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STATISTICS TO QUARTER END

COMMENTS	1
INSURANCE	1
ECONOMY	2
MARKETS	2

INSURANCE

INSURANCE PREMIUM INDEX-MARKET AVERAGE PREMIUMS	3
INSURANCE PREMIUM INDEX-SHOPAROUND AVERAGE PREMIUM	4
AVERAGE PREMIUMS	5

ECONOMICS

BANK BASE RATES	6
STERLING EXCHANGE RATES	7
RETAIL PRICES INDEX	8
AVERAGE EARNINGS INDEX FOR ALL EMPLOYEES	9

MARKETS

MARKETS AT A GLANCE	10
UK MARKET RETURNS	12
INTERNATIONAL MARKET RETURNS	14
HISTORIC RETURNS FOR UK MARKETS	16
VOLATILITY OF MARKETS	18
QUARTERLY INVESTMENT YIELDS	20

SOURCES

SOURCES OF INVESTMENT STATISTICS	22
OTHER SOURCES	22

INSURANCE

According to the AA, there was a record drop for car insurance premiums as the average Shoparound quote for an annual comprehensive car insurance policy fell from £659.53 in July 2012 to £594.86, a drop of 9.8%, while in the past quarter the average Shoparound quote for a car insurance policy dropped by 3%. It is the sixth successive quarter that premiums have fallen and the biggest fall since the AA index began in 1994. Drivers between 23 and 29 have seen the biggest fall over the past year, 12.8%, while drivers aged over 70 saw the smallest fall, 3.9%, but all ages have on average seen premiums fall significantly.

This comes as a relief for motorists, who saw premiums increase sharply between 2009 and 2011 due a large increase in whiplash injury claims and fraud. The gap between premium income and claims costs is closing and premiums are falling because of competition and improved fraud detection by the insurance industry. However, whiplash claims do remain an issue in the UK, and the Institute and Faculty of Actuaries (IFoA) has stated that whiplash claims have risen disproportionately in comparison to other road accidents, which have actually fallen. The IFoA has said that if whiplash claims were genuine, they would rise and fall in line with other motor accidents.

It is estimated that 1,500 claims are made daily, with £1 billion a year paid out in fraudulent claims. Industry experts have continued to call for new rules to be introduced, which would mean that claimants would have to provide diagnostic proof of their injuries within a short time of the accident occurring. Other European countries have implemented such systems. In France, diagnosis requires proof based on rigorous medical testing, while claimants also need to pay for an initial report into the injury. For low-speed collisions in Germany, a high level of proof is required to get compensation, while Italy has new guidelines for accurate medical diagnosis. Sweden has a time limit of 72 hours for the onset of symptoms, and after this period insurers will generally reject the claim.

There are concerns, though, that if similar measures were adopted in the UK, individuals who are genuinely affected may be dissuaded from claiming. For example, if MRI scans were made compulsory and the customer was asked to pay the fee, people on lower income may find this a barrier to claiming.

Home buildings and contents cover dropped in the second quarter of 2013. The AA Shoparound average for a typical contents policy fell by 2.1% over the quarter to £70.72, which is a 3.8% reduction over the year. The AA Shoparound average for buildings cover dropped by 2.6% over the quarter to £130.45, a reduction of 5.0% over the year. For a combined buildings and contents policy, the average quoted premium fell by 2.5% to £175.78, a drop of 5.8% over the year.

The ABI and the government have agreed a memorandum of understanding (MoU) on how to develop a not-for-profit scheme—Flood Re—that would ensure that flood insurance remains widely affordable and available. The MoU is a first step towards establishing Flood Re, which they hope will be running by the summer of 2015. Flood Re would charge member firms an annual STET of £180 million, which equates to a levy of £10.50 on annual household premiums and represents the estimated level of cross-subsidy that already exists between lower and higher flood risk premiums. For Flood Re to be established successfully, there needs to be an unprecedented level of partnership between the government and the industry. Environment Secretary Owen Paterson said that although an agreement has been reached, “there are still areas to work through, but this announcement means that people no longer need to live in fear of being uninsurable and that those at most risk can get protection, now and in the future.”

ECONOMY

For the first time since 2011, the UK has experienced back-to-back quarterly increases after its economy grew by 0.7% in the second quarter of 2013, following a 0.3% rise in the first quarter. Compared with the second quarter of 2012, the gross domestic product has increased by 1.4%. Furthermore, it is the first time since 2010 that all of the main economic sectors grew. Construction grew by 0.9% and manufacturing grew by 0.4%, but both still remain considerably lower than their pre-recession peaks (16.5% and 10.2% lower, respectively). The service sector expanded by 0.6% and was only 0.2% below the pre-recession peak level. This was aided by a 1.5% growth in hotels, restaurants and distribution, as well as expansion in the architectural and engineering services.

The US economy grew at an annualised rate of 1.7% in the second quarter of 2013 (a quarterly growth of 0.4%), which was better than economists had expected and better than the first quarter, when the economy only grew by an annualised rate 1.1% (revised down from 1.8%). A slowdown had been expected due to the weak global economy and the impact of federal spending cuts. Imports and exports both picked up in the quarter, with exports rising by 5.4% and imports rising by 9.5%. The Commerce Department has also revised growth figures from the past. In 2012, US economic growth has been revised from 2.2% to 2.8%, while during the recession, between December 2007 and June 2009, the contraction of the economy has been revised from 4.7% to 4.3%.

China's economic growth slowed in the second quarter. Its economy grew at an annualised rate in the second quarter of 7.5% compared with the previous year, but this is down from 7.7% in the first quarter, as weak overseas demand weighed on output and investment. The slowdown in the world's second-largest economy has led to concerns that China may lose more steam in the coming quarters with potentially higher unemployment and social unrest. The government believes, though, that employment is stable, while economists expect the government to tough out the slowdown as it pursues a longer-term vision of reforming the economy towards consumer-led, rather than export- and investment-led growth.

There was positive news in Europe, too, as the eurozone emerged from recession after 18 months of contraction. The eurozone's economy grew by 0.3%; however, the European Commission still expects the eurozone to suffer a second full calendar year of falling output in 2013. There were strong results for Germany and France, as their economies grew by 0.7% and 0.5%, respectively, which was stronger than expected. Portugal, which received a €78 billion international bailout, recorded the fastest growth of 1.1% as exports picked up in the second quarter and the decline in investment eased. However, Spain and Italy both remained in recession, as their economies shrank by 0.1% and 0.2%, respectively. There was also a noticeable fall in the Netherlands, as its economy shrank by 0.2%.

MARKETS

UK equities performed poorly in the second quarter after a positive first quarter. The FTSE All Share contracted by 1.7%, the FTSE 100 contracted by 2%, and the FTSE 250 recorded a very modest growth of 0.1%. Internationally there were mixed results, as the Emerging Markets contracted by 7.3% after a growth of 5.4% in the previous quarter. Japanese equities recorded growth of 4.5%, North American equities grew by 2.2%, and equities in Europe recorded only moderate growth of 1.2%. Fixed-interest assets had an extremely poor quarter with all of the major bonds contracting. The Corporate (AAA) bond fell by 3.6% and the Corporate (BBB) bond fell by 2.3%.

INSURANCE

INSURANCE PREMIUM INDEX-MARKET AVERAGE PREMIUMS

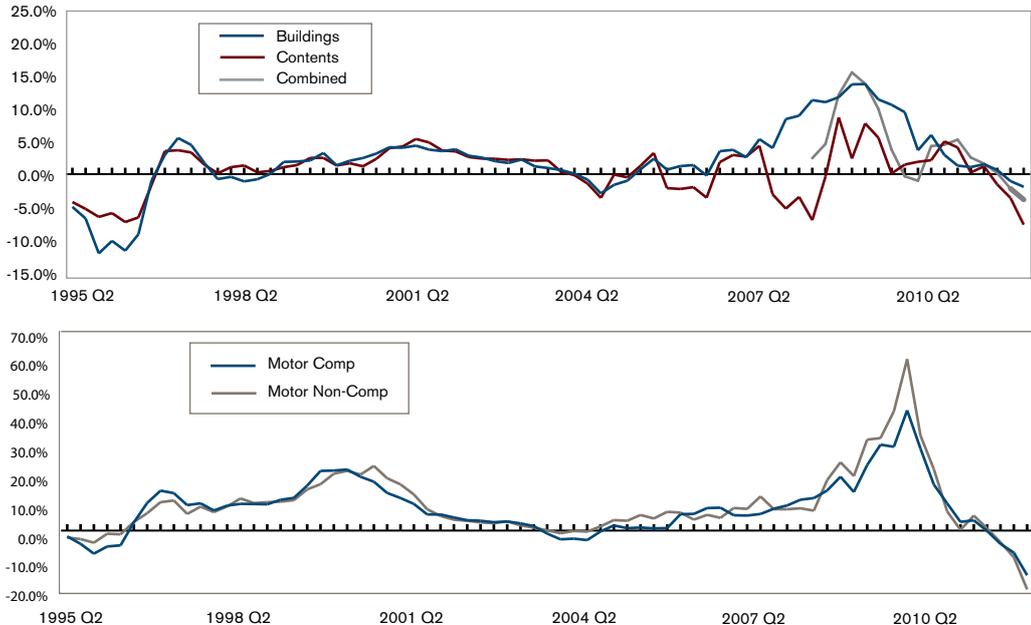
		Buildings	Contents	Combined	Motor Comp	Motor Non-Comp			Buildings	Contents	Combined	Motor Comp	Motor Non-Comp
1995	Q1	150.0	99.5		303.3	336.8	2005	Q1	155.8	109.1		577.8	677.1
	Q2	148.6	100.4		308.1	338.9		Q2	152.9	107.4		582.8	683.1
	Q3	146.7	99.7		301.0	338.4		Q3	154.7	109.7		589.4	699.2
	Q4	139.1	97.2		286.6	333.4		Q4	155.9	109.3		586.9	701.7
	Annual	-10.8%	-5.8%		-8.0%	-4.2%		Annual	-0.9%	-0.4%		0.9%	3.4%
1996	Q1	136.3	94.2		286.6	333.1	2006	Q1	156.9	110.4		583.9	713.9
	Q2	133.0	93.8		292.3	334.5		Q2	156.1	110.5		587.3	711.9
	Q3	134.6	93.8		309.6	348.6		Q3	155.6	107.6		594.5	744.7
	Q4	137.9	95.8		314.1	353.6		Q4	157.6	107.0		620.4	745.7
	Annual	-0.8%	-1.4%		9.6%	6.1%		Annual	1.1%	-2.0%		5.7%	6.3%
1997	Q1	139.9	97.1		326.4	366.1	2007	Q1	158.8	108.4		617.9	741.1
	Q2	139.6	96.9		330.4	369.5		Q2	155.8	107.0		633.3	750.9
	Q3	140.0	96.6		337.0	368.8		Q3	160.5	109.4		641.8	777.7
	Q4	140.0	97.0		344.0	383.0		Q4	162.8	109.8		653.4	804.4
	Annual	1.5%	1.3%		9.5%	8.3%		Annual	3.3%	2.6%		5.3%	7.9%
1998	Q1	139.0	97.2		349.3	389.6	2008	Q1	162.4	111.0		650.2	797.0
	Q2	139.1	97.8		359.1	400.5		Q2	163.2	111.1	247.2	669.8	840.2
	Q3	138.6	97.7		368.4	410.1		Q3	166.2	106.4	242.5	690.6	835.5
	Q4	139.0	97.2		375.8	419.6		Q4	175.0	104.7	246.0	710.6	864.2
	Annual	-0.7%	0.2%		9.2%	9.6%		Annual	7.5%	-4.7%		8.7%	7.4%
1999	Q1	139.0	97.7		381.2	428.1	2009	Q1	175.4	107.5	247.7	720.1	858.8
	Q2	141.4	98.7		397.5	440.8		Q2	179.7	104.1	252.6	745.5	898.4
	Q3	141.0	98.9		410.2	453.4		Q3	182.5	106.0	252.5	787.0	982.3
	Q4	141.6	99.4		434.6	479.8		Q4	193.4	112.8	272.7	843.6	1069.5
	Annual	1.9%	2.2%		15.7%	14.3%		Annual	10.5%	7.7%	10.8%	18.7%	23.8%
2000	Q1	143.0	99.8		460.3	497.1	2010	Q1	196.9	109.8	282.0	816.8	1021.7
	Q2	143.1	99.9		480.6	528.1		Q2	201.8	111.3	283.8	915.5	1182.7
	Q3	143.6	100.4		497.4	547.6		Q3	201.1	111.3	275.0	1022.2	1298.3
	Q4	144.7	100.4		515.9	573.3		Q4	211.6	112.9	281.8	1089.6	1512.6
	Annual	2.2%	1.1%		18.7%	19.5%		Annual	9.5%	0.1%	3.3%	29.1%	41.4%
2001	Q1	147.1	101.9		538.6	608.9	2011	Q1	213.5	111.2	281.2	1158.4	1630.8
	Q2	148.4	103.4		543.4	624.1		Q2	208.4	113.2	281.2	1176.3	1573.7
	Q3	148.7	104.2		553.7	635.6		Q3	211.8	113.4	285.5	1185.8	1576.0
	Q4	150.3	105.3		563.8	645.3		Q4	217.2	117.9	293.1	1192.9	1613.7
	Annual	3.9%	4.8%		9.3%	12.6%		Annual	2.6%	4.5%	4.0%	9.5%	6.7%
2002	Q1	152.0	106.3		568.9	654.1	2012	Q1	216.0	115.3	294.4	1193.4	1635.0
	Q2	153.0	106.7		573.8	655.7		Q2	210.4	113.4	287.6	1218.3	1656.0
	Q3	153.8	107.4		578.9	659.6		Q3	214.7	114.6	289.6	1184.1	1587.6
	Q4	154.1	107.7		584.1	667.3		Q4	218.4	116.2	293.5	1137.7	1548.1
	Annual	2.5%	2.3%		3.6%	3.4%		Annual	0.6%	-1.4%	0.1%	-4.6%	-4.1%
2003	Q1	155.4	108.6		588.4	672.7	2013	Q1	213.9	111.5	288.6	1101.9	1483.1
	Q2	155.7	109.0		590.5	672.4		Q2	206.8	105.6	277.6	1029.0	1317.0
	Q3	156.1	109.5		597.2	680.7		Q3					
	Q4	157.2	109.9		598.7	679.4		Q4					
	Annual	2.0%	2.0%		2.5%	1.8%		Annual					
2004	Q1	157.0	110.5		597.5	679.6							
	Q2	157.0	111.0		584.4	673.1							
	Q3	156.9	109.8		579.1	674.5							
	Q4	157.3	109.7		582.0	678.5							
	Annual	0.1%	-0.1%		-2.8%	-0.1%							

