

Monthly Style Summary

April 2010
(as at 31 March 2010)

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Against a background of strong and widespread market gains and improving economic expectations, Value themes broadly outperformed in most major markets and regions. Curiously, larger companies did not generally outperform with market strength, but high Beta companies gained convincingly in virtually all markets.

Style Reward Patterns within Major Markets and Sectors during March 2010

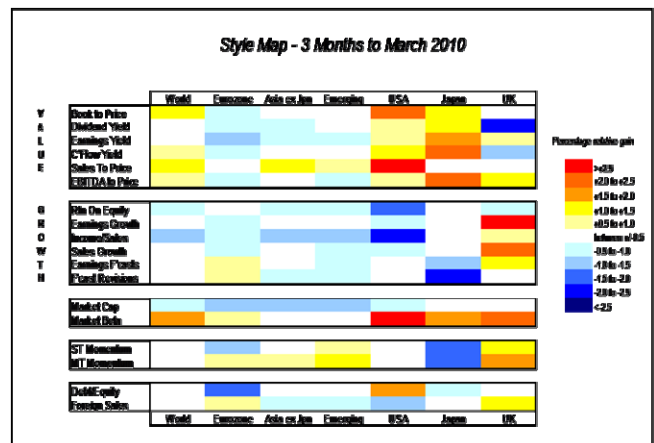
	United States			Japan		
	Value (Sector Relative Performance %)	Size (Small) (Sector Relative Performance %)	Sector (Absolute Return %)	Value (Sector Relative Performance %)	Size (Small) (Sector Relative Performance %)	Sector (Absolute Return %)
Financials	1.2%	-0.6%	8.2%	0.3%	-1.7%	9.8%
Oil & Gas	0.2%	0.1%	3.1%	-1.6%	5.1%	5.1%
Utilities	0.2%	0.7%	3.0%	-0.9%	1.1%	3.6%
Technology	-1.0%	0.4%	6.4%	1.0%	-0.2%	12.7%
Health Care	-0.6%	5.1%	3.6%	0.6%	1.4%	3.8%
Consumer Goods	-1.2%	2.2%	5.3%	2.4%	-1.3%	11.6%
Industrials	0.5%	-0.8%	8.1%	0.4%	-1.2%	12.8%
Telecommunications	-1.7%	2.0%	6.2%	0.4%	-1.2%	3.5%
Consumer Services	2.4%	4.9%	4.1%	2.1%	-0.9%	6.4%
Basic Materials	1.4%	1.1%	8.1%	1.1%	0.9%	13.8%

	United Kingdom			Eurozone		
	Value (Sector Relative Performance %)	Size (Small) (Sector Relative Performance %)	Sector (Absolute Return %)	Value (Sector Relative Performance %)	Size (Small) (Sector Relative Performance %)	Sector (Absolute Return %)
Financials	4.2%	0.5%	5.6%	1.5%	-2.4%	8.2%
Oil & Gas	0.1%	-0.2%	6.1%	-0.4%	3.4%	6.4%
Utilities	1.7%	0.7%	0.7%	-0.8%	0.2%	5.6%
Technology	-1.7%	-6.3%	8.4%	1.1%	-4.0%	10.5%
Health Care	-0.7%	-2.1%	2.8%	-0.5%	-0.8%	3.8%
Consumer Goods	0.3%	1.9%	5.1%	1.9%	0.3%	7.4%
Industrials	0.4%	-1.7%	7.2%	-0.6%	-1.2%	8.4%
Telecommunications	2.8%	-11.8%	4.5%	0.0%	0.0%	3.2%
Consumer Services	0.2%	0.4%	8.2%	1.1%	-0.8%	9.0%
Basic Materials	1.5%	-1.6%	16.5%	2.1%	-0.8%	9.5%

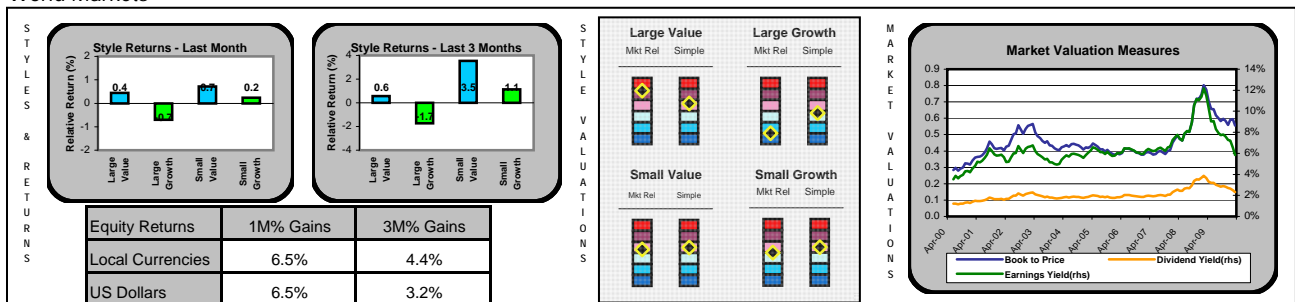
Note: Value is here defined by Book to Price and Dividend Yield; Small is defined as the bottom 20% of each sector by market capitalization.

