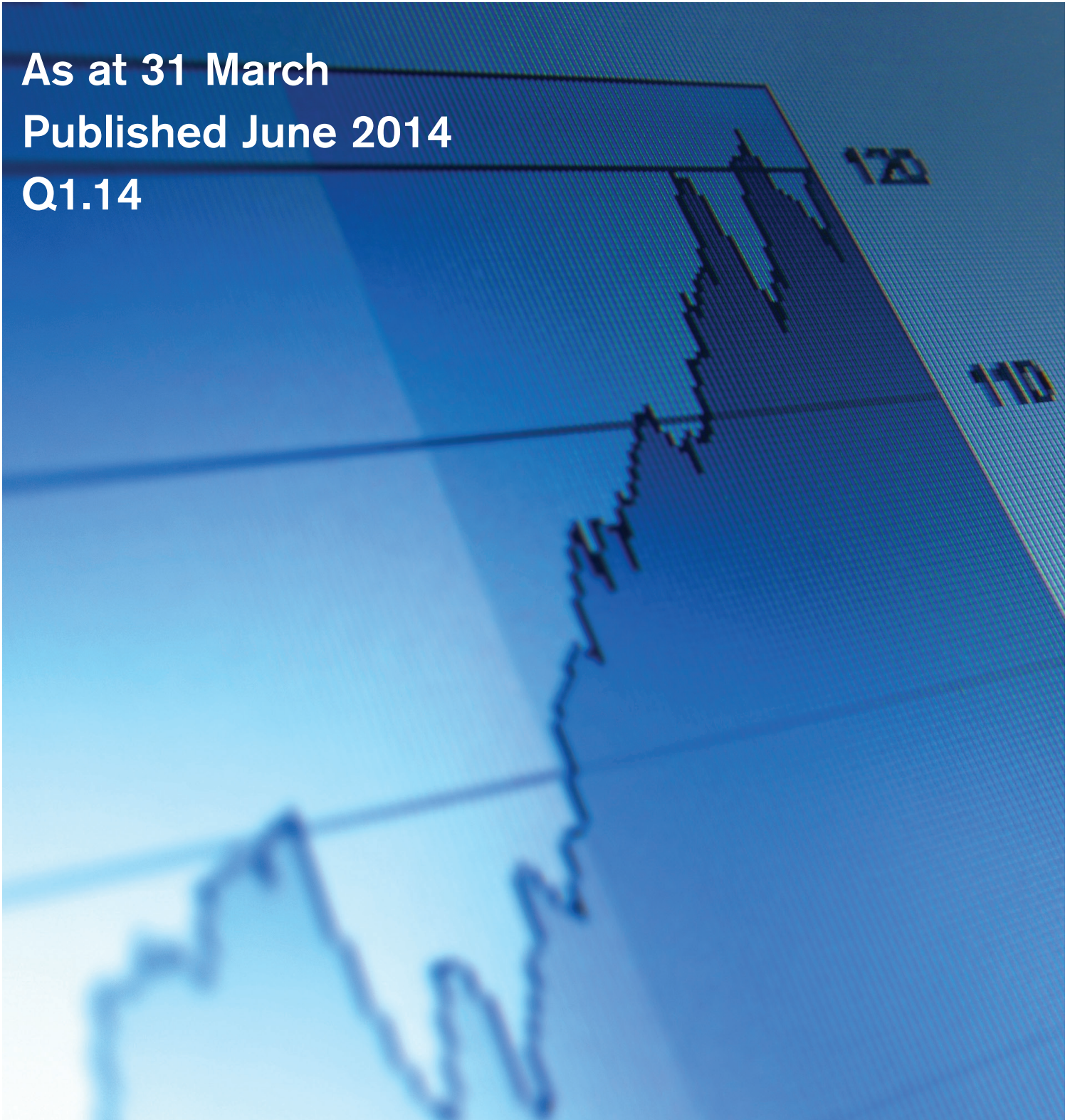


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COMMENTS

INSURANCE

According to the AA British Insurance Premium Index, in the first quarter of 2014 the cost of car insurance dropped again, for the seventh consecutive quarter. The average Shoparound quote for an annual comprehensive car insurance policy reduced from £562.61 to £531.24, a fall of 5.2% over the quarter (over the year there was a 16.6% drop). Young motorists, aged between 17 and 22, have seen the biggest decline in premiums over the quarter, with their Shoparound average dropping from £1,287.20 to £1,158.07 (down 10.0% over the quarter and 20.5% over the year). On the other hand, motorists aged 70+ witnessed the smallest reduction (a fall of 1.3% over the quarter and 7.1% over the year), as their Shoparound average dropped from £370.38 to £365.51 over the quarter. Premiums are now at their lowest level for three years, and experts believe that the downward trend could be under threat as reforms to reduce fraudulent claims have failed to have as great an impact as had been anticipated. It is expected that, from July onwards, premiums will start to rise.

Part of the Legal Aid Sentencing and Punishment of Offenders Act, introduced in April 2013, aimed to reduce the overall legal costs in personal injury cases and to discourage people from bringing unnecessary claims for compensation. Since its introduction, premiums have reduced as claims and associated costs have been cut. Comparing experience in the period May 2012 to December 2012 with that in the period May 2013 to December 2013 shows a 10% reduction in claims notifications (from 713,435 to 639,525). Yet the number of claims going through the Ministry of Justice road traffic accident portal has not fallen in line with insurers' expectations. Some experts believe that insurers have cut their rates too quickly in anticipation of benefits and reforms and that they will need to increase them. But it is also thought that it will take another year or so before we see the full effect of the reforms.