INSURANCE

INSURANCE PREMIUM INDEX-SHOPAROUND AVERAGE PREMIUM

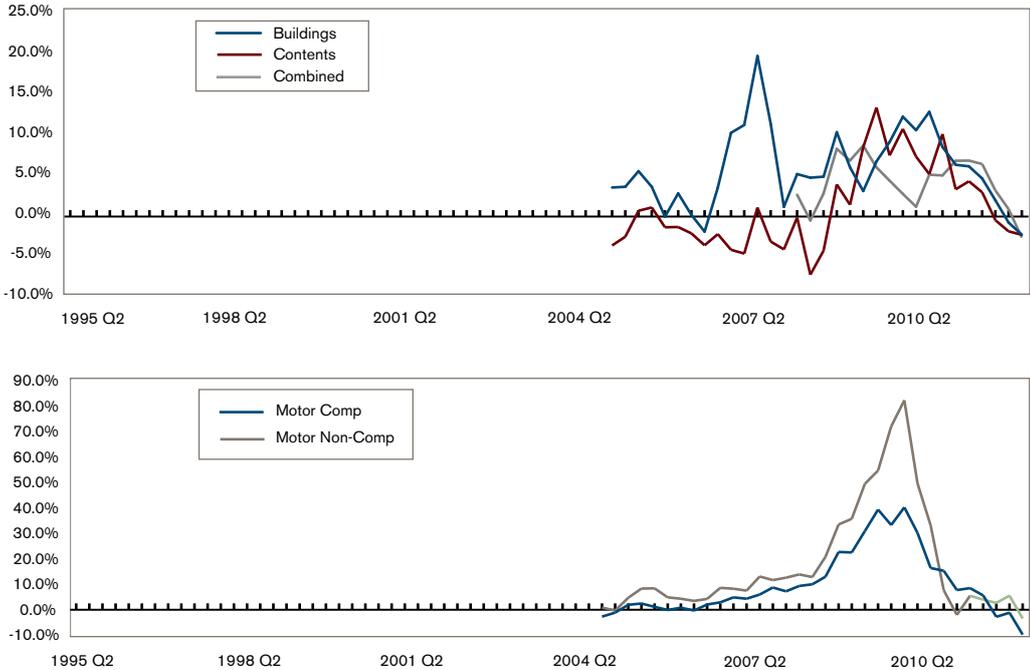
		Buildings	Contents	Combined	Motor Comp	Motor Non-Comp			Buildings	Contents	Combined	Motor Comp	Motor Non-Comp
1995	Q1						2005	Q1	101.9	79.0		377.1	338.6
	Q2							Q2	102.8	77.3		381.2	339.2
	Q3							Q3	106.6	78.8		380.7	345.0
	Q4							Q4	106.5	78.2		384.7	355.4
	Annual							Annual	4.1%	-2.7%		1.9%	4.7%
1996	Q1						2006	Q1	108.2	79.6		386.4	366.7
	Q2							Q2	107.0	78.2		385.5	367.7
	Q3							Q3	106.6	77.6		380.3	361.7
	Q4							Q4	109.8	77.1		387.8	370.8
	Annual							Annual	3.2%	-1.4%		0.8%	4.3%
1997	Q1						2007	Q1	108.5	77.8		385.2	379.4
	Q2							Q2	104.7	75.1		393.5	383.3
	Q3							Q3	110.8	75.8		391.3	392.8
	Q4							Q4	122.4	73.6		406.6	401.3
	Annual							Annual	11.4%	-4.5%		4.8%	8.2%
1998	Q1						2008	Q1	122.0	73.8	178.6	401.8	407.8
	Q2							Q2	127.7	76.1	187.4	416.9	433.3
	Q3							Q3	124.8	73.2	180.7	425.5	438.4
	Q4							Q4	124.0	70.3	178.8	436.0	451.8
	Annual							Annual	1.3%	-4.5%		7.2%	12.6%
1999	Q1						2009	Q1	129.1	73.7	183.9	439.3	464.3
	Q2							Q2	134.5	70.0	186.4	458.5	488.8
	Q3							Q3	131.6	69.8	186.4	480.6	529.3
	Q4							Q4	138.3	73.4	195.3	534.7	602.7
	Annual							Annual	11.5%	4.4%	9.2%	22.6%	33.4%
2000	Q1						2010	Q1	137.8	74.9	197.9	538.0	629.7
	Q2							Q2	139.1	76.7	204.4	600.0	730.0
	Q3							Q3	141.5	80.1	198.9	669.2	818.0
	Q4							Q4	152.4	79.5	204.8	712.2	1035.8
	Annual							Annual	10.2%	8.3%	4.9%	33.2%	71.9%
2001	Q1						2011	Q1	156.5	83.9	204.0	753.9	1146.6
	Q2							Q2	155.5	82.9	207.1	780.8	1091.9
	Q3							Q3	161.7	84.8	210.2	778.7	1088.6
	Q4							Q4	166.8	88.5	216.3	820.9	1114.7
	Annual							Annual	9.5%	11.2%	5.6%	15.3%	7.6%
2002	Q1						2012	Q1	167.6	87.0	219.6	812.1	1123.5
	Q2							Q2	166.2	86.9	223.0	847.0	1152.0
	Q3							Q3	170.1	87.6	225.3	822.2	1131.4
	Q4							Q4	170.5	88.0	224.0	798.2	1144.5
	Annual							Annual	2.2%	-0.5%	3.6%	-2.8%	2.7%
2003	Q1						2013	Q1	166.2	85.2	221.8	802.6	1185.5
	Q2							Q2	162.1	84.8	216.6	764.5	1112.6
	Q3							Q3					
	Q4							Q4					
	Annual							Annual					
2004	Q1												
	Q2				391.8	336.4							
	Q3	102.6	82.0		385.0	345.9							
	Q4	102.3	80.4		377.4	339.5							
	Annual												

MARKET AVERAGE PREMIUMS-ROLLING ANNUAL INCREASE ON A QUARTERLY BASIS



The Shoparound index incorporates the five cheapest premiums aggregated from premiums from both the direct/ broker channel and price comparison sites.

