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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

Car insurance premiums once again fell in the first quarter of 2013 as the AA Market Average Premium for an annual comprehensive car insurance policy was quoted as £746.75, a fall of 1.4%. Over the year, the cost of motor insurance has fallen by 4.1%. One change which is expected to continue the downward trend is the introduction of the Legal Aid Sentencing and Punishment of Offenders Act (LASPO), which will ban referral fees from 1 April. LASPO also aims to reduce the overall legal costs in personal injury cases and related insurance costs and to discourage people from bringing unnecessary claims for compensation. The UK is regarded as the 'whiplash capital of Europe.' According to findings from the ABI, in the UK, 78% of personal injury claims following road accidents are for whiplash with no other injury suffered, costing £2.2 billion a year. In France, only 30% of personal injury claims following road accidents are for whiplash, 31% in Spain, and 35% in the Netherlands. Further measures have been suggested, including independent medical examinations of whiplash injury claimants by accredited doctors with the latest training in soft tissue neck issues, setting out a fair and transparent method for calculating compensation for minor whiplash injuries, and the introduction of a system where low-speed crashes are not eligible for whiplash injury claims.

Another proposal being considered is for insurance companies to cross-check car insurance applications against the DVLA database from next year. A significant proportion of drivers misinform insurance companies by not declaring convictions or disqualifications when taking out car insurance. Others also declare incorrect addresses and ages in order to obtain cheaper insurance, with honest motorists suffering as a result.

Insurers appear to be starting to cut premiums in anticipation that the measures mentioned above will reduce costs.

In the first quarter of 2013, home insurance premiums continued to fall, despite the large costs to insurers following the floods last year. According to the AA Shoparound index, the cost of building insurance is down 2.6% over the quarter and contents insurance down 1.7%, while combined building and contents insurance is down 1.8%. However, this reduction has not been experienced by everyone, as individuals living in flood-affected regions have seen household premiums increase sharply, especially if they have suffered two or three flood claims. With the Statement of Principles running out in July 2013, and as yet no sign of a replacement, it looks increasingly likely that thousands of homes could be without affordable insurance from July. It is estimated that 200,000 homes are at risk of serious flooding and 1.2 million at some risk. If an agreement is not reached, insurance will revert to a free market, which could mean that many householders would find themselves unable to afford insurance. It has been estimated that, under a free market, the numbers who pay more than £2,500 for their insurance would rise from 1,200 homes to 4,000.

Insurers have proposed setting a levy on all policyholders, 'Flood Re'. This would add an estimated £8 – £15 to all home insurance premiums, but would create a £150m-a-year fund to cover those at high risk of flooding. However, the government is reluctant to agree to this, for if there were a major flood catastrophe soon after Flood Re was implemented but before it had had time to accumulate adequate funds, then the government would have to provide additional funding. An alternative proposal by the reinsurance broker Marsh, 'Flood Mu', is the mutualisation of flood risks over a given period of time, based on the size of insurers' property books. Unlike Flood Re, it would not require government funding, but it would be much more complex. The ABI has raised questions over the affordability, availability and financial incentive associated with this proposal. With more floods likely to occur, experts have warned that urgent actions is needed, as insurers are becoming more worried about the implications for costly and frequent claims.

ECONOMY

The UK avoided falling into a triple-dip recession after recording growth of 0.3% in the first quarter. This was largely due to the UK's dominant service sector, where output increased by 0.6% from the previous quarter, and a recovery in North Sea oil and gas output, as industrial production expanded by 0.2%. The construction sector, though, was badly hit by the freezing weather and contracted 2.5%. Furthermore, compared with the first quarter of 2012, the UK's GDP grew by 0.6%, the strongest year-on-year increase since the end of 2011. The growth was seen as an encouraging sign that the economy was healing and that progress was being made. Yet despite this growth in the first quarter, the level of GDP remains 2.6% below its peak in the first quarter of 2008.

Across the rest of the Europe, the economic misery continued as the Eurozone recession deepened, with a 0.2% drop in the first quarter. Elsewhere, France entered into its second recession in four years. The contraction of 0.2% was the same as the contraction in the final quarter of the previous year. To add to the gloom, France has record unemployment and low business and consumer confidence. The rate of unemployment is running at 10.6% and is expected to rise further. Italy's economy contracted by 0.5% in the first quarter, the country's seventh successive contraction. This means that Italy is now suffering its longest recession on record. Spain and the Netherlands also struggled in the first quarter, with contractions of 0.5% and 0.1% respectively. The Eurozone's largest economy, Germany, recorded a modest growth of 0.1%, less than the predicted 0.3%. This was a consequence of the severe winter weather experienced, causing the economy to be only slowly picking up steam. Additionally, the contraction of 0.6% in the final quarter of 2012 has been revised downwards to 0.7%.

Outside of Europe, the US economy grew at an annual rate of 2.5% in the first quarter of 2013, helped by the strongest consumer spending figures in two years. According to US Commerce Department data, consumer spending, which accounts for more than two-thirds of US economic activity, increased at an annualized rate of 3.2%. However, government spending decreased by 1.4%.

MARKETS

UK equities performed extremely positively in the first quarter, with the FTSE 100 growing by 9.8%, the FTSE 250 growing by 13.0% and the FTSE All Share growing by 10.3%. Internationally, the results were positive, with better results than the previous quarter, as the Emerging Markets grew by 5.4%, North American equities grew by 17.7%, and Japanese equities grew by 19.3%. Fixed-interest bonds recorded modest growth, with Corporate (BBB) bonds recording the highest growth of 2.4% whilst Corporate (AAA) bonds only grew 0.7%.