Source: Style Research Market Analyzer

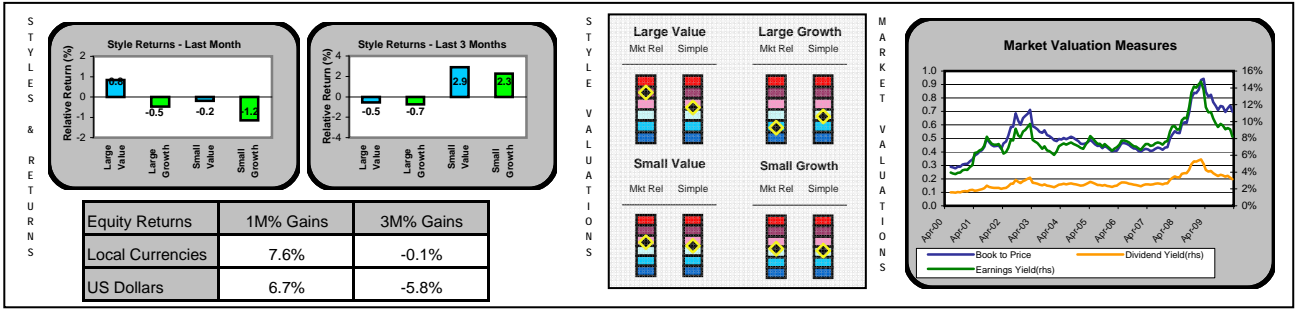
Even as the 3 month Style Map shows a mixed array of modest outperformance of Value in the US and Japan, general Growth gains across Europe and the recent widespread strength in high Beta securities, the more detailed 1 month and 3 month graphics (attached) reveal a changing nuance in market sentiment. During March, Value gains in most markets have been accompanied by relative gains in companies with higher forecast earnings growth. While Value outperformance can be understood in terms of expectations of an upturn in profitability and developing concerns over future inflation, gains in forecast earnings growth generally require more stable economic conditions and the hint of a Growth phase. Large Value is looking just a little dear against historic valuation ranges; and it has been some time since companies with positive earnings projections have outperformed. We must watch the economy.