Awards remain high for very minor injuries and the industry is still battling against organised whiplash fraud. One of Britain's biggest insurers reported that fraudulent car insurance claims have risen by 20% over 2012, with such claims adding around £50 to the average cost of car insurance premiums. 'Crash for cash' is where fraudsters deliberately cause a motor accident in an attempt to gain financially (claiming for whiplash injuries) with additional payouts to compensate for the loss of car or the loss of earnings. Younger drivers and females are being targeted, as fraudsters consider these groups to be less likely to challenge an insurance claim. Furthermore, some fraudsters also try to claim for vehicle damage that is unrelated to the accident or for injuries to 'passengers' who were not in the vehicle at the time. Social attitudes towards insurance fraud, which is widely considered a 'victimless crime', and a lack of effective deterrents mean that the frequency of insurance fraud is increasing.

According to the AA British Insurance Premium Index, in the first quarter of 2014, despite winter flooding and storms, the cost of home insurance fell again. The AA Shoparound average premium for a buildings policy dropped from £122.95 to £122.06, down 0.7% over the quarter and 6.5% over the year, while the AA Shoparound average premium for a contents policy dropped from £65.30 to £64.17, a fall of 1.7% over the quarter and 7.4% over the year. For a combined buildings and contents policy, the Shoparound average premium went from £174.42 to £170.59, a reduction of 2.2% over the quarter and 8.4% over the year. Experts believe the downward trend will level off but with no significant increases within the foreseeable future.

Britain continued to be hit with severe weather in the first quarter of 2014 as it suffered its wettest winter on record. UK insurers could face losses of up to £1.2 billion, but these losses are expected to be manageable. Furthermore, the losses will be less than the floods in the summer of 2007 which cost insurers over £3 billion. The Association of British Insurers (ABI) said that, between December 23 and February 28, its members received flood claims equivalent to £6.7 million a day. There were 17,500 flood claims made, 9,000 of which came from homeowners, 5,400 in respect of flooded vehicles and 3,100 from businesses.

COMMENTS

After examining the state of all its flood defences following the winter flooding and storms, the Environment Agency identified 1,000 sites which were in need of repair. The repair costs for these sites have been estimated at around £135 million. Extra resources have been made available by the government to enable the Environment Agency to fix and maintain flood defences over the next two years.

The recent flooding has highlighted the importance of Flood Re and the need for it to enter the statute book as soon as possible. Flood Re, a not-for-profit reinsurance scheme, is being set up to cap the cost of insurance for hundreds of thousands of households. Without the protection of Flood Re, policyholders are at risk of huge increases in premiums, because insurers have said that their existing commitment to universal flood coverage is no longer viable. The ABI has recently decided that band H properties, which had previously been excluded, should be included in the scheme after a number of insurers objected to all policyholders funding the scheme through a levy, even though some wouldn't be eligible for coverage. They also acknowledged that policyholders in 'at risk' band H properties would find it difficult to find affordable cover. Previously the ABI had been for the exclusion, because political objections to subsidising rich homeowners could have undermined the scheme. Discussions continue as to whether leaseholds and SMEs, currently excluded from Flood Re, should be given similar treatment.

ECONOMY

In the first quarter of 2014, the UK economy grew by 0.8%, marking the fifth consecutive period of growth and a slight increase on the 0.7% recorded for the fourth quarter of 2013. Output was 3.1% higher than in the same period the previous year. Output is now only 0.6% below the 2008 peak, and with steady growth anticipated in the next quarter, the catch-up point is imminent. There was growth across all the major sectors of the economy, with manufacturing performing particularly well, as output grew by 1.3%, its strongest quarter for nearly four years. The service sector, which continued to be driven by consumer spending, grew by 0.9% and is now 2% above the 2008 peak, while the construction output only grew by 0.3%. This was slightly weaker than had been anticipated, suggesting that increased demand for property has yet to feed through into more house building. Industrial production increased by 0.8%; however, agriculture registered a drop in output, falling by 0.7%. UK growth for the year has been predicted to be 2.9% by the International Monetary Fund, 2.7% by the Independent Office for Budget Responsibility and 3.4% by the Bank of England.

The Eurozone struggled in the first quarter of 2014 as dismal growth figures dented talk of a recovery. Although the economy grew by 0.2%, in line with growth in the previous quarter, this was much weaker than economists had predicted. The Eurozone is struggling to avoid outright deflation and is still a long way from the sort of recovery which would fix the bleak unemployment situation in many countries. There were mixed results for the Eurozone countries with Germany, Europe's strongest economy, recording growth of 0.8% (following growth of 0.4% in the previous quarter), which exceeded the 0.7% growth predicted. Germany benefitted from a mild winter and decent domestic demand. Spain's growth accelerated, as its economy 'expanded' by 0.4% (after growth of 0.2% in the previous quarter). Experts have said, though, that a 0.4% growth is not strong enough for a rebound from a very deep recession. However, France recorded zero growth (following growth of 0.2% previously), as consumer spending and business investment was weak. Its economy would have contracted but for government spending and changes to inventories. France was hoping to achieve growth of 1% for 2014; however, the first quarter results have meant that this will be hard to achieve. The Italian economy, having just emerged from a recession, contracted 0.1% (following growth of 0.1% previously). The country's economy had been predicted to expand by 0.2% and the weaker growth has prompted questions about the sustainability of a fragile recovery. The Italian economy is still 9% below its pre-recession peak. The Netherlands suffered the poorest results, with its economy contracting by 1.4% after a 1% expansion in the previous quarter. The contraction was due to lower gas consumption and production, and a mild winter.