INSURANCE PREMIUM INDEX-MARKET AVERAGE PREMIUMS

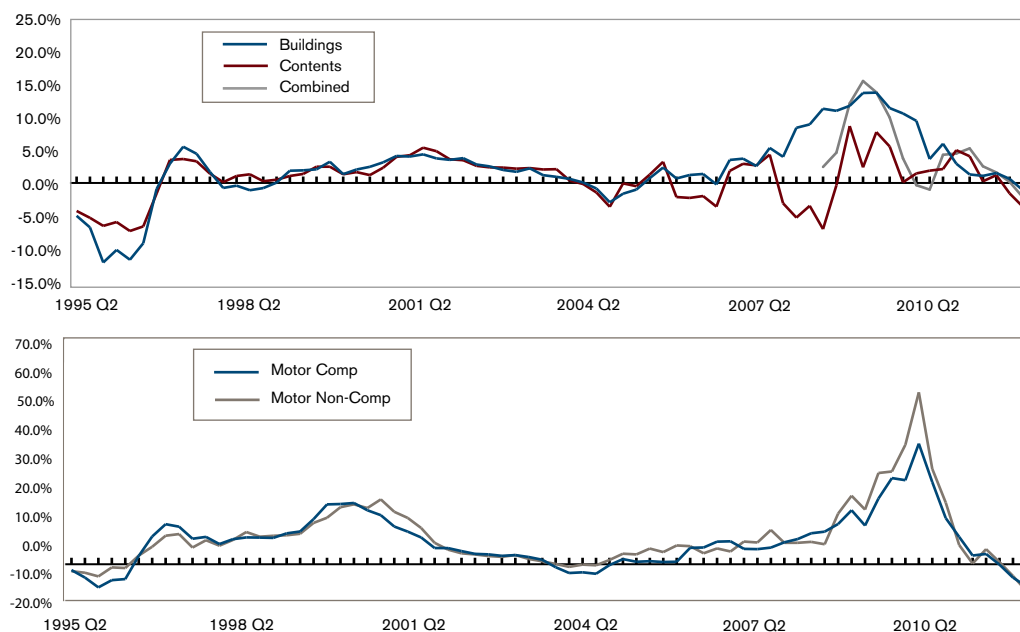
		Buildings	Contents	Combined	Motor Comp	Motor Non-Comp			Buildings	Contents	Combined	Motor Comp	Motor Non-Comp
1995	Q1	153.5	100.1		306.2	340.2	2005	Q1	159.5	109.8		583.3	683.9
	Q2	152.0	101.0		311.1	342.3		Q2	156.5	108.2		588.3	689.9
	Q3	150.1	100.4		303.8	341.8		Q3	158.3	110.5		595.0	706.2
	Q4	142.3	97.9		289.3	336.7		Q4	159.5	110.0		592.5	708.7
	Annual	-10.8%	-5.8%		-8.0%	-4.2%		Annual	-0.9%	-0.4%		0.9%	3.4%
1996	Q1	139.5	94.8		289.3	336.4	2006	Q1	160.5	111.1		589.5	721.1
	Q2	136.2	94.4		295.1	337.8		Q2	159.8	111.3		592.9	719.0
	Q3	137.8	94.4		312.6	352.1		Q3	159.2	108.4		600.2	752.2
	Q4	141.1	96.4		317.1	357.1		Q4	161.2	107.8		626.3	753.1
	Annual	-0.8%	-1.4%		9.6%	6.1%		Annual	1.1%	-2.0%		5.7%	6.3%
1997	Q1	143.2	97.8		329.5	369.7	2007	Q1	162.5	109.1		623.8	748.5
	Q2	142.9	97.5		333.5	373.2		Q2	159.4	107.7		639.3	758.4
	Q3	143.3	97.2		340.2	372.5		Q3	164.2	110.2		647.9	785.5
	Q4	143.3	97.7		347.2	386.9		Q4	166.6	110.6		659.7	812.4
	Annual	1.5%	1.3%		9.5%	8.3%		Annual	3.3%	2.6%		5.3%	7.9%
1998	Q1	142.2	97.9		352.6	393.5	2008	Q1	166.2	111.7		656.4	805.0
	Q2	142.3	98.4		362.5	404.6		Q2	167.0	111.8	251.6	676.2	848.6
	Q3	141.9	98.4		371.9	414.2		Q3	170.1	107.1	246.8	697.2	843.9
	Q4	142.3	97.9		379.3	423.8		Q4	179.1	105.4	250.4	717.4	872.8
	Annual	-0.7%	0.2%		9.2%	9.6%		Annual	7.5%	-4.7%		8.7%	7.4%
1999	Q1	142.3	98.3		384.8	432.4	2009	Q1	179.5	108.3	252.0	727.0	867.4
	Q2	144.7	99.4		401.3	445.2		Q2	183.9	104.8	257.1	752.6	907.4
	Q3	144.3	99.6		414.1	457.9		Q3	186.8	106.7	257.0	794.5	992.2
	Q4	144.9	100.1		438.7	484.6		Q4	197.9	113.5	277.5	851.7	1080.2
	Annual	1.9%	2.2%		15.7%	14.3%		Annual	10.5%	7.7%	10.8%	18.7%	23.8%
2000	Q1	146.4	100.5		464.7	502.1	2010	Q1	201.5	110.6	287.0	824.6	1031.9
	Q2	146.5	100.6		485.2	533.4		Q2	206.5	112.1	288.8	924.2	1194.6
	Q3	146.9	101.0		502.1	553.1		Q3	205.8	112.0	279.9	1031.9	1311.3
	Q4	148.1	101.1		520.8	579.1		Q4	216.6	113.6	286.8	1100.0	1527.8
	Annual	2.2%	1.1%		18.7%	19.5%		Annual	9.5%	0.1%	3.3%	29.1%	41.4%
2001	Q1	150.5	102.6		543.8	615.0	2011	Q1	218.5	112.0	286.1	1169.4	1647.1
	Q2	151.8	104.1		548.6	630.4		Q2	213.3	114.0	286.2	1187.5	1589.5
	Q3	152.2	104.9		558.9	641.9		Q3	216.8	114.2	290.6	1197.2	1591.8
	Q4	153.9	106.0		569.2	651.8		Q4	222.3	118.7	298.3	1204.3	1629.9
	Annual	3.9%	4.8%		9.3%	12.6%		Annual	2.6%	4.5%	4.0%	9.5%	6.7%
2002	Q1	155.5	107.0		574.3	660.7	2012	Q1	221.0	116.1	299.6	1204.8	1651.4
	Q2	156.6	107.5		579.3	662.3		Q2	215.3	114.2	292.7	1229.9	1672.6
	Q3	157.4	108.1		584.4	666.3		Q3	219.7	115.4	294.7	1195.4	1603.5
	Q4	157.7	108.5		589.7	674.0		Q4	223.5	117.0	298.7	1148.5	1563.6
	Annual	2.5%	2.3%		3.6%	3.4%		Annual	0.6%	-1.4%	0.1%	-4.6%	-4.1%
2003	Q1	159.0	109.3		594.0	679.5	2013	Q1	218.9	112.3	293.7	1112.5	1497.9
	Q2	159.4	109.7		596.2	679.2							
	Q3	159.7	110.2		602.9	687.5							
	Q4	160.9	110.6		604.4	686.3							
	Annual	2.0%	2.0%		2.5%	1.8%							
2004	Q1	160.7	111.3		603.3	686.4							
	Q2	160.7	111.8		590.0	679.9							
	Q3	160.6	110.6		584.6	681.3							
	Q4	161.0	110.5		587.5	685.4							
	Annual	0.1%	-0.1%		-2.8%	-0.1%							