SHOPAROUND AVERAGE PREMIUMS-ROLLING ANNUAL INCREASE ON A QUARTERLY BASIS



Source for pages 3-5: AA British Insurance Premium Index

ECONOMICS

BANK BASE RATES

Effective Date	%	Effective Date	%	Effective Date	%
1992 5th May	10.0	1998 4th June	7.5	Annual Average	3.7
22nd September	9.0	8th October	7.25	2004 5th February	4.0
16th October	8.0	5th November	6.75	6th May	4.25
13th November	7.0	10th December	6.25	10th June	4.5
Annual Average	9.6	Annual Average	7.2	5th August	4.75
1993 26th January	6.0	1999 7th January	6.0	Annual Average	4.4
23rd November	5.5	4th February	5.5	2005 4th August	4.5
Annual Average	6.0	10th June	5.0	Annual Average	4.6
1994 8th February	5.25	8th September	5.25	2006 3rd August	4.75
12th September	5.75	4th November	5.5	9th November	5.0
7th December	6.25	Annual Average	5.3	Annual Average	4.6
Annual Average	5.5	2000 13th January	5.75	2007 11th January	5.25
1995 3rd February	6.75	10th February	6.0	10th May	5.5
13th December	6.5	Annual Average	6.0	5th July	5.75
Annual Average	6.7	2001 8th February	5.75	6th December	5.5
1996 18th January	6.25	5th April	5.5	Annual Average	5.5
8th March	6.0	10th May	5.25	2008 7th February	5.25
6th June	5.75	2nd August	5.0	10th April	5.0
30th October	6.0	18th September	4.75	8th October	4.5
Annual Average	6.0	4th October	4.5	6th November	3.0
1997 6th May	6.25	8th November	4.0	4th December	2.0
9th June	6.5	Annual Average	5.1	Annual Average	4.7
10th July	6.75	2002 Annual Average	4.0	2009 8th January	1.5
7th August	7.0	2003 6th February	3.75	5th February	1.0
6th November	7.25	10th July	3.5	5th March	0.5
Annual Average	6.6	6th November	3.75	Annual Average	0.7
				2010 Annual Average	0.5
				2011 Annual Average	0.5
				2012 Annual Average	0.5

STERLING EXCHANGE RATES*

		US\$	DM	YEN			US\$	EURO**	YEN			US\$	EURO	YEN
1989	Q1	1.69	3.20	224	1999	Q1	1.61	1.50	191	2009	Q1	1.43	1.08	142
	Q2	1.55	3.03	223		Q2	1.58	1.53	191		Q2	1.65	1.17	159
	Q3	1.62	3.02	226		Q3	1.65	1.55	175		Q3	1.60	1.09	143
	Q4	1.61	2.73	232		Q4	1.61	1.61	165		Q4	1.61	1.13	150
1990	Q1	1.65	2.78	259	2000	Q1	1.60	1.67	164	2010	Q1	1.52	1.12	142
	Q2	1.74	2.90	266		Q2	1.51	1.58	160		Q2	1.50	1.22	132
	Q3	1.87	2.94	259		Q3	1.48	1.68	160		Q3	1.57	1.16	131
	Q4	1.93	2.89	262		Q4	1.49	1.59	171		Q4	1.56	1.16	127
1991	Q1	1.74	2.97	246	2001	Q1	1.42	1.61	178	2011	Q1	1.61	1.13	133
	Q2	1.62	2.94	223		Q2	1.41	1.66	175		Q2	1.61	1.11	130
	Q3	1.75	2.92	233		Q3	1.47	1.61	175		Q3	1.56	1.16	120
	Q4	1.87	2.84	234		Q4	1.46	1.64	191		Q4	1.55	1.20	120
1992	Q1	1.74	2.86	231	2002	Q1	1.42	1.63	189	2012	Q1	1.60	1.21	129
	Q2	1.90	2.90	240		Q2	1.52	1.54	183		Q2	1.57	1.24	125
	Q3	1.78	2.52	214		Q3	1.57	1.59	191		Q3	1.61	1.25	126
	Q4	1.51	2.45	189		Q4	1.61	1.54	191		Q4	1.63	1.23	141
1993	Q1	1.51	2.43	173	2003	Q1	1.58	1.45	187	2013	Q1	1.52	1.19	143
	Q2	1.49	2.55	160		Q2	1.65	1.44	198		Q2	1.52	1.16	151
	Q3	1.50	2.45	159		Q3	1.66	1.43	186					
	Q4	1.48	2.57	165		Q4	1.79	1.42	192					
1994	Q1	1.49	2.48	153	2004	Q1	1.84	1.50	191					
	Q2	1.54	2.46	152		Q2	1.81	1.49	198					
	Q3	1.58	2.45	156		Q3	1.81	1.46	199					
	Q4	1.57	2.43	156		Q4	1.92	1.42	197					
1995	Q1	1.63	2.23	141	2005	Q1	1.89	1.45	202					
	Q2	1.59	2.02	135		Q2	1.79	1.48	199					
	Q3	1.58	2.25	156		Q3	1.77	1.47	201					
	Q4	1.53	2.22	160		Q4	1.72	1.46	203					
1996	Q1	1.53	2.25	163	2006	Q1	1.73	1.44	205					
	Q2	1.55	2.37	170		Q2	1.84	1.44	211					
	Q3	1.56	2.39	174		Q3	1.87	1.48	221					
	Q4	1.71	2.64	199		Q4	1.96	1.49	233					
1997	Q1	1.64	2.74	203	2007	Q1	1.96	1.47	232					
	Q2	1.66	2.90	190		Q2	2.01	1.48	248					
	Q3	1.62	2.85	195		Q3	2.04	1.44	234					
	Q4	1.65	2.96	214		Q4	1.99	1.36	222					
1998	Q1	1.67	3.10	223	2008	Q1	1.99	1.25	198					
	Q2	1.67	3.01	232		Q2	1.99	1.26	211					
	Q3	1.70	2.84	231		Q3	1.78	1.27	189					
	Q4	1.66	2.77	188		Q4	1.44	1.03	130					

* End of quarter rates provided

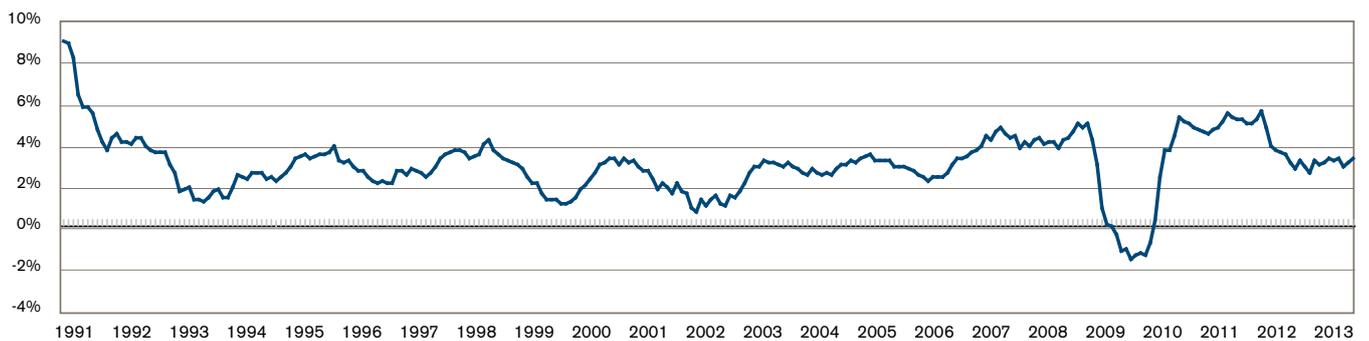
** EURO from Q1 1999

ECONOMICS

RETAIL PRICES INDEX

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Annual Increase
1987	100.0	100.4	100.6	101.8	101.9	101.9	101.8	102.1	102.4	102.9	103.4	103.3	
1988	103.3	103.7	104.1	105.8	106.2	106.6	106.7	107.9	108.4	109.5	110.0	110.3	6.8%
1989	111.0	111.8	112.3	114.3	115.0	115.4	115.5	115.8	116.6	117.5	118.5	118.8	7.7%
1990	119.5	120.2	121.4	125.1	126.2	126.7	126.8	128.1	129.3	130.3	130.0	129.9	9.3%
1991	130.2	130.9	131.4	133.1	133.5	134.1	133.8	134.1	134.6	135.1	135.6	135.7	4.5%
1992	135.6	136.3	136.7	138.8	139.3	139.3	138.8	138.9	139.4	139.9	139.7	139.2	2.6%
1993	137.9	138.8	139.3	140.6	141.1	141.0	140.7	141.3	141.9	141.8	141.6	141.9	1.9%
1994	141.3	142.1	142.5	144.2	144.7	144.7	144.0	144.7	145.0	145.2	145.3	146.0	2.9%
1995	146.0	146.9	147.5	149.0	149.6	149.8	149.1	149.9	150.6	149.8	149.8	150.7	3.2%
1996	150.2	150.9	151.5	152.6	152.9	153.0	152.4	153.1	153.8	153.8	153.9	154.4	2.5%
1997	154.4	155.0	155.4	156.3	156.9	157.5	157.5	158.5	159.3	159.5	159.6	160.0	3.6%
1998	159.5	160.3	160.8	162.6	163.5	163.4	163.0	163.7	164.4	164.5	164.4	164.4	2.8%
1999	163.4	163.7	164.1	165.2	165.6	165.6	165.1	165.5	166.2	166.5	166.7	167.3	1.8%
2000	166.6	167.5	168.4	170.1	170.7	171.1	170.5	170.5	171.7	171.6	172.1	172.2	2.9%
2001	171.1	172.0	172.2	173.1	174.2	174.4	173.3	174.0	174.6	174.3	173.6	173.4	0.7%
2002	173.3	173.8	174.5	175.7	176.2	176.2	175.9	176.4	177.6	177.9	178.2	178.5	2.9%
2003	178.4	179.3	179.9	181.2	181.5	181.3	181.3	181.6	182.5	182.6	182.7	183.5	2.8%
2004	183.1	183.8	184.6	185.7	186.5	186.8	186.8	187.4	188.1	188.6	189.0	189.9	3.5%
2005	188.9	189.6	190.5	191.6	192.0	192.2	192.2	192.6	193.1	193.3	193.6	194.1	2.2%
2006	193.4	194.2	195.0	196.5	197.7	198.5	198.5	199.2	200.1	200.4	201.1	202.7	4.4%
2007	201.6	203.1	204.4	205.4	206.2	207.3	206.1	207.3	208.0	208.9	209.7	210.9	4.0%
2008	209.8	211.4	212.1	214.0	215.1	216.8	216.5	217.2	218.4	217.7	216.0	212.9	0.9%
2009	210.1	211.4	211.3	211.5	212.8	213.4	213.4	214.4	215.3	216.0	216.6	218.0	2.4%
2010	217.9	219.2	220.7	222.8	223.6	224.1	223.6	224.5	225.3	225.8	226.8	228.4	4.8%
2011	229.0	231.3	232.5	234.4	235.2	235.2	234.7	236.1	237.9	238.0	238.5	239.4	4.8%
2012	238.0	239.9	240.8	242.5	242.4	241.8	242.1	243.0	244.2	245.6	245.6	246.8	3.1%
2013	245.8	247.6	248.7	249.5	250.0	249.7							