COMMENTS

China's economy grew at an annual rate of 7.4% in the first quarter of 2013, slowing from a 7.7% increase in the final quarter of 2013, but higher than the 7.3% increase which was expected by economists. It is the slowest level in 18 months as the world's second largest economy continued to downshift. The slow growth has been attributed to weak external demand, structural changes and a struggling real estate market. Some experts fear that the pace of expansion could slow further, as exports have slowed recently, while manufacturing, industrial production, retail sales and investment growth have also disappointed. The government has set a GDP target of 7.5% for the full year, although economists predict full-year growth will be 7.3% (slower than the 7.7% growth in 2013 and 2012 and the 9.3% growth in 2011).

The US economy grew slowly at an annualised rate of 0.1% in the first quarter, the slowest rate for a year and a fall on the 2.6% growth in the final quarter of 2014. The economy had been expected to expand by 1%; however, the poor growth was due to an unusually bad winter, tumbling exports and because federal spending rebounded more weakly than projected following a partial government shutdown last year. However, the first quarter slowdown is expected to be temporary and recent data has suggested strength at the end of the quarter, with analysts predicting that the economy will expand by 3% in the second quarter. Growth is also expected throughout the year because of a combination of improved job growth, rising consumer spending and a rebound in business investment.

MARKETS

After a strong performance in the fourth quarter of 2013, UK equities performed poorly in the first quarter of 2014. The FTSE All-Share contracted by 0.6% while the FTSE 100 contracted by 1.3%. There was very modest growth for the FTSE 250 and FTSE Small Cap, 2.5% and 1.4% respectively. Internationally, the results were poor, as Japan contracted by 6% and the Emerging Markets contracted by 0.7%. Following strong growth in the final quarter of 2013, North American and European equities recorded much more modest growth. North American equities grew by 1.2% (down from 7.5%) and European equities grew by 3% (down from 5.8%). Fixed interest assets performed well over the quarter, with all of the major bonds recording growth. The Corporate (AAA) bond increased by 2.1%, the Corporate (AA) bond increased by 2.3%, the Corporate (A) bond grew by 2.0% and the Corporate (BBB) increased by 3.8%.

