

Recent Market Volatility in Context

Global Equity Markets



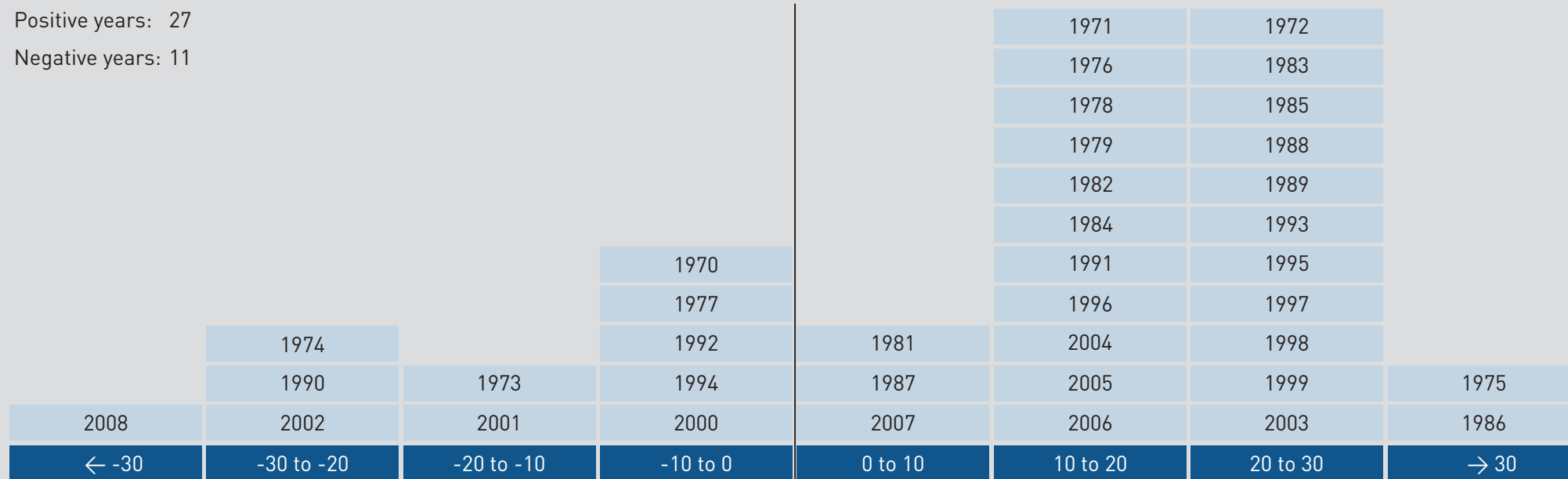
The 'credit crunch' of 2007/2008 has evolved from its quiet beginnings in the US mortgage market to a global financial crisis. Against this backdrop, most global stock markets have experienced sharp declines. While the current landscape is unnerving for investors, it is valuable to view the recent declines in equities in the context of historical performance.

The graph below illustrates the annual returns of global equities from 1970 to 2008, reflected by the MSCI World Index. The graph is 'skewed' to the right, showing that the majority of years have witnessed positive returns (from 0% to over 30%), predominantly delivering between 10% and 30%. Among the 11 years of negative performance, 2008 has seen the largest decline. This reinforces the case for a patient, long-term approach to investing in stock markets.

Global equities: MSCI World Annual Returns 1970-2008 (%)

Positive years: 27

Negative years: 11



Total returns, local currency (%)