Rolling Annual Increase on a Monthly Basis

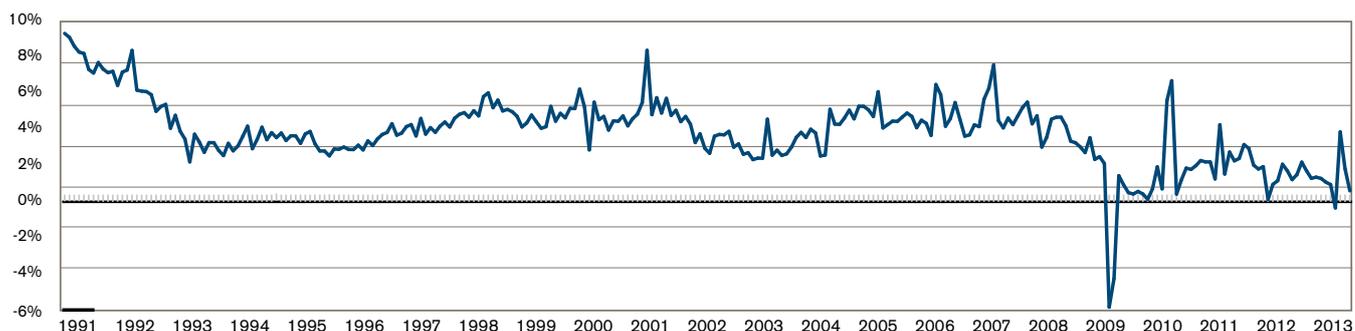


AVERAGE EARNINGS INDEX FOR ALL EMPLOYEES

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Annual Increase
1989													
1990	61.0	61.4	61.4	62.6	63.2	64.0	64.4	64.7	65.2	65.6	66.3	66.6	
1991	66.7	67.0	66.7	67.8	68.4	68.7	69.0	69.7	70.0	70.3	71.1	70.9	6.5%
1992	71.5	71.9	72.3	72.0	72.6	72.9	73.1	73.2	73.7	74.1	74.0	74.3	4.8%
1993	74.3	74.4	73.9	74.7	75.0	74.9	75.5	75.6	75.8	76.0	76.4	76.4	2.8%
1994	76.6	77.1	77.0	76.9	77.6	78.0	78.1	78.5	78.5	78.9	79.0	79.2	3.7%
1995	79.4	79.6	79.9	79.9	80.1	80.2	80.3	80.5	80.8	81.2	81.4	81.5	2.9%
1996	81.7	82.1	82.2	82.6	82.6	83.0	83.3	83.6	84.3	84.2	84.5	84.9	4.2%
1997	85.2	85.1	86.0	85.7	86.0	86.2	86.8	87.3	87.8	88.1	88.6	89.1	4.9%
1998	89.2	89.4	90.1	90.7	91.2	90.7	91.7	91.7	92.3	92.5	92.8	92.8	4.2%
1999	93.1	93.7	94.1	94.4	95.0	95.5	95.8	96.2	96.6	97.3	97.6	98.6	6.3%
2000	98.0	96.4	99.3	98.7	99.5	99.3	100.1	100.5	101.2	101.4	102.1	103.4	4.9%
2001	103.4	104.5	104.1	104.4	104.4	105.0	104.9	105.6	105.7	106.2	106.5	106.8	3.3%
2002	107.3	107.6	106.9	108.2	108.3	108.9	109.0	108.8	109.1	109.0	109.4	109.3	2.3%
2003	109.9	110.2	111.8	111.0	111.4	111.7	111.9	112.1	113.0	113.2	113.3	113.7	4.0%
2004	114.1	113.0	114.7	116.7	116.2	116.5	117.1	117.8	118.2	119.2	119.3	119.5	5.1%
2005	119.5	119.9	119.4	121.7	121.4	121.7	122.6	123.6	123.8	124.1	124.7	124.7	4.4%
2006	123.9	127.7	126.5	126.8	127.0	128.4	128.2	128.1	128.4	129.4	129.9	131.8	5.7%
2007	131.7	137.4	132.2	132.0	132.9	133.9	134.3	134.8	135.5	135.0	136.1	135.8	3.0%
2008	136.4	143.7	138.4	138.2	138.5	138.4	138.7	138.9	139.2	139.8	139.3	139.2	2.5%
2009	139.3	135.3	132.5	140.2	139.8	139.1	139.3	139.7	139.8	140.0	140.3	141.9	1.9%
2010	140.3	142.9	141.4	140.8	141.5	141.7	141.8	142.5	143.0	143.1	143.4	143.7	1.3%
2011	146.3	145.1	145.3	144.0	144.9	146.2	146.0	145.4	145.6	146.1	146.3	146.5	1.9%
2012	146.5	146.5	147.0	147.0	147.4	148.0	148.2	148.6	148.1	148.0	148.3	148.4	1.3%
2013	148.1	147.9	146.5	152.7	150.1	148.9							

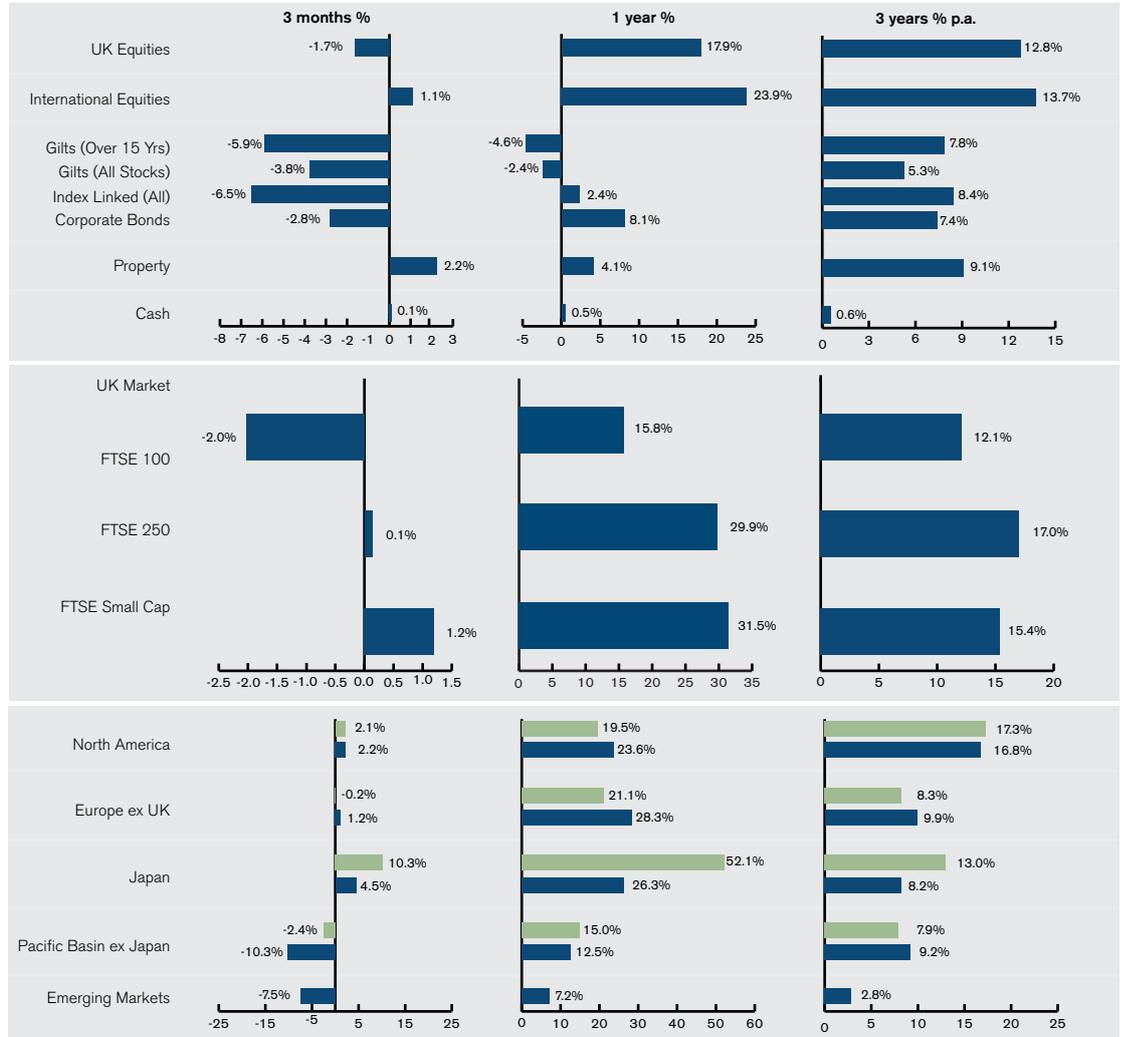
The National Average Earnings Index was discontinued as of September 2010, with the last data being supplied for July 2010. From August 2010, data from the National Weekly Earnings Index replaces the National Average Earning index. Subsequently, measures of past performance incorporating data from both indices can only be regarded as estimations. For more information regarding this change, please refer to the Office of National Statistics.

Rolling Annual Increase on a Monthly Basis



MARKETS

MARKETS AT A GLANCE



■ = local currency

MARKETS

ASSET	3 Months %	1 Year % p.a.	2 Years % p.a.	3 Years % p.a.	4 Years % p.a.	5 Years % p.a.	10 Years % p.a.
EQUITIES							
FTSE All Share	-1.7%	17.9%	6.9%	12.8%	14.8%	6.7%	9.0%
FTSE 100	-2.0%	15.8%	6.2%	12.1%	14.0%	5.9%	8.3%
FTSE 250	0.1%	29.9%	10.7%	17.0%	20.1%	11.8%	13.9%
FTSE Small Cap	1.2%	31.5%	10.9%	15.4%	17.4%	9.0%	8.9%
INTERNATIONAL							
North America	2.2%	23.6%	14.4%	16.8%	19.0%	12.3%	8.6%
Europe ex UK	1.2%	28.3%	1.3%	9.9%	11.3%	4.3%	9.5%
Japan	4.5%	26.3%	9.7%	8.2%	8.8%	5.5%	7.1%
Pacific Basin ex Japan	-10.3%	12.5%	0.9%	9.2%	14.3%	8.9%	14.6%
Emerging Markets	-7.5%	7.2%	-3.8%	2.8%	10.6%	5.7%	15.4%
World (FTSE All World)	0.0%	21.4%	7.9%	12.4%	15.1%	8.8%	9.3%
World ex UK (Developed)	1.1%	23.9%	9.8%	13.7%	15.8%	9.5%	8.9%
PROPERTY	2.2%	4.1%	4.8%	9.1%	23.9%	-25.6%	15.4%
BONDS & CASH							
UK Gilts (Over 15 Years)	-5.9%	-4.6%	10.4%	7.8%	7.9%	8.5%	5.9%
UK Gilts (All Stocks)	-3.8%	-2.4%	6.4%	5.3%	5.6%	7.1%	5.3%
UK Index Linked (All)	-6.5%	2.4%	8.2%	8.4%	8.6%	6.9%	6.9%
Cash	0.1%	0.5%	0.6%	0.6%	0.5%	0.9%	2.8%
Corporate (All Inv Grade)	-2.8%	8.1%	8.0%	7.4%	10.2%	7.3%	5.0%
Corporate (AAA)	-3.6%	-0.2%	5.2%	4.6%	5.9%	4.3%	3.6%
Corporate (AA)	-3.2%	3.0%	11.0%	4.7%	13.8%	0.6%	0.2%
Corporate (A)	-3.2%	5.7%	7.7%	6.0%	18.7%	-10.4%	0.7%
Corporate (BBB)	-2.3%	12.9%	6.5%	7.7%	25.7%	2.1%	2.9%
OTHER							
Retail Price Index	0.4%	3.3%	3.0%	3.7%	4.0%	2.9%	3.3%
National Average Earnings	1.6%	0.6%	0.9%	1.7%	1.7%	1.5%	2.9%