INSURANCE

INSURANCE PREMIUM INDEX-SHOPAROUND AVERAGE PREMIUM

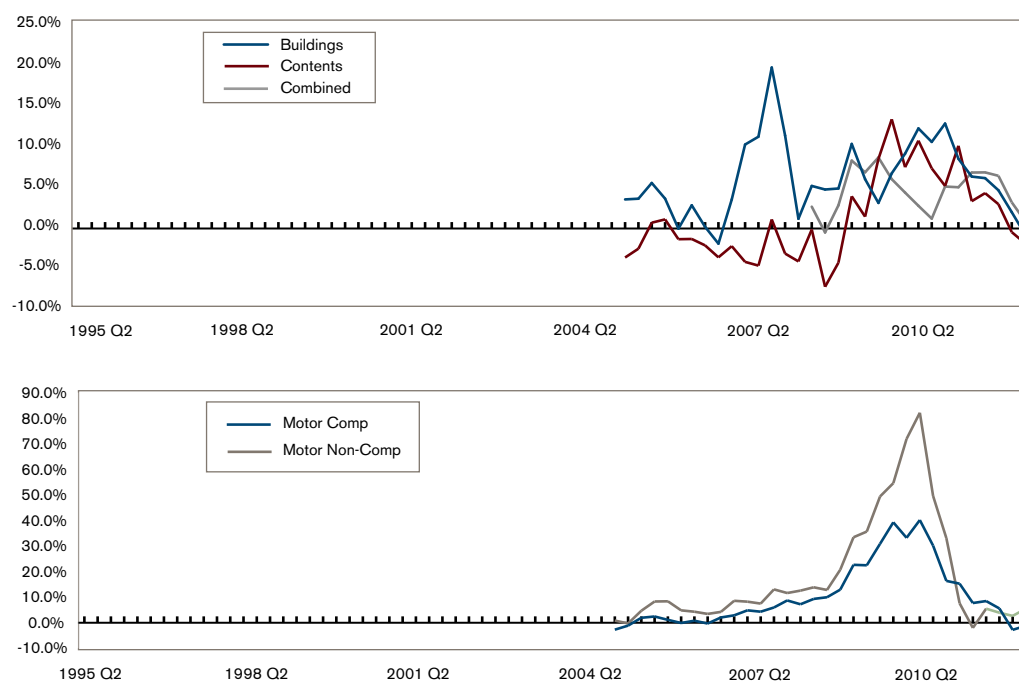
				Motor Comp	Motor Non-Comp					Motor Comp	Motor Non-Comp			
		Buildings	Contents	Combined			Buildings	Contents	Combined					
1995	Q1						2005	Q1	103.1	79.5		377.6	337.6	
	Q2							Q2	104.0	77.8		381.7	338.2	
	Q3							Q3	107.9	79.3		381.2	344.0	
	Q4							Q4	107.7	78.8		385.2	354.4	
	Annual							Annual	4.1%	-2.7%		1.9%	4.7%	
1996	Q1						2006	Q1	109.5	80.2		386.9	365.6	
	Q2							Q2	108.2	78.8		386.0	366.6	
	Q3							Q3	107.9	78.2		380.8	360.6	
	Q4							Q4	111.1	77.7		388.3	369.7	
	Annual							Annual	3.2%	-1.4%		0.8%	4.3%	
1997	Q1						2007	Q1	109.8	78.3		385.7	378.2	
	Q2							Q2	106.0	75.7		394.0	382.2	
	Q3							Q3	112.1	76.3		391.8	391.6	
	Q4							Q4	123.8	74.2		407.1	400.2	
	Annual							Annual	11.4%	-4.5%		4.8%	8.2%	
1998	Q1						2008	Q1	123.5	74.4	180.3	402.4	406.6	
	Q2							Q2	129.2	76.6	189.2	417.5	432.0	
	Q3							Q3	126.3	73.7	182.4	426.0	437.1	
	Q4							Q4	125.5	70.8	180.5	436.5	450.4	
	Annual							Annual	1.3%	-4.5%		7.2%	12.6%	
1999	Q1						2009	Q1	130.6	74.3	185.7	439.9	462.9	
	Q2							Q2	136.0	70.6	188.2	459.1	487.4	
	Q3							Q3	133.2	70.3	188.2	481.2	527.7	
	Q4							Q4	139.9	73.9	197.2	535.3	600.9	
	Annual							Annual	11.5%	4.4%	9.2%	22.6%	33.4%	
2000	Q1						2010	Q1	139.4	75.5	199.9	538.6	627.9	
	Q2							Q2	140.8	77.2	206.4	600.7	727.9	
	Q3							Q3	143.2	80.7	200.8	670.0	815.6	
	Q4							Q4	154.1	80.1	206.8	713.1	1032.8	
	Annual							Annual	10.2%	8.3%	4.9%	33.2%	71.9%	
2001	Q1						2011	Q1	158.4	84.5	206.0	754.9	1143.2	
	Q2							Q2	157.4	83.5	209.2	781.8	1088.7	
	Q3							Q3	163.6	85.4	212.3	779.7	1085.4	
	Q4							Q4	168.8	89.1	218.4	822.0	1111.4	
	Annual							Annual	9.5%	11.2%	5.6%	15.3%	7.6%	
2002	Q1						2012	Q1	169.6	87.6	221.7	813.1	1120.2	
	Q2							Q2	168.1	87.6	225.1	848.1	1148.6	
	Q3							Q3	172.1	88.2	227.5	823.2	1128.1	
	Q4							Q4	172.5	88.7	226.2	799.2	1141.1	
	Annual							Annual	2.2%	-0.5%	3.6%	-2.8%	2.7%	
2003	Q1						2013	Q1	168.2	85.9	223.9	803.7	1182.0	
	Q2													
	Q3													
	Q4													
	Annual													
2004	Q1													
	Q2				392.3	335.4								
	Q3	103.8	82.6		385.5	344.9								
	Q4	103.5	81.0		377.8	338.5								
	Annual													