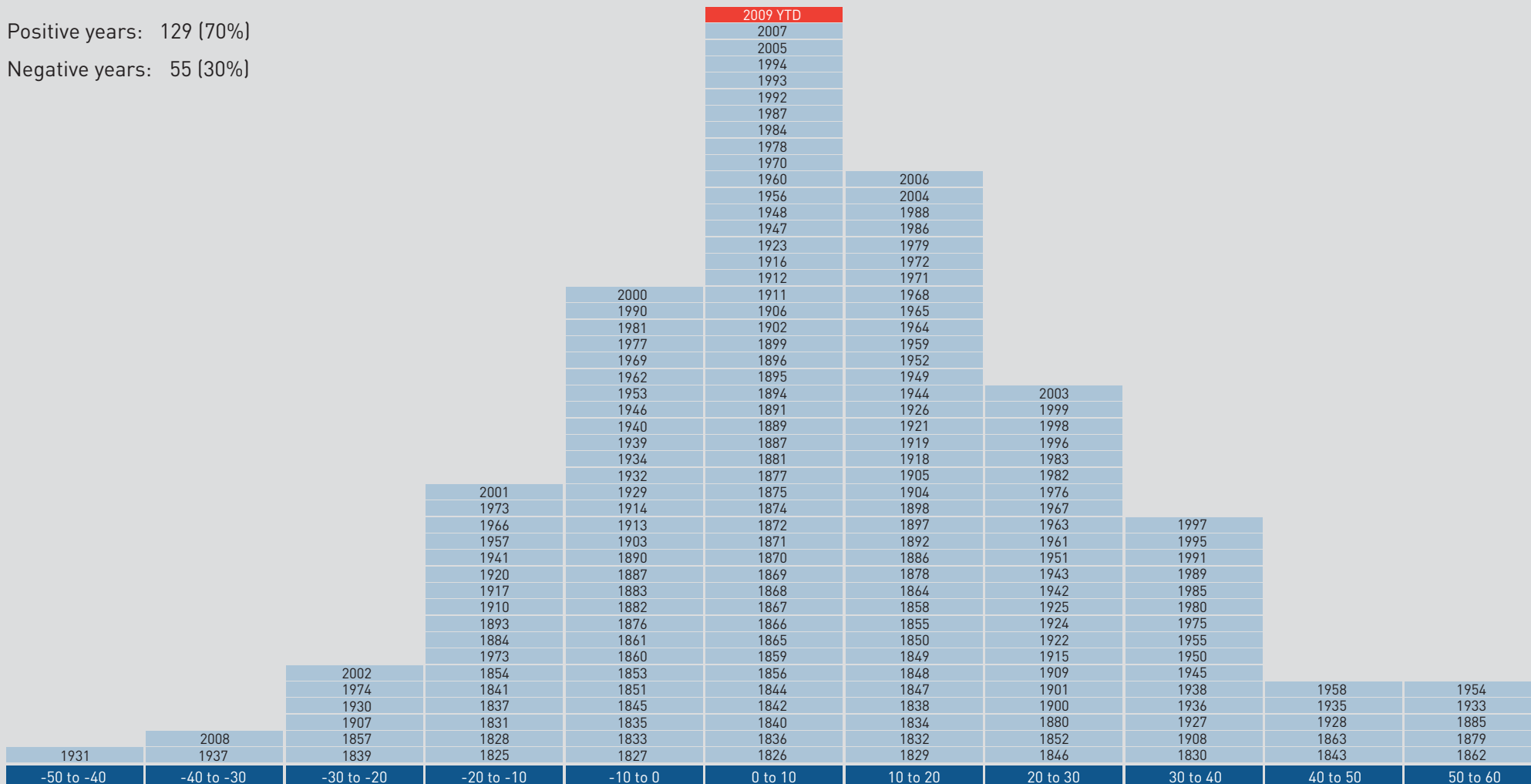
Source: Datastream. All data to 31.12.2008. The information provided is for illustrative purposes only and is not meant to represent the past or future performance of any particular investment or the indices. It is not possible to invest directly in an index.

The graph below illustrates the year to date annual returns of US equities from 1825 to 2009 YTD, reflected by the S&P 500 price index. The graph shows that 70% of the positive returns (from 0% to 60%) have been achieved. From an historical perspective, performance has only reached the lows seen in 2008 twice before in 1931 and 1937 and provides perspective to our current market activity reinforcing the case for a long-term approach to investing in stock markets.

An historical perspective – US equities: 1825 – 2009

Positive years: 129 (70%)

Negative years: 55 (30%)



Percentage Total Return

Year-to-Date S&P 500 price index return as of 3 June 2009 = 3.16. Source: Reproduced by kind permission of Value Square Asset Management, Belgium.

Past performance is not a reliable indicator of future performance.

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