MARKETS

UK MARKET RETURNS

		Equities	Property	Gilts	Corporate Bonds	Index Linked	Cash
1998	Q1	16.5%	3.3%	6.3%	3.6%	3.1%	1.8%
	Q2	-0.8%	3.8%	3.4%	1.9%	4.8%	1.8%
	Q3	-13.9%	2.8%	11.6%	3.2%	3.1%	1.9%
	Q4	14.5%	1.7%	5.7%	5.6%	7.6%	1.8%
	Annual	13.9%	12.2%	29.7%	15.0%	19.9%	7.3%
1999	Q1	9.1%	2.1%	-1.4%	1.3%	1.9%	1.3%
	Q2	2.3%	3.7%	-1.4%	-1.4%	-0.1%	1.3%
	Q3	-3.4%	3.7%	-1.5%	-1.7%	-2.2%	1.3%
	Q4	15.1%	4.0%	4.0%	1.9%	4.8%	0.9%
	Annual	24.2%	14.1%	-0.4%	0.1%	4.4%	4.8%
2000	Q1	-3.4%	3.1%	2.0%	1.9%	0.3%	1.5%
	Q2	-2.1%	2.6%	1.4%	-0.1%	2.9%	1.5%
	Q3	0.6%	2.3%	-0.9%	3.5%	-1.5%	1.5%
	Q4	-1.1%	2.1%	5.3%	4.2%	2.5%	1.2%
	Annual	-5.9%	10.5%	8.0%	9.8%	4.3%	5.7%
2001	Q1	-8.4%	1.8%	-2.1%	1.7%	-2.7%	1.5%
	Q2	1.2%	1.7%	-4.3%	0.0%	0.1%	1.2%
	Q3	-13.5%	1.5%	4.4%	2.9%	1.0%	1.2%
	Q4	8.2%	1.9%	1.2%	2.6%	1.1%	1.1%
	Annual	-13.3%	7.1%	-0.9%	7.3%	-0.5%	5.0%
2002	Q1	2.3%	1.9%	-2.6%	1.1%	1.0%	0.8%
	Q2	-11.0%	2.9%	4.8%	2.4%	3.4%	0.9%
	Q3	-19.6%	2.9%	7.8%	4.2%	2.0%	0.9%
	Q4	5.6%	2.4%	-0.2%	1.1%	1.5%	1.0%
	Annual	-22.7%	10.5%	9.9%	9.0%	8.2%	3.8%
2003	Q1	-7.2%	2.0%	0.2%	1.5%	3.1%	1.0%
	Q2	14.5%	2.7%	1.2%	4.1%	2.5%	0.9%
	Q3	3.9%	2.8%	-0.6%	0.9%	-0.5%	0.9%
	Q4	9.4%	3.3%	0.4%	0.8%	1.3%	0.9%
	Annual	20.9%	11.2%	1.2%	7.5%	6.6%	3.6%
2004	Q1	0.6%	3.5%	1.8%	0.5%	2.8%	1.0%
	Q2	2.2%	4.9%	-1.7%	-1.1%	-0.4%	1.1%
	Q3	2.9%	4.3%	4.0%	3.7%	2.7%	1.2%
	Q4	6.7%	4.9%	4.2%	3.4%	3.2%	1.2%
	Annual	12.8%	18.9%	8.4%	6.6%	8.5%	4.5%
2005	Q1	3.0%	2.7%	-1.0%	0.5%	-0.1%	1.2%
	Q2	5.0%	4.5%	6.7%	4.5%	4.1%	1.2%
	Q3	8.2%	4.4%	0.3%	1.0%	1.4%	1.1%
	Q4	4.3%	6.1%	4.7%	2.6%	3.4%	1.2%
	Annual	22.0%	18.8%	11.0%	8.8%	9.0%	4.7%

Highest Market Return in Year
Across Major Asset Classes

UK MARKET RETURNS

		Equities	Property	Gilts	Corporate Bonds	Index Linked	Cash
2006	Q1	8.1%	4.4%	-1.2%	-0.7%	-0.7%	1.1%
	Q2	-1.8%	5.1%	-2.7%	-1.1%	-0.7%	1.2%
	Q3	3.6%	3.7%	4.9%	2.4%	4.0%	1.2%
	Q4	6.2%	3.8%	-0.8%	0.3%	0.2%	1.3%
	Annual	16.8%	18.1%	0.0%	0.8%	2.9%	4.8%
2007	Q1	2.9%	2.3%	-2.3%	-0.2%	-0.5%	1.3%
	Q2	4.5%	2.1%	-4.8%	-2.1%	-1.5%	1.4%
	Q3	-1.8%	-1.0%	4.6%	1.1%	5.1%	1.5%
	Q4	-0.3%	-8.5%	5.6%	1.7%	5.4%	1.4%
	Annual	5.3%	-5.5%	2.7%	0.4%	8.5%	5.7%
2008	Q1	-9.9%	-3.4%	-0.1%	-4.4%	3.7%	1.3%
	Q2	-1.4%	-2.7%	-4.0%	-0.1%	1.1%	1.3%
	Q3	-12.2%	-4.8%	4.0%	-4.8%	-0.3%	1.4%
	Q4	-10.2%	-13.5%	13.9%	-0.9%	-0.7%	0.5%
	Annual	-29.9%	-22.5%	13.6%	-9.9%	3.7%	4.5%
2009	Q1	-9.1%	-7.1%	-4.5%	-8.2%	-1.3%	0.2%
	Q2	10.9%	-2.7%	-1.6%	11.3%	2.9%	0.1%
	Q3	22.4%	3.3%	5.9%	11.5%	3.1%	0.1%
	Q4	5.5%	9.4%	-4.3%	1.0%	1.6%	0.1%
	Annual	30.1%	2.2%	-4.8%	15.1%	6.4%	0.5%
2010	Q1	6.4%	5.7%	0.2%	4.6%	2.2%	0.1%
	Q2	-11.8%	3.6%	6.4%	1.0%	1.7%	0.1%
	Q3	13.6%	2.2%	5.8%	5.5%	3.6%	0.1%
	Q4	7.4%	2.2%	-3.5%	-2.6%	1.1%	0.1%
	Annual	14.5%	14.5%	8.8%	8.7%	8.9%	0.4%
2011	Q1	1.0%	2.3%	-1.5%	1.5%	0.0%	0.1%
	Q2	1.9%	2.1%	2.3%	1.7%	4.0%	0.2%
	Q3	-13.5%	1.9%	14.4%	-1.0%	6.4%	0.2%
	Q4	8.4%	1.6%	9.6%	3.1%	8.4%	0.2%
	Annual	-3.5%	8.1%	26.3%	5.4%	19.9%	0.6%
2012	Q1	6.1%	0.9%	-4.4%	4.0%	-1.5%	0.2%
	Q2	-2.6%	0.3%	6.7%	1.7%	0.6%	0.2%
	Q3	4.7%	0.4%	1.1%	6.5%	-2.6%	0.1%
	Q4	3.8%	0.7%	-0.2%	2.6%	4.3%	0.1%
	Annual	12.3%	2.4%	2.9%	15.6%	0.6%	0.6%
2013	Q1	10.3%	0.7%	0.5%	1.8%	7.9%	0.1%
	Q2	-1.7%	2.2%	-5.9%	-2.8%	-6.5%	0.1%

MARKETS

INTERNATIONAL MARKET RETURNS

		World ex UK	North America	Europe ex UK	Japan	Pacific Basin ex Japan	Emerging Markets
1998	Q1	11.8%	12.0%	19.5%	1.0%	1.0%	6.1%
	Q2	2.8%	3.4%	8.3%	-4.9%	-20.7%	-24.1%
	Q3	-14.0%	-12.3%	-17.9%	-15.6%	-6.7%	-22.4%
	Q4	25.1%	24.7%	23.8%	30.0%	26.8%	22.2%
	Annual	23.7%	26.8%	31.5%	5.4%	-5.3%	-23.5%
1999	Q1	6.5%	8.2%	-1.9%	14.7%	10.0%	13.0%
	Q2	8.6%	9.6%	3.1%	11.2%	19.0%	30.2%
	Q3	-5.4%	-10.3%	-2.0%	15.4%	-9.9%	-7.7%
	Q4	19.3%	17.9%	20.8%	20.8%	22.5%	28.5%
	Annual	30.6%	25.4%	19.7%	77.7%	44.5%	74.4%
2000	Q1	3.0%	4.6%	0.9%	1.0%	-5.4%	0.3%
	Q2	2.3%	2.4%	5.0%	-2.7%	4.3%	-6.0%
	Q3	-1.2%	1.9%	-5.8%	-6.9%	-2.4%	-10.5%
	Q4	-7.3%	-8.9%	2.1%	-16.2%	-1.3%	-13.7%
	Annual	-3.5%	-0.5%	1.8%	-23.4%	-5.0%	-27.2%
2001	Q1	-8.8%	-8.4%	-12.0%	-5.1%	-7.5%	2.2%
	Q2	4.6%	7.0%	-1.8%	2.9%	9.0%	7.0%
	Q3	-19.0%	-18.6%	-18.4%	-22.2%	-23.1%	-24.6%
	Q4	10.7%	11.8%	13.3%	-4.5%	20.1%	27.7%
	Annual	-14.4%	-10.8%	-20.0%	-27.4%	-6.7%	5.2%
2002	Q1	2.5%	2.3%	2.3%	3.7%	5.2%	14.9%
	Q2	-15.2%	-19.3%	-9.2%	-0.5%	-7.9%	-14.2%
	Q3	-20.8%	-19.5%	-28.7%	-14.3%	-15.0%	-19.2%
	Q4	5.3%	6.0%	10.2%	-7.3%	2.2%	6.7%
	Annual	-27.5%	-29.5%	-27.0%	-18.0%	-15.8%	-15.1%
2003	Q1	-2.8%	-1.1%	-7.7%	-5.8%	1.4%	-4.3%
	Q2	12.3%	10.7%	20.4%	7.3%	10.6%	17.9%
	Q3	4.3%	2.0%	3.4%	21.2%	10.9%	13.8%
	Q4	5.6%	4.2%	12.9%	0.4%	5.7%	7.8%
	Annual	20.2%	16.4%	29.7%	23.0%	31.4%	38.5%
2004	Q1	0.4%	-0.7%	-2.6%	12.3%	3.2%	8.0%
	Q2	2.3%	2.8%	4.4%	-2.4%	-3.5%	-8.3%
	Q3	-1.0%	-1.1%	0.7%	-7.6%	10.0%	8.1%
	Q4	5.5%	3.1%	11.2%	6.5%	9.8%	11.4%
	Annual	7.2%	4.1%	13.8%	7.9%	20.4%	19.3%
2005	Q1	0.4%	0.0%	1.5%	-0.4%	2.0%	2.8%
	Q2	6.5%	7.6%	4.8%	1.8%	10.8%	10.1%
	Q3	8.4%	5.9%	9.8%	19.9%	11.4%	19.5%
	Q4	6.5%	5.4%	6.2%	15.0%	2.6%	11.6%
	Annual	23.5%	20.2%	24.1%	39.7%	29.1%	51.1%