MARKET AVERAGE PREMIUMS-ROLLING ANNUAL INCREASE ON A QUARTERLY BASIS



In this quarter the AA insurance index has revised figures due to the inclusion of additional premium data. Furthermore, the definition of the Shoparound index has changed. The index now incorporates the five cheapest premiums for each risk and not the three cheapest, as the case was in previous issues. Please consult the AA press release for further details of these changes.

SHOPAROUND AVERAGE PREMIUMS-ROLLING ANNUAL INCREASE ON A QUARTERLY BASIS



Source for pages 18-20: 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					
	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

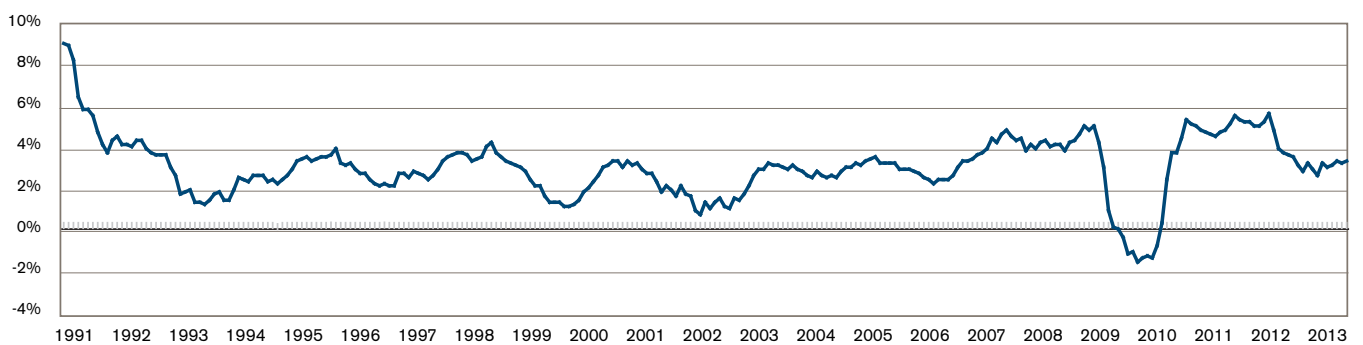
** EURO from Q1 1999

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	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										

Rolling Annual Increase on a Monthly Basis



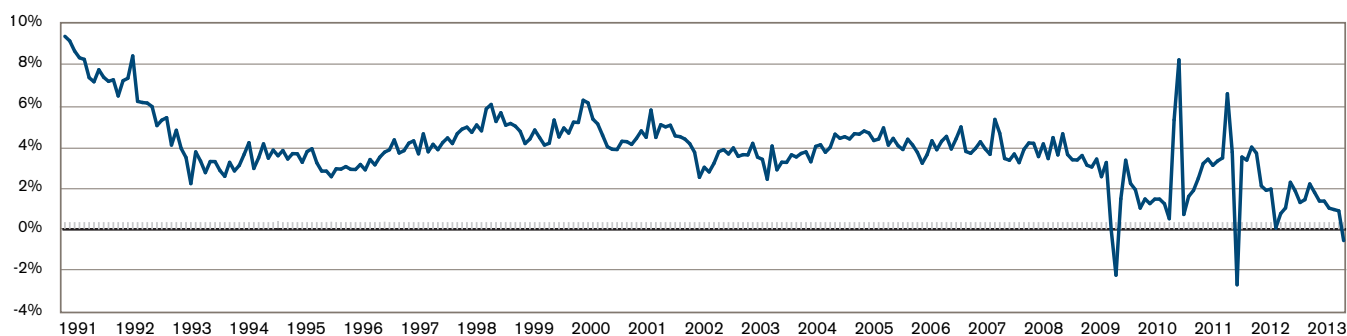
AVERAGE EARNINGS INDEX FOR ALL EMPLOYEES