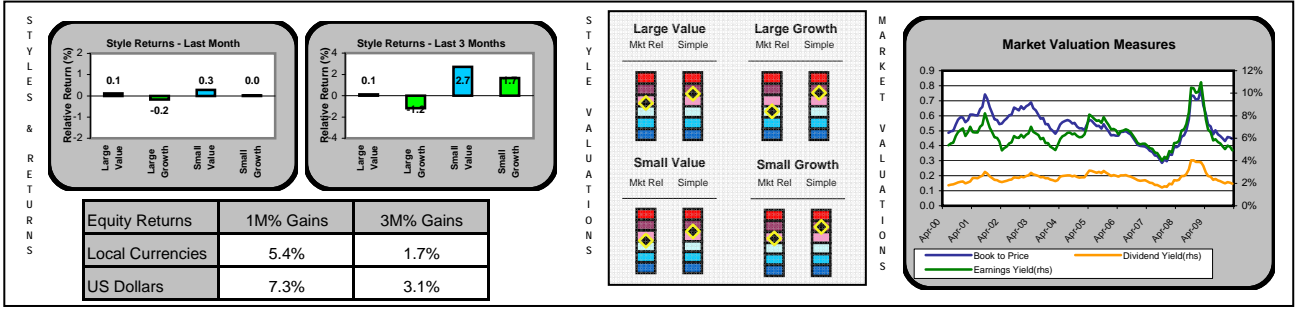
World Markets



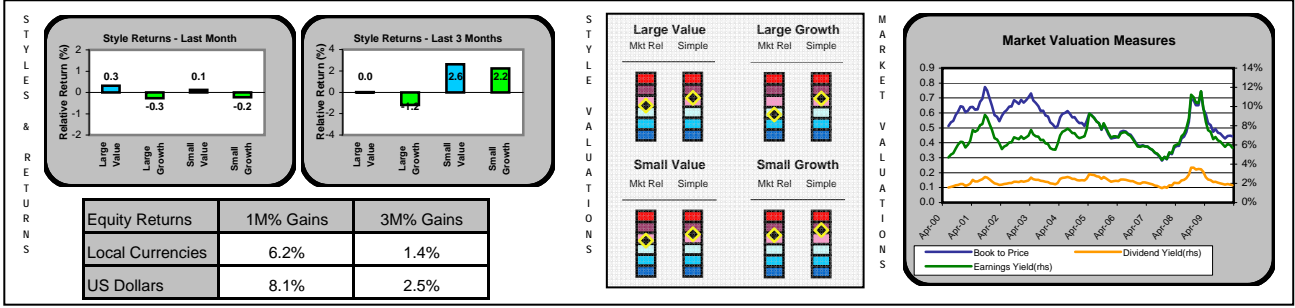
Eurozone



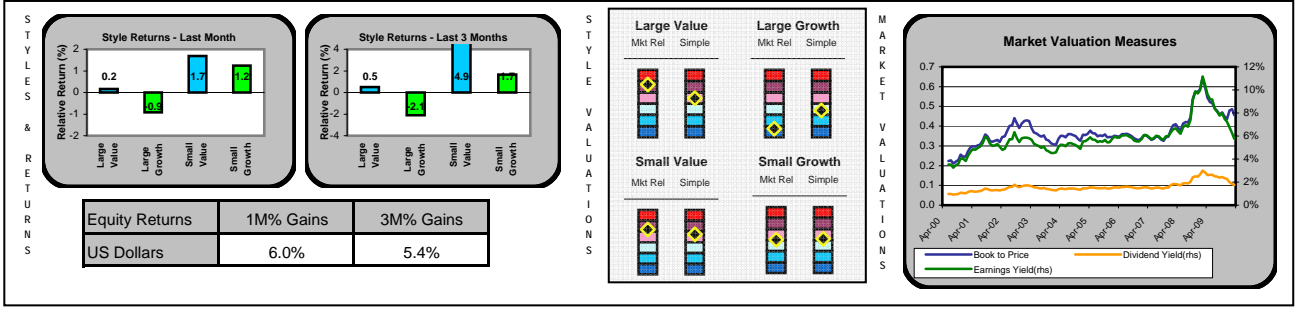
Asia Pacific ex Japan



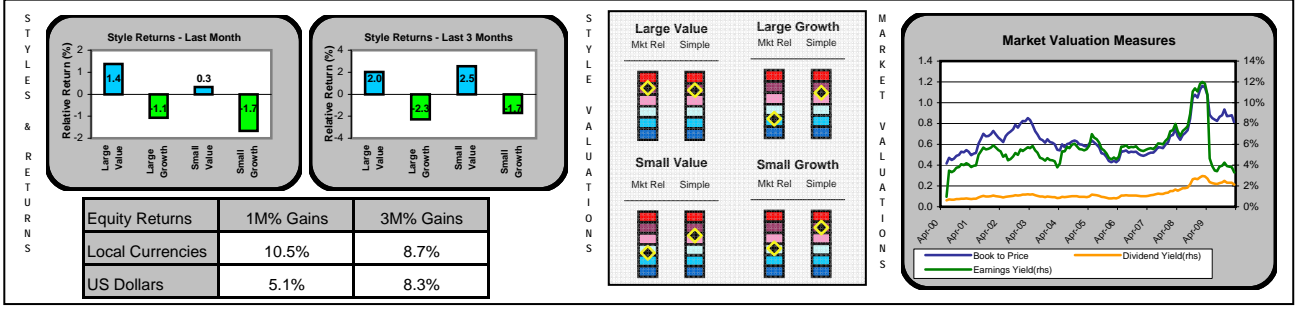
Emerging Markets



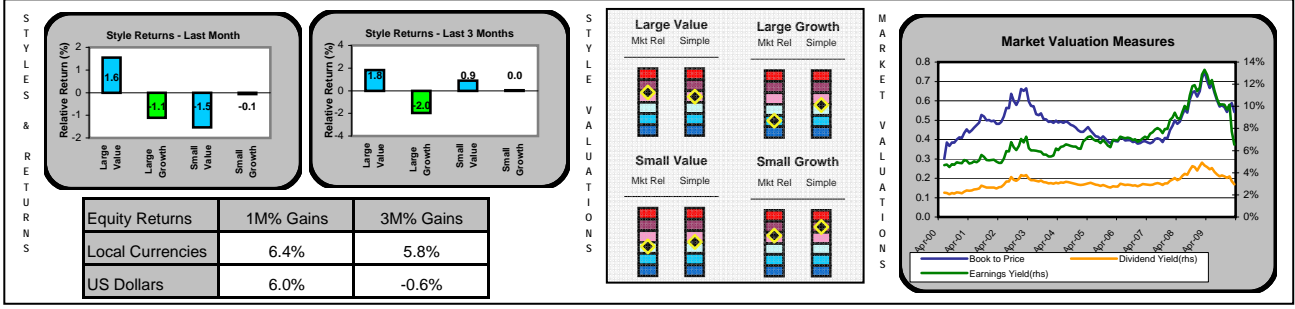
United States



Japan



United Kingdom



Styles are here defined according to Market Capitalization and a composite of Book to Price and Dividend Yield and are Sector (and Country) Adjusted to avoid distortions; more nuanced analysis is available from the attached graphics detailing recent returns from a variety of Value and Growth measures and a number of other popular investment themes. Simple Style Valuations compare the current earnings yields of the individual Style sectors against their 10 year historic ranges. Market Relative Valuations compare the current market relative earnings yields of the individual Style sectors against the 10 year histories of market relative earnings yields.