Highest Market Return in Year
Across Overseas Markets

INTERNATIONAL MARKET RETURNS

		World ex UK	North America	Europe ex UK	Japan	Pacific Basin ex Japan	Emerging Markets
2006	Q1	5.6%	3.4%	11.3%	5.7%	6.1%	11.1%
	Q2	-6.9%	-7.5%	-4.5%	-10.4%	-3.4%	-10.2%
	Q3	3.8%	4.3%	5.6%	-1.8%	4.0%	4.2%
	Q4	3.3%	1.9%	7.0%	-0.4%	11.8%	12.4%
	Annual	5.4%	1.7%	20.1%	-7.4%	19.2%	16.8%
2007	Q1	2.2%	0.8%	4.2%	2.7%	7.1%	2.4%
	Q2	4.4%	4.3%	7.0%	-2.7%	8.5%	13.0%
	Q3	1.3%	1.1%	0.8%	-3.1%	13.6%	11.6%
	Q4	0.2%	-0.6%	3.0%	-3.4%	2.0%	6.5%
	Annual	8.3%	5.6%	15.7%	-6.4%	34.6%	37.4%
2008	Q1	-8.8%	-9.1%	-7.4%	-7.2%	-13.3%	-10.0%
	Q2	-2.0%	-1.6%	-5.2%	2.3%	0.5%	-1.1%
	Q3	-4.1%	1.3%	-11.2%	-7.8%	-16.9%	-17.5%
	Q4	-2.1%	-4.4%	-2.2%	12.9%	-4.7%	-11.1%
	Annual	-16.0%	-13.3%	-23.8%	-1.1%	-31.0%	-34.8%
2009	Q1	-11.5%	-9.8%	-15.9%	-16.1%	-2.1%	1.6%
	Q2	5.2%	1.8%	9.7%	7.0%	16.2%	18.4%
	Q3	21.1%	19.3%	29.4%	9.3%	27.7%	25.2%
	Q4	2.8%	4.8%	0.5%	-4.0%	4.1%	7.8%
	Annual	15.9%	14.8%	19.9%	-5.8%	51.2%	62.5%
2010	Q1	10.4%	12.5%	3.9%	15.4%	9.8%	9.1%
	Q2	-11.1%	-10.3%	-14.3%	-8.7%	-10.4%	-6.5%
	Q3	7.7%	5.8%	13.4%	0.1%	15.0%	12.1%
	Q4	9.9%	11.6%	4.7%	12.8%	9.3%	8.1%
	Annual	16.2%	19.1%	5.7%	19.0%	23.7%	23.6%
2011	Q1	2.6%	3.5%	5.7%	-6.9%	1.5%	-1.2%
	Q2	0.5%	-0.4%	3.2%	0.2%	0.4%	-1.8%
	Q3	-14.5%	-11.8%	-24.2%	-3.1%	-18.8%	-19.2%
	Q4	7.6%	11.3%	3.6%	-3.6%	6.2%	4.2%
	Annual	-5.1%	1.2%	-14.4%	-12.9%	-12.3%	-18.1%
2012	Q1	9.2%	9.3%	9.7%	7.9%	9.7%	10.6%
	Q2	-3.2%	-1.4%	-7.1%	-5.5%	-4.4%	-7.3%
	Q3	3.8%	3.5%	6.6%	-3.6%	7.4%	4.6%
	Q4	2.0%	-0.8%	8.0%	5.1%	5.4%	5.1%
	Annual	12.0%	10.7%	17.3%	3.3%	18.9%	13.0%
2013	Q1	15.6%	17.7%	10.2%	19.3%	10.8%	5.4%
	Q2	1.1%	2.2%	1.2%	4.5%	-10.3%	-7.5%

MARKETS

HISTORIC RETURNS FOR UK MARKETS

EQUITIES
(FTSE all share)

	Year on Year Inflation	Annual	Inflation Adjusted	Rolling 5 Yr Real Return p.a.	Rolling 10 Yr Real Return p.a.	Rolling 25 Yr Real Return p.a.
1975	24.9%	149.6%	99.8%	-4.7%	-0.1%	5.0%
1976	15.1%	-1.0%	-14.0%	-12.7%	-0.7%	4.5%
1977	12.1%	57.2%	40.2%	-8.9%	-0.3%	6.1%
1978	8.4%	8.4%	0.0%	0.5%	-3.1%	5.3%
1979	17.2%	11.4%	-4.9%	18.0%	-2.0%	3.6%
1980	15.1%	35.2%	17.5%	6.1%	0.6%	4.0%
1981	12.0%	13.6%	1.4%	9.7%	-2.2%	4.6%
1982	5.4%	29.2%	22.6%	6.8%	-1.4%	5.7%
1983	5.3%	29.1%	22.6%	11.2%	5.7%	5.0%
1984	4.6%	31.8%	26.0%	17.7%	17.9%	4.1%
1985	5.7%	20.7%	14.2%	17.0%	11.4%	4.7%
1986	3.7%	27.2%	22.7%	21.5%	15.5%	5.7%
1987	3.7%	8.4%	4.6%	17.7%	12.1%	6.0%
1988	6.8%	11.5%	4.4%	14.0%	12.6%	5.5%
1989	7.7%	36.1%	26.4%	14.1%	15.9%	6.9%
1990	9.3%	-9.7%	-17.4%	6.9%	11.9%	5.8%
1991	4.5%	20.8%	15.6%	5.7%	13.3%	6.8%
1992	2.6%	20.5%	17.4%	8.2%	12.8%	6.2%
1993	1.9%	28.4%	26.0%	12.3%	13.2%	6.0%
1994	2.9%	-5.8%	-8.5%	5.3%	9.6%	6.3%
1995	3.2%	23.9%	20.0%	13.4%	10.1%	7.5%
1996	2.5%	16.7%	13.8%	13.1%	9.3%	6.8%
1997	3.6%	23.4%	19.1%	13.4%	10.8%	7.0%
1998	2.8%	13.9%	10.8%	10.5%	11.4%	9.6%
1999	1.8%	24.2%	22.0%	17.1%	11.0%	14.3%
2000	2.9%	-5.9%	-8.6%	10.9%	12.2%	10.8%
2001	0.7%	-13.3%	-13.9%	4.9%	8.9%	10.8%
2002	2.9%	-22.7%	-24.9%	-4.4%	4.1%	8.1%
2003	2.8%	20.9%	17.6%	-3.2%	3.4%	8.8%
2004	3.5%	12.8%	9.0%	-5.4%	5.3%	9.4%
2005	2.2%	22.0%	19.4%	-0.2%	5.2%	9.5%
2006	4.4%	16.8%	11.8%	5.2%	5.0%	9.9%
2007	4.0%	5.3%	1.2%	11.6%	3.3%	9.0%
2008	0.9%	-29.9%	-30.6%	0.4%	-1.4%	6.6%
2009	2.4%	30.1%	27.1%	3.6%	-1.0%	6.6%
2010	4.8%	14.5%	9.3%	1.8%	0.8%	6.4%
2011	4.8%	-3.5%	-7.9%	-2.1%	1.5%	5.2%
2012	3.1%	12.3%	8.9%	-0.7%	5.3%	5.4%

MARKETS

GILTS (15 Years)

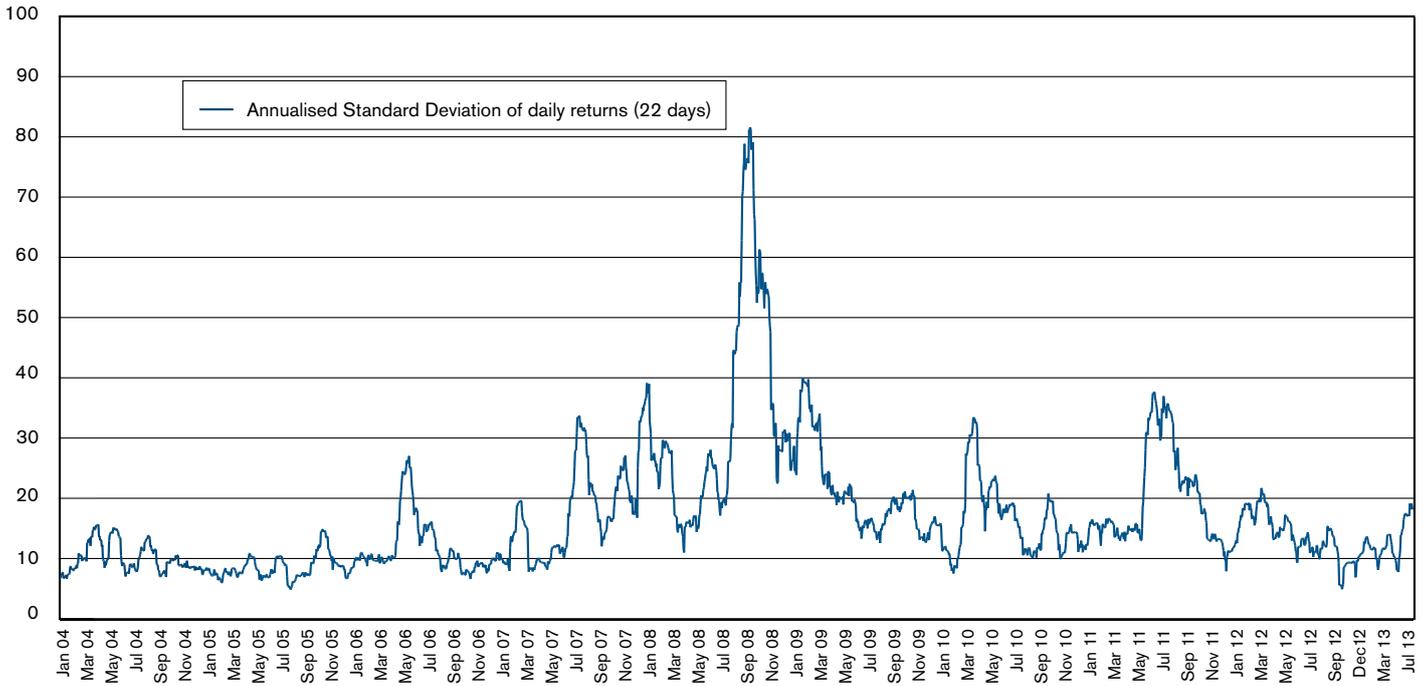
CASH (One week deposit)