	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	98.8	98.7	98.9	98.7	98.8	99.2	99.5	100.3	100.7	101.3	101.9	103.3	4.8%
2001	103.2	104.4	103.3	103.7	103.7	104.2	104.0	104.8	105.1	105.5	105.7	105.9	2.5%
2002	106.3	107.3	106.6	107.6	107.7	108.0	108.1	108.5	108.9	109.3	110.1	109.6	3.5%
2003	109.9	109.9	110.9	110.7	111.2	111.5	112.0	112.3	112.9	113.4	113.7	114.0	4.0%
2004	114.4	114.0	115.3	115.8	116.1	116.5	116.9	117.5	118.1	118.8	119.0	118.9	4.3%
2005	119.4	119.6	120.0	120.9	120.8	121.0	122.0	122.3	122.5	122.6	123.3	124.0	4.3%
2006	124.0	124.7	125.4	125.6	126.1	127.0	126.6	126.8	127.3	127.8	128.1	128.5	3.6%
2007	130.6	130.5	129.7	129.8	130.7	131.1	131.5	132.1	132.6	132.3	133.4	132.9	3.4%
2008	136.4	135.2	135.7	134.5	135.1	135.5	136.2	136.2	136.6	136.8	136.8	137.2	3.2%
2009	136.4	132.2	137.7	139.0	138.1	138.1	137.6	138.2	138.3	138.8	138.8	138.9	1.2%
2010	137.1	139.2	149.0	140.0	140.3	140.7	141.0	142.6	143.0	143.1	143.4	143.7	3.5%
2011	146.1	144.4	145	144.9	145	146.3	146.2	145.6	145.7	146.2	146.4	146.5	1.9%
2012	146.2	145.5	146.5	148.2	147.7	148.2	148.3	148.8	148.3	148.2	148.6	148	1.0%
2013	147.6	146.8	145.7										

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.

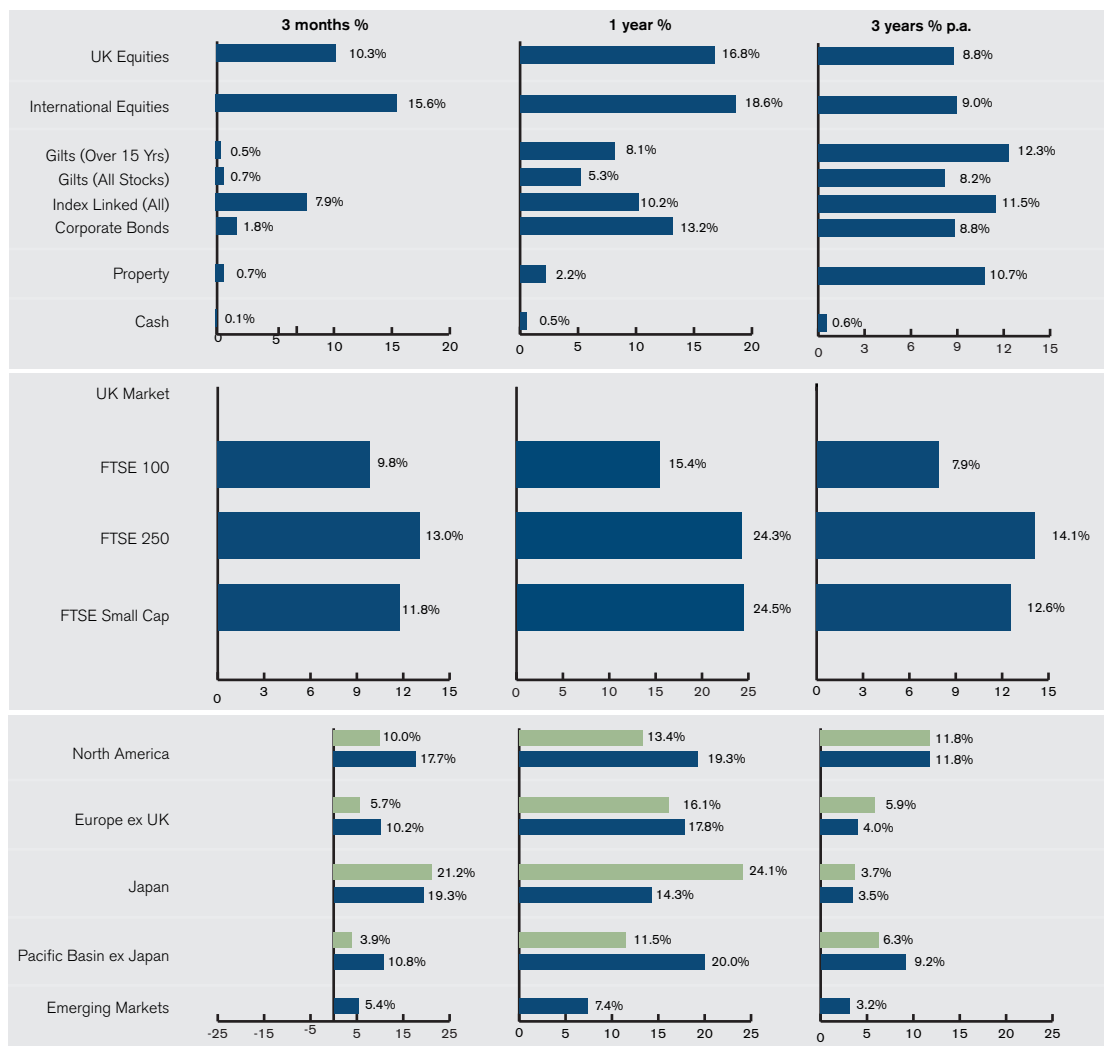
The Office of National Statistics has provided a provisional figure for May and has revised the figures for several previous quarters.