INSURANCE

THE AA'S BRITISH INSURANCE PREMIUM INDEX

		Buildings	Contents	Combined	Motor Comp	Motor Non-Comp			Buildings	Contents	Combined	Motor Comp	Motor Non-Comp
1995	Q1	152.4	99.0		306.3	386.9	2005	Q1	158.4	108.6		583.5	777.9
	Q2	151.0	99.9		311.1	389.3		Q2	155.4	106.9		588.5	784.8
	Q3	149.0	99.2		303.9	388.8		Q3	157.1	109.2		595.1	803.2
	Q4	141.3	96.7		289.4	383.0		Q4	158.4	108.8		592.7	806.1
	Annual	-10.8%	-5.8%		-8.0%	-4.2%		Annual	-0.9%	-0.4%		0.9%	3.4%
1996	Q1	138.5	93.7		289.4	382.7	2006	Q1	159.4	109.8		589.6	820.2
	Q2	135.2	93.4		295.1	384.2		Q2	158.6	110.0		593.0	817.8
	Q3	136.8	93.4		312.6	400.5		Q3	158.1	107.1		600.3	855.6
	Q4	140.1	95.3		317.2	406.2		Q4	160.1	106.5		626.4	856.7
	Annual	-0.8%	-1.4%		9.6%	6.1%		Annual	1.1%	-2.0%		5.7%	6.3%
1997	Q1	142.2	96.7		329.6	420.5	2007	Q1	161.3	107.9		623.9	851.4
	Q2	141.9	96.4		333.6	424.5		Q2	158.3	106.5		639.5	862.6
	Q3	142.2	96.1		340.3	423.7		Q3	163.1	108.9		648.1	893.5
	Q4	142.2	96.6		347.3	440.1		Q4	165.4	109.3		659.8	924.1
	Annual	1.5%	1.3%		9.5%	8.3%		Annual	3.3%	2.6%		5.3%	7.9%
1998	Q1	141.2	96.8		352.7	447.6	2008	Q1	165.1	110.5		656.6	915.6
	Q2	141.3	97.3		362.6	460.2		Q2	165.8	110.6	260.6	676.4	965.2
	Q3	140.8	97.2		372.0	471.1		Q3	168.9	105.9	255.6	697.4	959.9
	Q4	141.3	96.8		379.4	482.1		Q4	177.8	104.2	259.4	717.5	992.8
	Annual	-0.7%	0.2%		9.2%	9.6%		Annual	7.5%	-4.7%		8.7%	7.4%
1999	Q1	141.3	97.2		384.9	491.8	2009	Q1	178.2	107.0	261.1	727.1	986.7
	Q2	143.7	98.2		401.4	506.4		Q2	182.6	103.6	266.3	752.8	1032.2
	Q3	143.3	98.4		414.2	520.9		Q3	185.4	105.5	266.2	794.7	1128.6
	Q4	143.9	98.9		438.8	551.2		Q4	196.5	112.2	287.5	851.9	1228.7
	Annual	1.9%	2.2%		15.7%	14.3%		Annual	10.5%	7.7%	10.8%	18.7%	23.8%
2000	Q1	145.3	99.4		464.8	571.1	2010	Q1	200.0	109.3	297.3	824.7	1173.7
	Q2	145.4	99.4		485.3	606.7		Q2	205.1	110.8	299.2	924.4	1358.8
	Q3	145.9	99.9		502.2	629.1		Q3	204.3	110.8	289.9	1032.1	1491.5
	Q4	147.0	100.0		521.0	658.6		Q4	215.0	112.3	297.1	1100.2	1737.8
	Annual	2.2%	1.1%		18.7%	19.5%		Annual	9.5%	0.1%	3.3%	29.1%	41.4%
2001	Q1	149.4	101.4		543.9	699.5	2011	Q1	216.9	110.7	296.4	1169.7	1873.5
	Q2	150.7	102.9		548.7	717.0		Q2	211.7	112.7	296.5	1187.8	1807.9
	Q3	151.1	103.7		559.1	730.2		Q3	215.2	112.9	301.0	1197.4	1810.6
	Q4	152.8	104.8		569.3	741.4		Q4	220.7	117.3	309.0	1204.6	1853.9
	Annual	3.9%	4.8%		9.3%	12.6%		Annual	2.6%	4.5%	4.0%	9.5%	6.7%
2002	Q1	154.4	105.8		574.5	751.5	2012	Q1	219.5	114.7	310.3	1205.1	1878.3
	Q2	155.5	106.3		579.4	753.3		Q2	213.8	112.9	303.2	1230.2	1902.5
	Q3	156.2	106.9		584.5	757.8		Q3	218.2	114.1	305.3	1195.6	1823.9
	Q4	156.6	107.2		589.8	766.6		Q4	221.9	115.7	309.4	1148.8	1778.6
	Annual	2.5%	2.3%		3.6%	3.4%		Annual	0.6%	-1.4%	0.1%	-4.6%	-4.1%
2003	Q1	157.9	108.0		594.1	772.9	2013	Q1	217.4	111.0	304.2	1112.7	1703.8
	Q2	158.2	108.5		596.3	772.5		Q2	210.1	105.1	292.6	1039.1	1513.1
	Q3	158.6	109.0		603.1	782.0		Q3	201.5	103.0	282.5	980.5	1412.0
	Q4	159.7	109.4		604.6	780.6		Q4	200.6	102.0	280.2	953.9	1356.7
	Annual	2.0%	2.0%		2.5%	1.8%		Annual	-9.6%	-11.9%	-9.5%	-17.0%	-23.7%
2004	Q1	156.6	110.0		603.4	780.7	2014	Q1	197.1	102.8	274.2	878.5	1265.8
	Q2	159.6	110.5		590.1	773.3		Q2					
	Q3	159.5	109.3		584.7	774.9		Q3					
	Q4	159.8	109.2		587.7	779.6		Q4					
	Annual	0.1%	-0.1%		-2.8%	-0.1%		Annual					

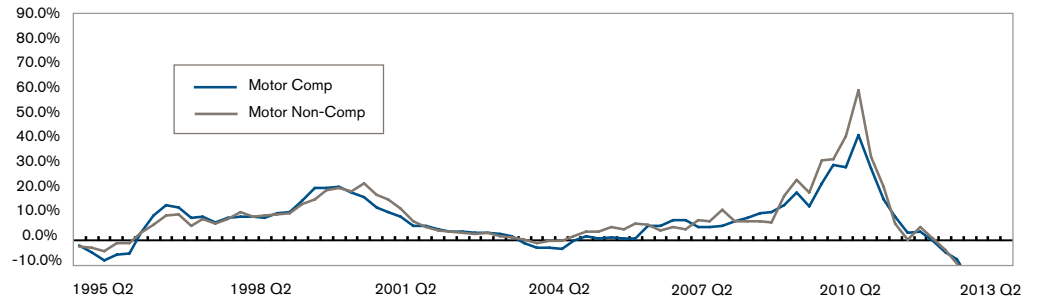
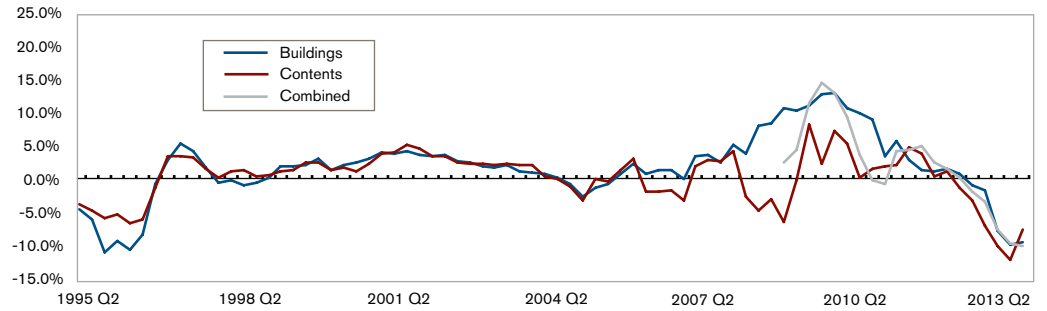
INSURANCE