	Annual	Inflation	Rolling 5 Yr	Rolling 10 Yr	Rolling 25 Yr	Annual	Inflation	Rolling 5 Yr	Rolling 10 Yr	Rolling 25 Yr
	Adjusted	Adjusted	Real Return p.a.	Real Return p.a.	Real Return p.a.	Adjusted	Adjusted	Real Return p.a.	Real Return p.a.	Real Return p.a.
1975	36.8%	9.5%	-7.7%	-5.4%	-3.8%	10.7%	-11.4%	-4.7%	-1.4%	-0.6%
1976	13.8%	-1.1%	-10.7%	-5.6%	-3.0%	11.3%	-3.3%	-4.8%	-2.0%	-0.3%
1977	44.8%	29.2%	-3.9%	-3.2%	-1.7%	9.4%	-2.4%	-4.9%	-2.5%	-0.2%
1978	-2.7%	-10.2%	-2.2%	-3.4%	-2.6%	8.9%	0.5%	-4.5%	-2.6%	-0.2%
1979	4.6%	-10.8%	2.3%	-4.1%	-3.1%	14.7%	-2.1%	-3.8%	-3.1%	-0.2%
1980	20.7%	4.9%	1.4%	-3.2%	-2.3%	18.5%	3.0%	-0.9%	-2.8%	0.0%
1981	1.6%	-9.3%	-0.3%	-5.7%	-2.5%	14.4%	2.1%	0.2%	-2.3%	0.0%
1982	53.6%	45.7%	2.1%	-0.9%	-0.5%	12.9%	7.1%	2.1%	-1.5%	0.2%
1983	16.4%	10.5%	6.5%	2.0%	-0.7%	10.3%	4.7%	2.9%	-0.9%	0.3%
1984	7.2%	2.5%	9.4%	5.8%	-0.6%	10.0%	5.2%	4.4%	0.2%	0.4%
1985	11.2%	5.2%	9.5%	5.4%	-0.1%	12.9%	6.8%	5.2%	2.1%	0.5%
1986	11.5%	7.5%	13.3%	6.3%	0.7%	11.3%	7.3%	6.2%	3.2%	0.7%
1987	16.3%	12.2%	7.5%	4.8%	0.4%	10.1%	6.2%	6.0%	4.0%	0.9%
1988	9.4%	2.4%	5.9%	6.2%	0.4%	9.9%	2.9%	5.7%	4.3%	0.9%
1989	5.6%	-1.9%	5.0%	7.2%	0.6%	14.1%	5.9%	5.8%	5.1%	1.2%
1990	4.0%	-4.8%	2.9%	6.1%	0.4%	15.9%	6.0%	5.7%	5.4%	1.4%
1991	18.7%	13.6%	4.0%	8.6%	0.9%	12.7%	7.8%	5.8%	6.0%	1.6%
1992	16.9%	13.9%	4.3%	5.9%	1.4%	10.1%	7.3%	6.0%	6.0%	1.7%
1993	34.5%	32.0%	9.8%	7.8%	2.9%	6.1%	4.1%	6.2%	6.0%	1.8%
1994	-12.2%	-14.7%	6.8%	5.9%	2.4%	5.1%	2.1%	5.5%	5.6%	1.8%
1995	17.3%	13.7%	10.6%	6.7%	3.1%	6.3%	3.0%	4.9%	5.3%	1.9%
1996	9.0%	6.3%	9.2%	6.6%	2.7%	6.1%	3.5%	4.0%	4.9%	2.2%
1997	22.8%	18.5%	10.0%	7.2%	3.9%	6.6%	2.9%	3.1%	4.6%	2.4%
1998	29.7%	26.2%	9.1%	9.4%	5.7%	7.4%	4.5%	3.2%	4.7%	2.6%
1999	-0.4%	-2.2%	12.1%	9.4%	7.1%	4.8%	2.9%	3.4%	4.4%	3.0%
2000	8.0%	4.9%	10.3%	10.5%	6.9%	5.7%	2.7%	3.3%	4.1%	3.6%
2001	-0.9%	-1.6%	8.6%	8.9%	6.9%	5.0%	4.3%	3.5%	3.7%	3.9%
2002	9.9%	6.8%	6.4%	8.2%	6.0%	3.8%	0.8%	3.0%	3.1%	4.0%
2003	1.2%	-1.6%	1.2%	5.1%	6.4%	3.6%	0.8%	2.3%	2.7%	4.1%
2004	8.4%	4.7%	2.6%	7.2%	7.1%	4.5%	1.0%	1.9%	2.6%	4.2%
2005	11.0%	8.6%	3.3%	6.8%	7.3%	4.7%	2.4%	1.9%	2.6%	4.2%
2006	0.0%	-4.2%	2.8%	5.6%	7.5%	4.8%	0.3%	1.1%	2.3%	4.1%
2007	2.7%	-1.3%	1.1%	3.7%	5.8%	5.7%	1.6%	1.2%	2.1%	3.9%
2008	13.6%	12.6%	3.9%	2.5%	5.9%	4.5%	3.6%	1.8%	2.0%	3.8%
2009	-4.8%	-7.1%	1.4%	2.0%	5.5%	0.5%	-1.8%	1.2%	1.5%	3.5%
2010	8.8%	3.8%	0.5%	1.9%	5.4%	0.4%	-4.1%	-0.1%	0.9%	3.1%
2011	26.3%	20.5%	5.2%	4.0%	5.9%	0.6%	-4.0%	-1.0%	0.0%	2.6%
2012	2.9%	-0.2%	5.5%	3.3%	5.4%	0.6%	-2.4%	-1.8%	-0.3%	2.3%