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	10.3%	16.8%	8.8%	8.8%	18.3%	6.7%	10.7%
FTSE 100	9.8%	15.4%	8.1%	7.9%	17.2%	6.3%	9.8%
FTSE 250	13.0%	24.3%	12.8%	14.1%	25.0%	10.0%	16.6%
FTSE Small Cap	11.8%	24.5%	11.6%	12.6%	24.7%	7.6%	11.6%
INTERNATIONAL							
North America	17.7%	19.3%	12.9%	11.8%	18.9%	11.5%	9.5%
Europe ex UK	10.2%	17.8%	2.3%	4.0%	13.6%	2.9%	11.4%
Japan	19.3%	14.3%	7.4%	3.5%	9.5%	5.1%	7.3%
Pacific Basin ex Japan	10.8%	20.0%	6.7%	9.2%	21.9%	11.4%	17.0%
Emerging Markets	5.4%	7.4%	-0.9%	3.2%	17.7%	7.2%	18.2%
World (FTSE All World)	14.0%	17.1%	8.1%	8.2%	17.1%	8.4%	10.6%
World ex UK (Developed)	15.6%	18.6%	9.5%	9.0%	17.0%	8.8%	10.0%
PROPERTY	0.7%	2.2%	6.6%	10.7%	16.3%	-25.5%	12.9%
BONDS & CASH							
UK Gilts (Over 15 Years)	0.5%	8.1%	15.1%	12.3%	9.1%	9.0%	6.7%
UK Gilts (All Stocks)	0.7%	5.3%	9.8%	8.2%	6.3%	7.1%	5.8%
UK Index Linked (All)	7.9%	10.2%	14.1%	11.5%	11.2%	8.6%	7.9%
Cash	0.1%	0.5%	0.6%	0.6%	0.5%	1.1%	2.9%
Corporate (All Inv Grade)	1.8%	13.2%	10.5%	8.8%	14.0%	7.9%	5.7%
Corporate (AAA)	0.7%	9.0%	8.3%	6.9%	7.1%	4.5%	4.3%
Corporate (AA)	1.5%	10.1%	9.3%	4.6%	20.1%	-5.5%	3.4%
Corporate (A)	1.4%	11.8%	6.7%	5.3%	32.0%	-19.9%	5.8%
Corporate (BBB)	2.4%	15.8%	8.4%	6.3%	42.5%	-11.7%	10.2%
OTHER							
Retail Price Index	0.8%	3.3%	3.4%	4.1%	4.2%	3.3%	3.3%
National Average Earnings	-1.6%	-0.5%	0.2%	-0.7%	1.5%	1.5%	2.8%

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%

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%

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)

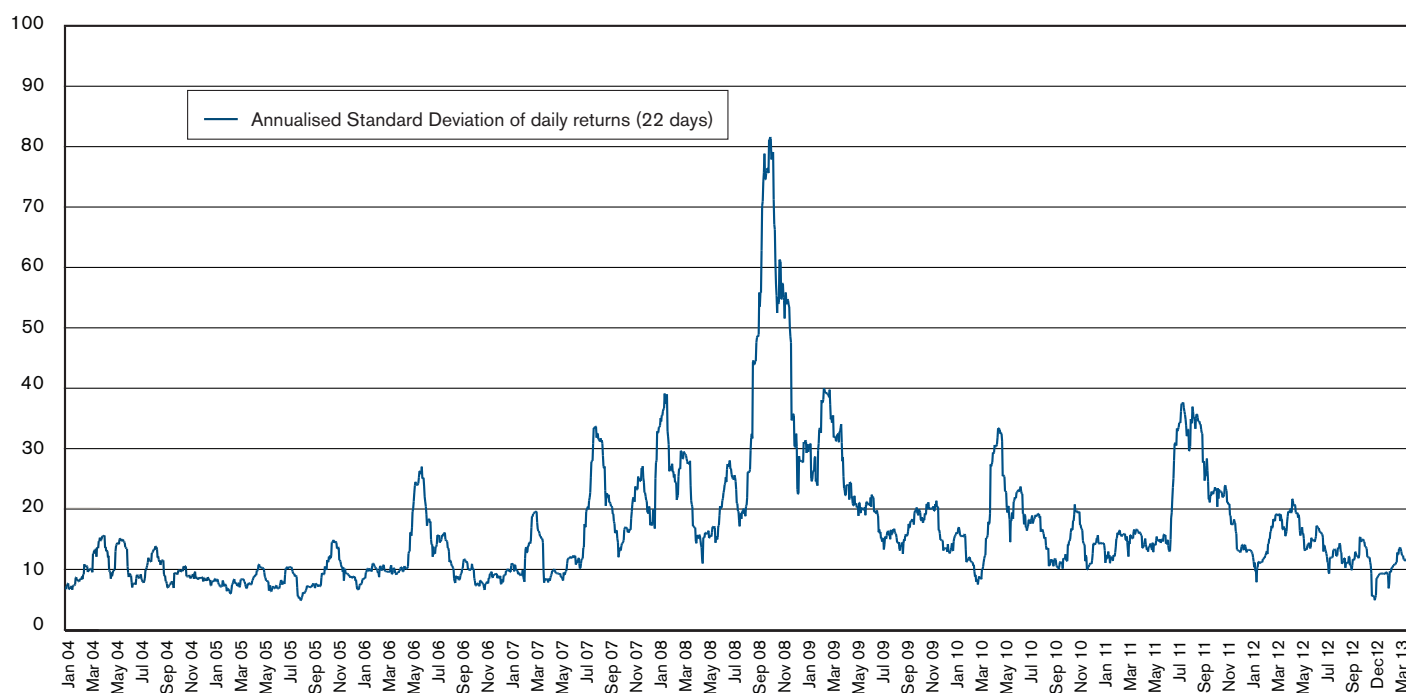
CASH (One week deposit)

	Annual	Inflation Adjusted	Rolling 5 Yr Real Return p.a.	Rolling 10 Yr Real Return p.a.	Rolling 25 Yr Real Return p.a.		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	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%