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	100.9	78.2		384.2	348.9
	Q2							Q2	101.8	76.5		388.4	349.6
	Q3							Q3	105.6	78.0		387.8	355.5
	Q4							Q4	105.4	77.4		391.9	366.3
	Annual							Annual	4.1%	-2.7%		1.9%	4.7%
1996	Q1						2006	Q1	107.2	78.8		393.6	377.9
	Q2							Q2	105.9	77.4		392.8	378.9
	Q3							Q3	105.5	76.8		387.5	372.7
	Q4							Q4	108.7	76.3		395.1	382.1
	Annual							Annual	3.2%	-1.4%		0.8%	4.3%
1997	Q1						2007	Q1	107.4	77.0		392.4	390.9
	Q2							Q2	103.7	74.4		400.9	395.0
	Q3							Q3	109.7	75.0		398.7	404.7
	Q4							Q4	121.2	72.9		414.2	413.6
	Annual							Annual	11.4%	-4.5%		4.8%	8.2%
1998	Q1						2008	Q1	120.8	73.1	196.2	409.4	420.2
	Q2							Q2	126.4	75.3	205.9	424.8	446.5
	Q3							Q3	123.6	72.4	198.5	433.4	451.7
	Q4							Q4	122.8	69.6	196.4	444.1	465.5
	Annual							Annual	1.3%	-4.5%		7.2%	12.6%
1999	Q1						2009	Q1	127.8	73.0	202.0	447.5	478.4
	Q2							Q2	133.1	69.3	204.8	467.1	503.7
	Q3							Q3	130.3	69.1	204.7	489.6	545.4
	Q4							Q4	136.9	72.7	214.5	544.7	621.1
	Annual							Annual	11.5%	4.4%	9.2%	22.6%	33.4%
2000	Q1						2010	Q1	136.4	74.2	217.5	548.1	648.9
	Q2							Q2	137.8	75.9	224.6	611.2	752.3
	Q3							Q3	140.1	79.3	218.5	681.7	842.9
	Q4							Q4	150.8	78.7	225.0	725.5	1067.4
	Annual							Annual	10.2%	8.3%	4.9%	33.2%	71.9%
2001	Q1						2011	Q1	155.0	83.0	224.2	768.1	1181.5
	Q2							Q2	154.0	82.1	227.6	795.5	1125.1
	Q3							Q3	160.1	83.9	231.0	793.3	1121.8
	Q4							Q4	165.1	87.6	237.6	836.4	1148.6
	Annual							Annual	9.5%	11.2%	5.6%	15.3%	7.6%
2002	Q1						2012	Q1	165.9	86.1	241.2	827.3	1157.7
	Q2							Q2	164.5	86.0	244.9	862.9	1187.1
	Q3							Q3	168.4	86.7	247.5	837.6	1165.9
	Q4							Q4	168.8	87.1	246.1	813.1	1179.4
	Annual							Annual	2.2%	-0.5%	3.6%	-2.8%	2.7%
2003	Q1						2013	Q1	164.6	84.4	243.7	817.7	1221.6
	Q2							Q2	160.5	83.9	237.9	778.8	1146.5
	Q3							Q3	154.2	81.4	229.1	737.0	1094.7
	Q4							Q4	154.8	80.5	226.6	714.5	1012.7
	Annual							Annual	-8.3%	-7.6%	-7.9%	-12.1%	-14.1%
2004	Q1						2014	Q1	152.1	80.5	221.6	662.7	963.1
	Q2				399.1	346.6		Q2					
	Q3	101.6	81.2		392.2	356.5		Q3					
	Q4	101.3	79.6		384.5	349.8		Q4					
	Annual							Annual					

