equipment	10.9	7.1	Food & Drug Retailers	1.2	-2.6
Gas, Water & Multiutilities	8.2	4.4	Oil & Gas Producers	1.3	-2.5
Industrial Metals	8.1	4.3	Household Goods	1.5	-2.3
Best - 3 Months	Absolute	Relative*	Worst - 3 Months	Absolute	Relative*
Industrial Metals	15.6	10.8	Life Insurance	-5.4	-10.2
Mining	14.7	10.0	Banks	-4.8	-9.5
Software & Services	13.2	8.4	Nonlife Insurance	-2.3	-7.0
Health Care Equip & Services	11.9	7.1	Travel & Leisure	0.9	-3.9
Chemicals	10.0	5.3	General Industrials	1.1	-3.7
Best - YTD	Absolute	Relative*	Worst - YTD	Absolute	Relative*
Oil & Gas Producers	16.5	-12.5	Electricity	3.9	-25.0
Industrial Metals	75.0	46.1	Nonlife Insurance	7.2	-21.8
Oil Equipment & Services	61.4	32.5	Gas, Water & Multiutilities	9.7	-19.2
Software & Services	58.3	29.4	Fixed Line Telecommunications	11.1	-17.9
Electronic Equipment	58.0	29.0	Mobile Telecommunications	12.1	-16.8

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

Global bond performance - figures to 31 December 2009

Government Bonds	Current Yield (%)	Basis Point Movement Over:										
		1 Month	3 Months	2009	2008	2007	2006	2005	2004	2003	2002	2001
US Treasuries 2 year	1.14	47.2	19.0	37.1	-228.3	-176.1	40.8	133.5	124.6	22.1	-142.4	-206.9
US Treasuries 10 year	3.84	63.9	53.2	162.5	-181.1	-67.9	31.1	17.3	-2.8	43.2	-123.5	-6.1
US Treasuries 30 year	4.64	44.9	59.1	196.5	-177.6	-35.8	27.5	-29.1	-24.7	29.4	-68.6	0.9
UK Gilts 2 year	1.29	13.8	44.1	27.5	-331.8	-81.8	99.2	-24.7	13.9	54.5	-100.6	-50.7
UK Gilts 10 year	4.01	49.2	42.3	99.5	-148.5	-23.4	64.0	-43.6	-25.8	42.1	-67.2	16.5
UK Gilts 30 year	4.41	32.4	32.5	71.3	-60.1	9.8	23.1	-42.8	-27.9	23.8	-25.3	47.0
German Bund 2 year	1.33	7.4	6.6	-42.3	-220.9	8.3	104.0	38.0	-12.3	-11.6	-92.8	-79.7
German Bund 10 year	3.38	22.8	16.3	43.5	-135.8	36.8	63.8	-37.4	-60.8	8.3	-79.4	15.1
German Bund 30 year	4.11	23.2	16.5	57.7	-106.5	55.1	48.0	-71.2	-65.6	9.7	-55.1	4.5
Japanese Gov Bond 2 year	0.15	-8.2	-9.8	-22.8	-33.5	-9.0	51.3	17.7	-1.0	6.5	-5.7	-35.3
Japanese Gov Bond 10 year	1.30	2.9	-0.6	12.1	-33.6	-17.5	20.5	3.9	7.1	46.1	-45.9	-27.8
Japanese Gov Bond 20 year	2.11	7.7	5.2	40.2	-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 December 2009

	Current Value	Change Over:									
		1 Month	3 Months	2009	2008	2007	2006	2005	2004	2003	
Euro/US Dollar	1.43	-4.3%	-2.1%	2.7%	-4.3%	10.6%	11.5%	-12.7%	7.9%	19.6%	
Euro/GB Sterling	0.89	-2.8%	-2.9%	-7.3%	30.1%	9.1%	-2.1%	-2.7%	0.4%	8.0%	
Euro/Swiss Franc	1.48	-1.6%	-2.3%	-0.5%	-10.0%	3.0%	3.4%	0.7%	-0.9%	7.5%	
Euro/Swedish Krona	10.26	-2.4%	0.6%	-6.4%	16.2%	4.5%	-4.0%	4.3%	-0.4%	-0.6%	
Euro/Norwegian Krone	8.30	-2.9%	-1.9%	-14.5%	22.4%	3.1%	-3.7%	-3.0%	-1.9%	15.5%	
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	93.1	7.9%	3.9%	2.6%	-18.8%	-6.1%	0.9%	15.1%	-4.6%	-9.5%	
US Dollar/Canadian Dollar	1.05	-1.1%	-2.2%	-14.1%	22.8%	-14.9%	0.2%	-3.3%	-7.3%	-17.7%	
US Dollar/South African Rand	7.38	-0.6%	-1.7%	-21.6%	37.2%	-1.8%	10.3%	11.9%	-15.4%	-22.0%	
US Dollar/Brazilian Real	1.74	-0.6%	-1.4%	-24.7%	30.1%	-16.7%	-8.6%	-12.1%	-8.1%	-18.4%	
US Dollar/Polish Zloty	2.86	3.0%	-0.2%	-3.5%	20.2%	-15.1%	-10.5%	8.0%	-19.5%	-2.5%	
US Dollar/Hungarian Forint	188.3	2.6%	2.4%	-1.0%	9.8%	-9.1%	-10.8%	17.7%	-13.3%	-6.8%	
US Dollar/South Korean Won	1158.1	-0.7%	-1.5%	-8.1%	34.6%	0.6%	-7.9%	-2.4%	-13.1%	0.5%	
US Dollar/Taiwan Dollar	31.99	-0.6%	-0.5%	-2.5%	1.2%	-0.5%	-0.7%	3.3%	-6.4%	-2.0%	
US Dollar/Thai Baht	33.39	0.5%	-0.2%	-3.9%	3.1%	-6.7%	-12.0%	5.4%	-1.8%	-8.1%	
US Dollar/Singapore Dollar	1.40	1.4%	-0.2%	-2.2%	-0.1%	-6.3%	-7.7%	1.8%	-3.8%	-2.1%	
US Dollar/Argentinean Peso	3.80	-0.3%	-1.2%	10.0%	9.6%	2.9%	1.0%	2.0%	1.5%	-12.0%	
GB Sterling/US Dollar	1.61	-1.5%	0.8%	10.8%	-26.5%	1.3%	13.9%	-10.3%	7.4%	10.7%	
GB Sterling/South African Rand	11.92	-2.0%	-0.9%	10.8%	0.9%	-1.1%	26.3%	0.4%	-9.1%	-13.6%	
Australian Dollar/US Dollar	0.90	-1.6%	1.6%	-13.1%	-19.6%	11.2%	7.5%	-6.3%	4.1%	34.4%	
New Zealand Dollar/US Dollar	0.73	1.9%	0.3%	27.4%	-23.4%	8.8%	3.4%	-5.4%	9.8%	25.2%	

Source: Bloomberg LP

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