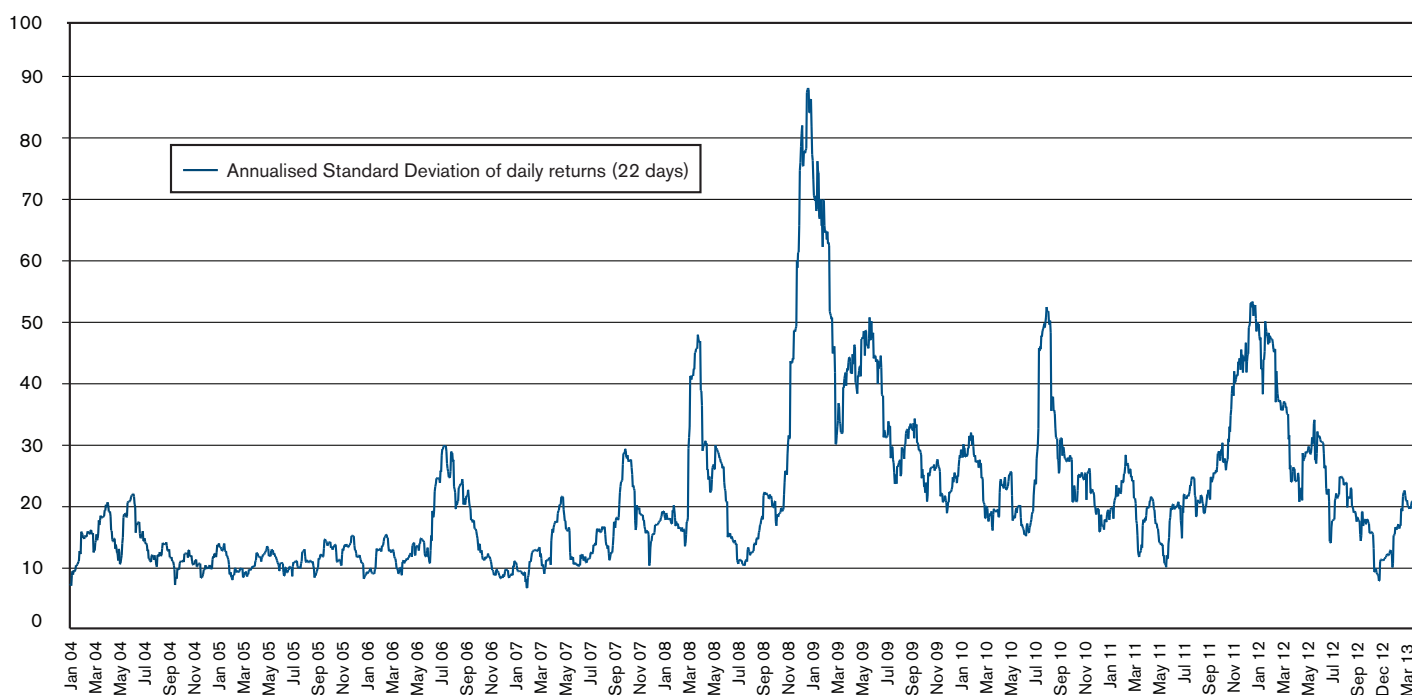
MARKETS

VOLATILITY OF MARKETS

FTSE 100

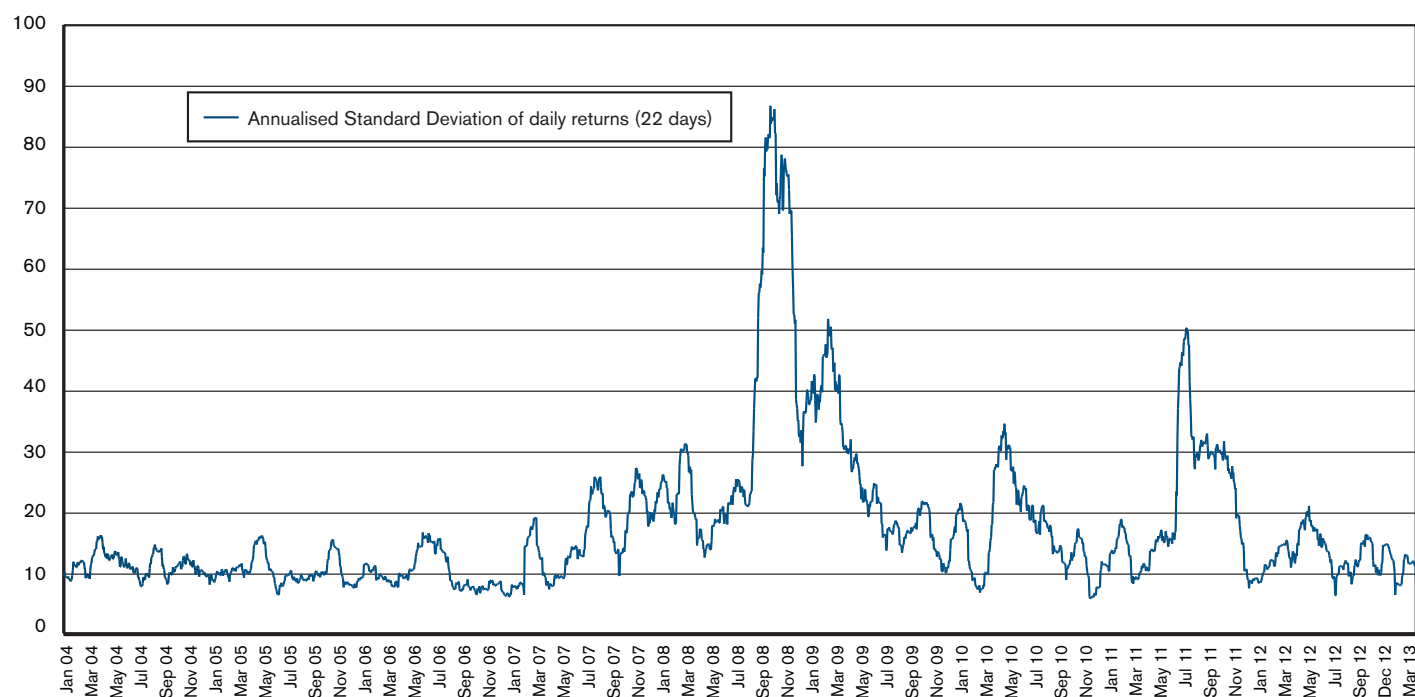


FTSE AW Europe ex UK

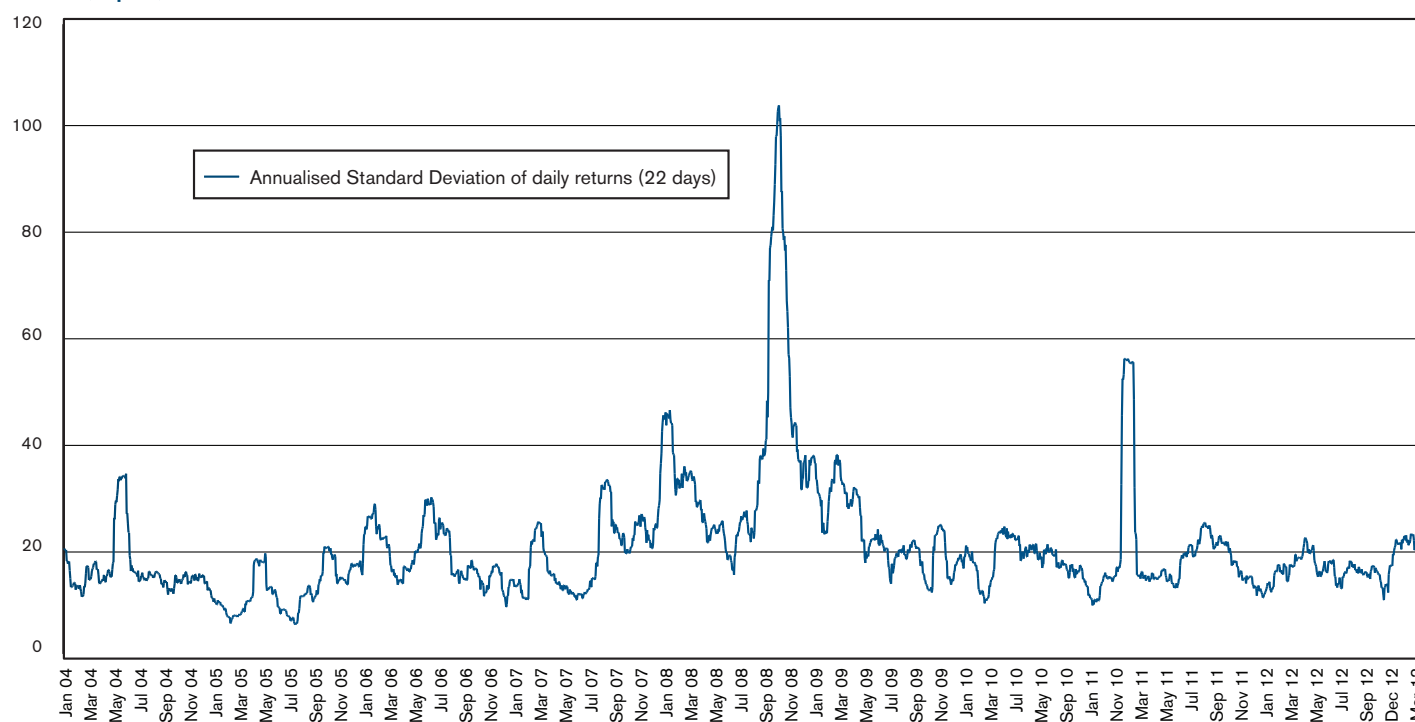


The annualised standard deviation of daily returns provides a measure of how volatile the market has been over the past month. High levels of volatility are associated with periods when prices have moved sharply from day to day.