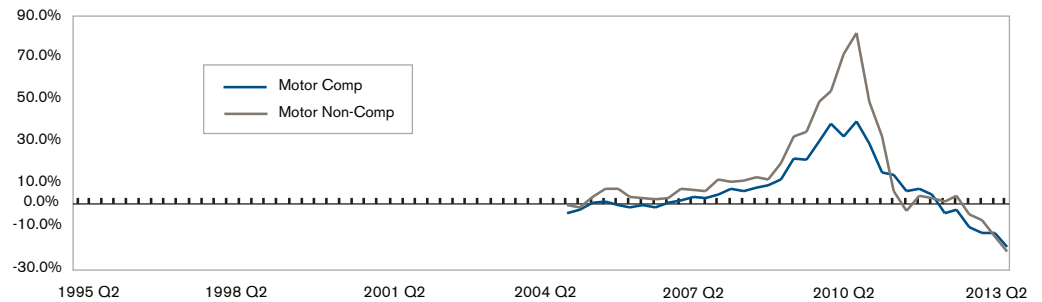
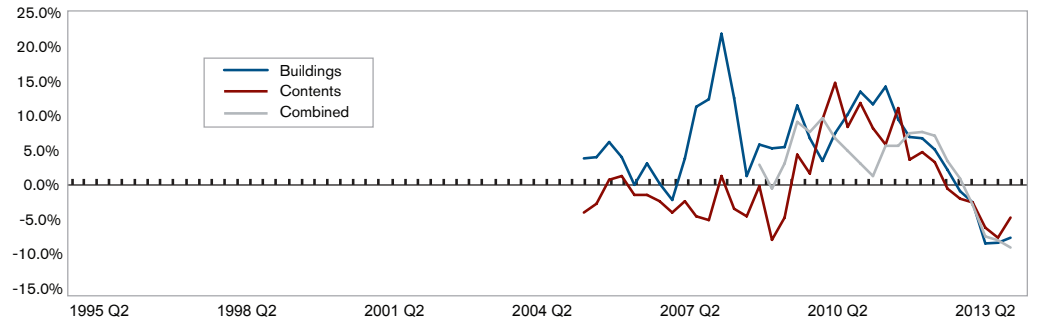
INSURANCE

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 4-6: 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	2004 5th February	4.0
22nd September	9.0	8th October	7.25	6th May	4.25
16th October	8.0	5th November	6.75	10th June	4.5
13th November	7.0	10th December	6.25	5th August	4.75
Annual Average	9.6	Annual Average	7.2	Annual Average	4.4
1993 26th January	6.0	1999 7th January	6.0	2005 4th August	4.5
23rd November	5.5	4th February	5.5	Annual Average	4.6
Annual Average	6.0	10th June	5.0	2006 3rd August	4.75
1994 8th February	5.25	8th September	5.25	9th November	5.0
12th September	5.75	4th November	5.5	Annual Average	4.6
7th December	6.25	Annual Average	5.3	2007 11th January	5.25
Annual Average	5.5	2000 13th January	5.75	10th May	5.5
1995 3rd February	6.75	10th February	6.0	5th July	5.75
13th December	6.5	Annual Average	6.0	6th December	5.5
Annual Average	6.7	2001 8th February	5.75	Annual Average	5.5
1996 18th January	6.25	5th April	5.5	2008 7th February	5.25
8th March	6.0	10th May	5.25	10th April	5.0
6th June	5.75	2nd August	5.0	8th October	4.5
30th October	6.0	18th September	4.75	6th November	3.0
Annual Average	6.0	4th October	4.5	4th December	2.0
1997 6th May	6.25	8th November	4.0	Annual Average	4.7
9th June	6.5	Annual Average	5.1	2009 8th January	1.5
10th July	6.75	2002 Annual Average	4.0	5th February	1
7th August	7.0	2003 6th February	3.75	5th March	0.5
6th November	7.25	10th July	3.5	Annual Average	0.7
Annual Average	6.6	6th November	3.75	2010 Annual Average	0.5
		Annual Average	3.7	2011 Annual Average	0.5
				2012 Annual Average	0.5
				2013 Annual Average	0.5

ECONOMICS

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		Q3	1.60	1.20	158
	Q4	1.48	2.57	165		Q4	1.79	1.42	192		Q4	1.66	1.20	174
1994	Q1	1.49	2.48	153	2004	Q1	1.84	1.50	191	2014	Q1	1.67	1.21	172
	Q2	1.54	2.46	152		Q2	1.81	1.49	198		Q2			
	Q3	1.58	2.45	156		Q3	1.81	1.46	199		Q3			
	Q4	1.57	2.43	156		Q4	1.92	1.42	197		Q4			
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					

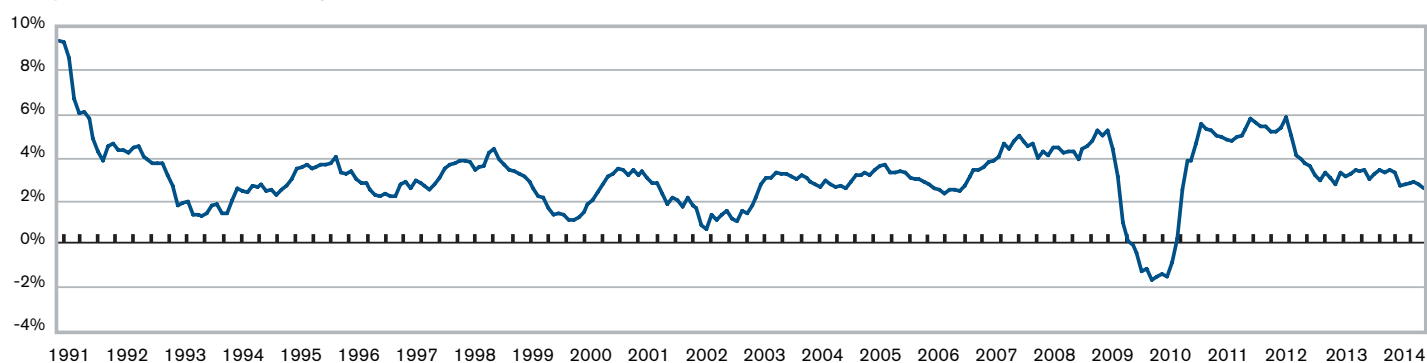
* Euro from Q1 1999

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	249.7	251.0	251.9	251.9	252.1	253.4	2.7%
2014	252.6	254.2	254.8										