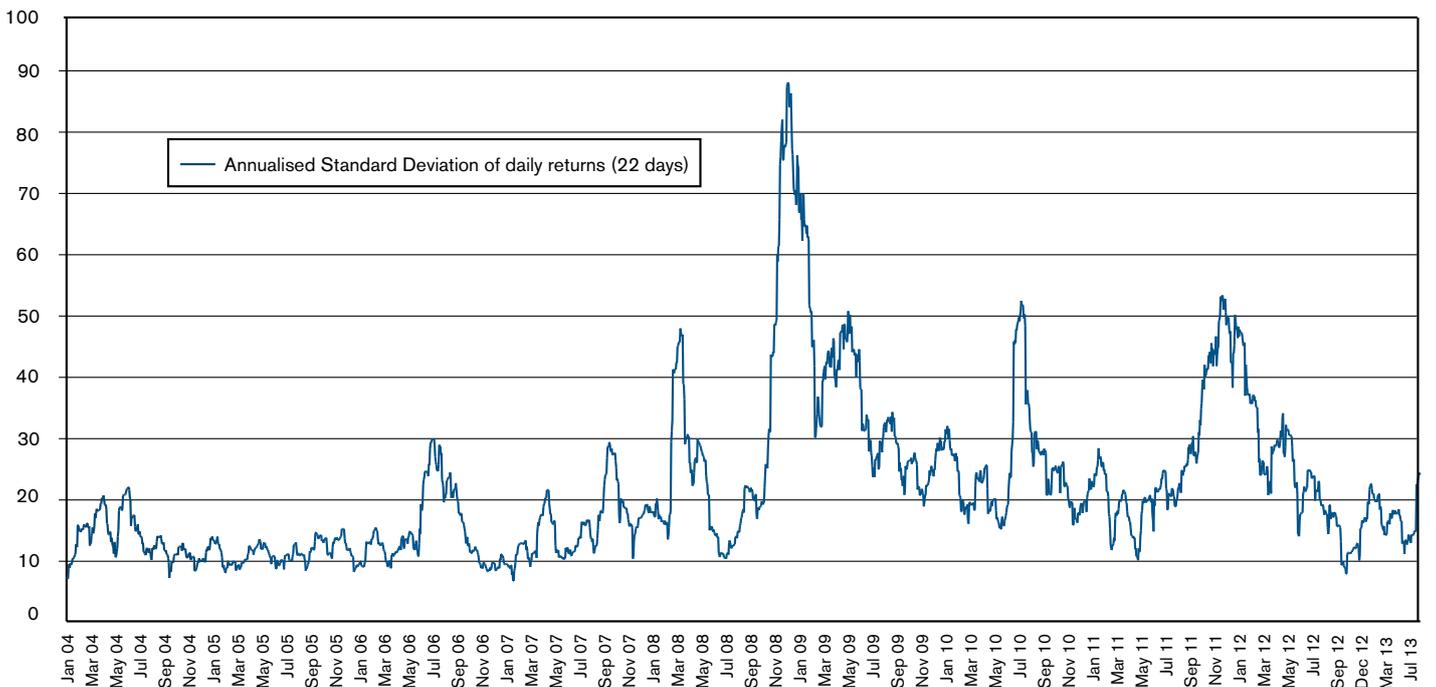
MARKETS

VOLATILITY OF MARKETS

FTSE 100

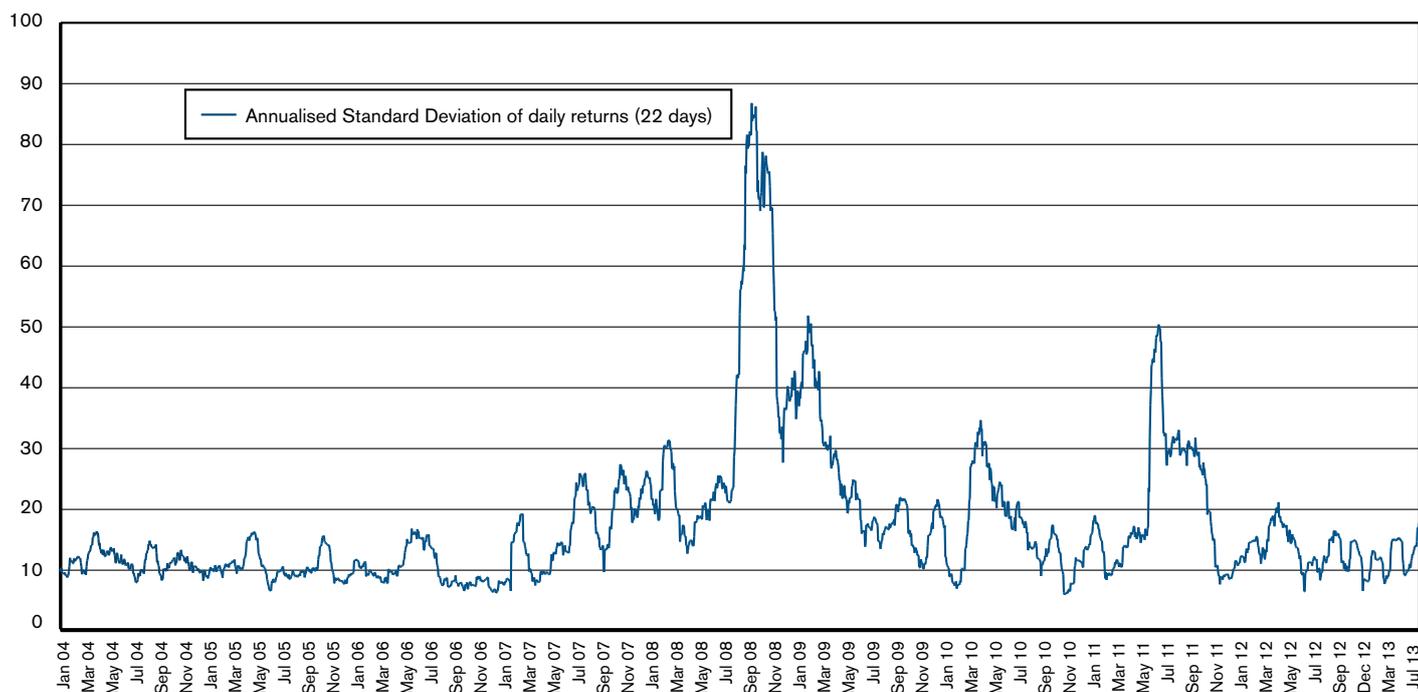


FTSE AW Europe ex UK

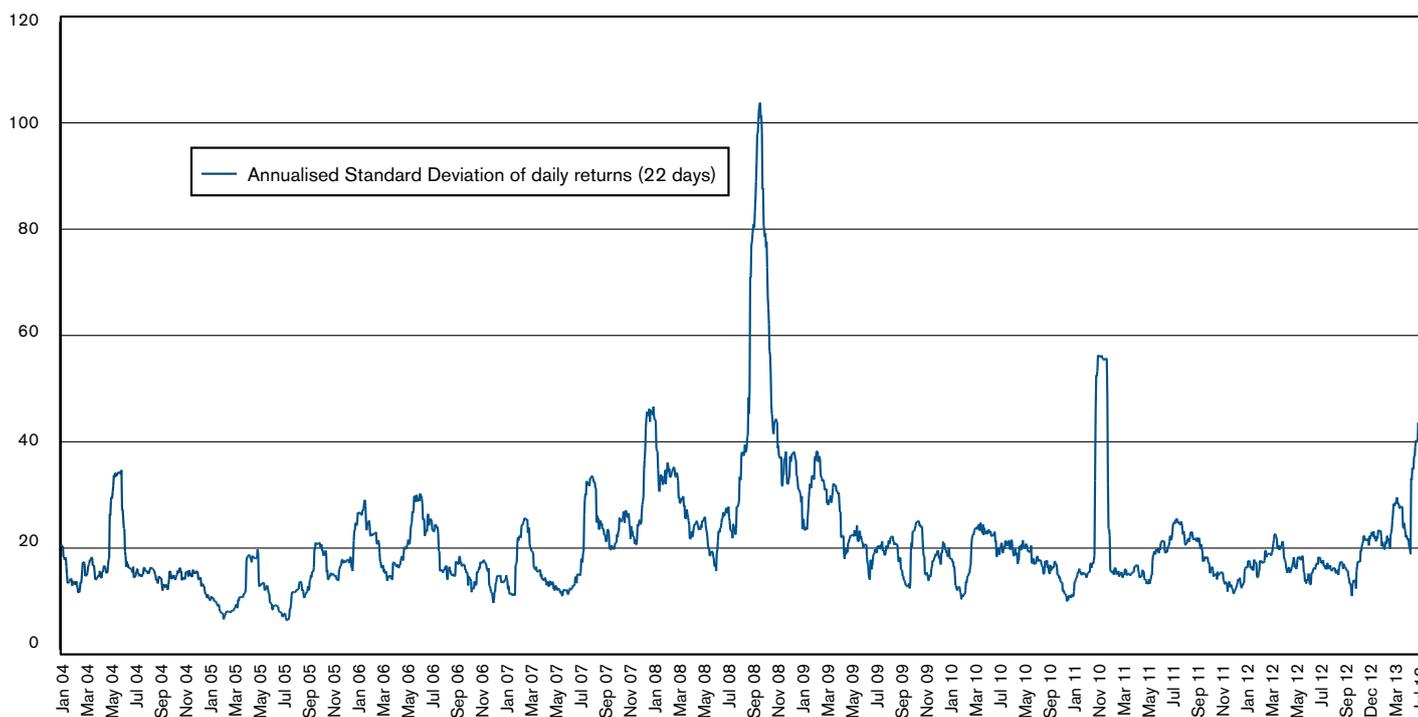


The annualised standard deviation of daily returns provides a measure of how volatile the market has been over the past month. High levels of volatility are associated with periods when prices have moved sharply from day-to-day.

S & P 500



TOPIX (Japan)

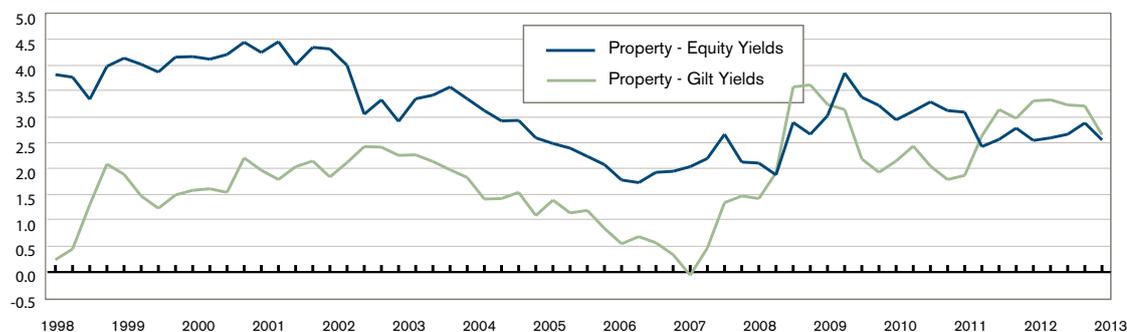


MARKETS

QUARTERLY INVESTMENT YIELDS

		UK Equities %	Overseas Equities %	Gilts %	Index Linked %	Corporate Bonds %	Cash %	UK Property %
1998	Q1	2.36	1.49	5.96	2.85		7.06	6.20
	Q2	2.41	1.54	5.75	2.65		7.34	6.20
	Q3	2.84	1.72	4.89	2.47		7.22	6.20
	Q4	2.50	1.44	4.40	1.94		6.56	6.50
1999	Q1	2.34	1.39	4.60	1.76		5.31	6.50
	Q2	2.26	1.50	4.82	1.90		4.69	6.30
	Q3	2.41	1.38	5.06	2.13		5.13	6.30
	Q4	2.12	1.17	4.80	1.80		5.03	6.30
2000	Q1	2.11	1.15	4.71	1.87		6.00	6.30
	Q2	2.16	1.22	4.68	1.83		6.00	6.30
	Q3	2.17	1.22	4.85	2.02		6.13	6.40
	Q4	2.23	1.28	4.48	1.92		5.28	6.70
2001	Q1	2.53	1.49	4.82	2.24		5.16	6.80
	Q2	2.42	1.44	5.10	2.41		4.94	6.90
	Q3	2.87	1.76	4.85	2.37		4.56	6.90
	Q4	2.63	1.58	4.84	2.30		3.56	7.00
2002	Q1	2.66	1.58	5.15	2.28		3.94	7.00
	Q2	2.98	1.82	4.87	2.14		3.78	7.00
	Q3	3.73	2.22	4.36	2.01	5.11	3.56	6.80
	Q4	3.55	2.12	4.47	2.02	5.16	3.97	6.90
2003	Q1	3.87	2.27	4.53	1.85	5.06	3.38	6.80
	Q2	3.43	1.99	4.52	1.76	5.06	3.38	6.80
	Q3	3.36	1.92	4.65	1.84	5.17	3.44	6.80
	Q4	3.10	1.78	4.71	1.83	5.18	3.81	6.70
2004	Q1	3.13	1.83	4.66	1.67	5.22	4.06	6.50
	Q2	3.16	1.86	4.88	1.87	5.42	4.44	6.30
	Q3	3.16	1.95	4.67	1.71	5.23	4.69	6.10
	Q4	3.05	1.87	4.45	1.54	4.98	4.69	6.00
2005	Q1	3.09	1.98	4.60	1.61	5.08	4.78	5.70
	Q2	3.10	2.03	4.20	1.39	4.83	4.75	5.60
	Q3	2.99	1.94	4.25	1.33	4.82	4.44	5.40
	Q4	2.95	1.92	4.00	1.09	4.48	4.56	5.20
2006	Q1	2.91	1.87	4.15	1.19	4.62	4.44	5.00
	Q2	3.11	2.08	4.35	1.43	4.87	4.56	4.90
	Q3	3.06	2.03	4.11	1.16	4.59	4.81	4.80
	Q4	2.86	1.96	4.23	1.23	4.71	5.09	4.80

		UK Equities %	Overseas Equities %	Gilts %	Index Linked %	Corporate Bonds %	Cash %	UK Property %
2007	Q1	2.84	2.00	4.46	1.38	4.92	5.31	4.80
	Q2	2.75	3.46	4.86	1.67	5.37	5.55	4.80
	Q3	2.89	2.41	4.63	1.33	5.44	5.95	5.10
	Q4	3.02	2.56	4.35	1.00	5.36	5.65	5.70
2008	Q1	3.76	2.98	4.42	0.81	5.60	5.50	5.90
	Q2	4.08	2.70	4.77	0.86	5.90	5.15	6.20
	Q3	4.61	3.10	4.57	0.96	5.95	5.55	6.50
	Q4	4.49	3.90	3.80	0.97	5.40	1.88	7.40
2009	Q1	5.12	4.20	4.16	1.01	4.68	0.55	7.80
	Q2	4.56	3.18	4.34	0.84	4.67	0.45	7.60
	Q3	3.33	2.59	4.04	0.69	4.46	0.33	7.20
	Q4	3.20	2.35	4.40	0.68	4.69	0.33	6.60
2010	Q1	3.16	2.21	4.46	0.64	4.70	0.43	6.40
	Q2	3.34	2.52	4.14	0.67	4.36	0.33	6.30
	Q3	3.17	2.41	3.85	0.48	4.11	0.33	6.30
	Q4	2.89	2.26	4.14	0.49	4.38	0.43	6.20
2011	Q1	2.96	2.28	4.30	0.63	4.52	0.43	6.10
	Q2	2.99	2.46	4.22	0.48	4.47	0.43	6.10
	Q3	3.66	2.95	3.45	0.16	3.66	0.38	6.10
	Q4	3.52	2.79	2.94	-0.25	3.55	0.33	6.10
2012	Q1	3.45	2.58	3.26	-0.11	3.61	0.33	6.25
	Q2	3.69	2.74	2.92	-0.10	3.29	0.33	6.25
	Q3	3.64	2.66	2.90	0.09	3.27	0.29	6.25
	Q4	3.57	2.73	3.00	-0.07	3.34	0.29	6.25
2013	Q1	3.35	2.54	3.02	-0.43	3.76	0.29	6.25
	Q2	3.53	2.60	3.43	-0.03	4.19	0.29	6.10



Property -x- Equities & Gilts
Historic Yield Differences (Quarterly)

SOURCES

SOURCES OF INVESTMENT STATISTICS

UK			
Equities	Return & Yield	1990-	FTSE All-Share Index
Gilts	Return	1998-	FTSE Actuaries Govt. Securities Over 15 Years Gilt Index
	Yield	1998-	FTSE Actuaries Govt. Securities Over 15 Years Gilt Index
Index Linked	Return		FTSE Actuaries Index-linked All Stock Index
	Yield	1986-	FTSE Actuaries Index-linked Over 5 Years Index, 5% Inflation
Corporate Bonds	Return		Bloomberg (iboxx)
	Yield	Q3'02-	Bloomberg (BFV GBP EURO AAA 30 Year Bond Index)
Cash	Return & Yield		Local Authority 7-Day Deposit
Property	Return		Bloomberg (Investment Property Databank (IPD) Index)
	Yield		Bloomberg (CB Richard Ellis Quarterly Rent & Yield Monitor)
Overseas			
Equities	Return & Yield	1998-	FTSE World and All World Series Indices Local and Sterling Based
Emerging	Return		FTSE All World Series Emerging

OTHER SOURCES

Insurance			
Market Average Premium		1994-	The AA British Insurance Premium Index
Shoparound Average Premium		2004-	The AA British Insurance Premium Index
Economic			
Retail Prices Index			Office for National Statistics
National Average Earnings			Crown copyright material is reproduced with the permission of the Controller of HMSO and the Queen's Printer for Scotland

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