S & P 500



TOPIX (Japan)



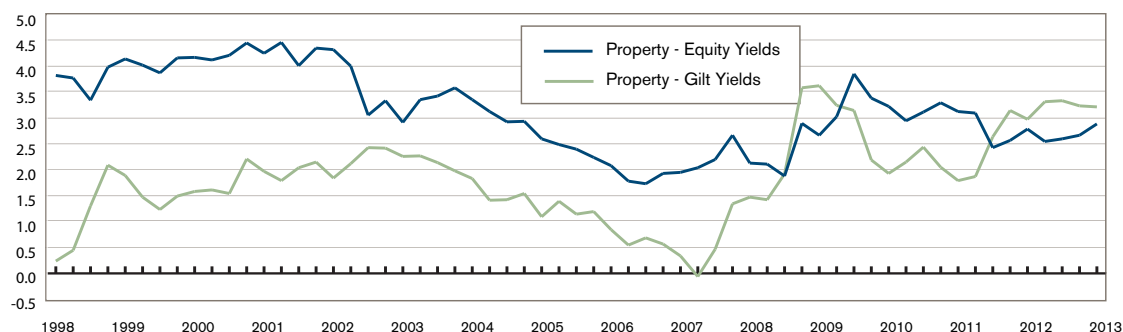
MARKETS

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

MARKETS

		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



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

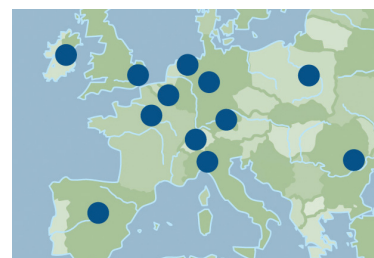
Economic

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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