Rolling Annual Increase on a Monthly Basis



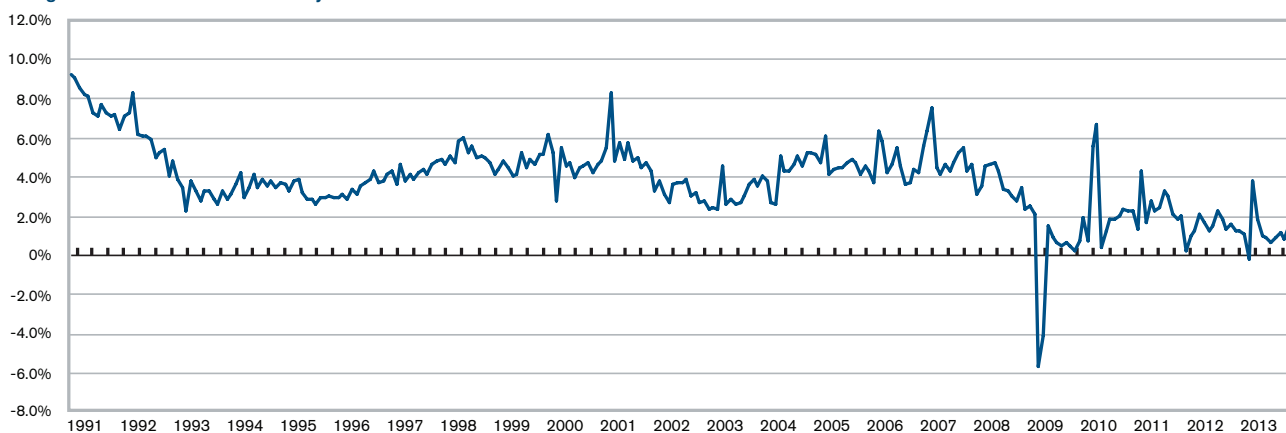
ECONOMICS

AVERAGE EARNINGS INDEX FOR ALL EMPLOYEES

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Annual Increase
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	96.3	99.3	98.7	99.5	99.3	100.1	100.6	101.2	101.4	102.1	103.4	4.9%
2001	103.4	104.4	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	110.1	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	116.6	116.2	116.5	117.1	117.8	118.2	119.2	119.3	119.6	5.2%
2005	119.5	119.9	119.4	121.7	121.4	121.7	122.6	123.6	123.8	124.1	124.7	124.8	4.3%
2006	123.9	127.6	126.4	126.8	127.0	128.4	128.2	128.1	128.4	129.5	130.0	131.8	5.6%
2007	131.8	137.3	132.1	132.0	132.9	133.9	134.3	134.8	135.5	135.1	136.1	135.9	3.1%
2008	136.5	143.6	138.3	138.2	138.6	138.4	138.7	138.9	139.2	139.8	139.3	139.3	2.5%
2009	139.3	135.2	132.4	140.2	139.8	139.2	139.3	139.7	139.8	140.0	140.3	141.9	1.9%
2010	140.3	142.8	141.3	140.7	141.5	141.7	141.8	142.5	143.0	143.1	143.4	143.7	1.3%
2011	146.3	145.1	145.2	143.9	144.9	146.3	146.1	145.4	145.6	146.2	146.3	146.5	1.9%
2012	146.5	146.4	146.9	146.9	147.3	148.0	148.2	148.6	148.2	148.1	148.6	148.2	1.2%
2013	148.1	147.8	147.0	152.5	150.0	149.4	149.4	149.5	149.5	149.8	149.7	150.7	1.7%
2014	150.5	150.6	149.2										

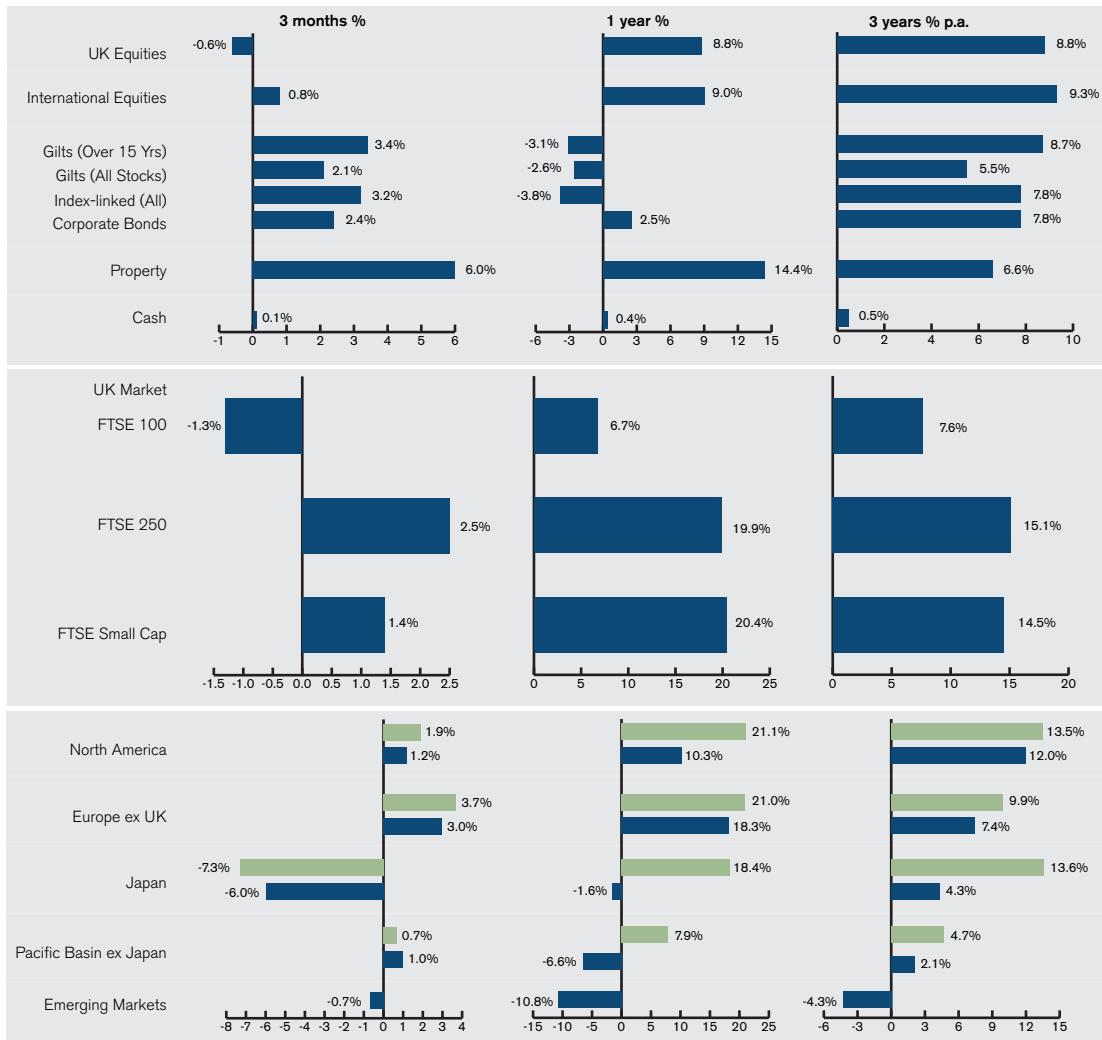
The National Average Earnings Index was discontinued as of September 2010, with the last data being supplied for July 2010. From August 2010, data from the National Weekly Earnings Index replaces the National Average Earning index. Subsequently, measures of past performance incorporating data from both 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

MARKETS AT A GLANCE (CONTINUED)

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	-0.6%	8.8%	12.7%	8.8%	8.8%	16.4%	8.6%
FTSE 100	-1.3%	6.7%	11.0%	7.6%	7.6%	15.0%	8.0%
FTSE 250	2.5%	19.9%	22.1%	15.1%	15.5%	24.0%	13.1%
FTSE Small Cap	1.4%	20.4%	22.4%	14.5%	14.5%	23.8%	8.2%
INTERNATIONAL							
North America	1.2%	10.3%	14.7%	12.0%	11.4%	17.2%	8.8%
Europe ex UK	3.0%	18.3%	18.1%	7.4%	7.4%	14.5%	9.8%
Japan	-6.0%	-1.6%	6.1%	4.3%	2.2%	7.2%	3.2%
Pacific Basin ex Japan	1.0%	-6.6%	5.9%	2.1%	5.0%	15.6%	12.9%
Emerging Markets	-0.7%	-10.8%	-2.1%	-4.3%	-0.5%	11.3%	11.7%
World (FTSE All World)	0.5%	6.8%	11.8%	7.7%	7.8%	14.9%	8.8%
World ex UK (Developed)	0.8%	9.0%	13.7%	9.3%	9.0%	15.3%	8.6%
PROPERTY							
	6.0%	14.4%	2.2%	6.6%	10.7%	16.3%	18.0%
BONDS & CASH							
UK Gilts (Over 15 Years)	3.4%	-3.1%	2.3%	8.7%	8.2%	6.5%	6.1%
UK Gilts (All Stocks)	2.1%	-2.6%	1.3%	5.5%	5.4%	4.5%	5.3%
UK Index-linked (All)	3.2%	-3.8%	3.0%	7.8%	7.5%	8.0%	6.8%
Cash	0.1%	0.4%	0.5%	0.5%	0.5%	0.5%	2.6%
Corporate (All Inv Grade)	2.4%	2.5%	7.7%	7.8%	7.2%	11.6%	5.3%
Corporate (AAA)	2.1%	-0.5%	4.1%	5.3%	5.0%	5.5%	3.9%
Corporate (AA)	2.3%	1.0%	10.1%	9.3%	4.6%	20.1%	6.0%
Corporate (A)	2.0%	1.2%	11.8%	6.7%	5.3%	32.0%	6.8%
Corporate (BBB)	2.8%	4.4%	15.8%	8.4%	6.3%	42.5%	6.9%
OTHER							
Retail Price Index	0.6%	2.5%	2.9%	3.1%	3.7%	3.8%	3.3%
National Average Earnings	-1.0%	1.5%	0.8%	0.9%	1.4%	2.4%	2.7%

MARKETS

UK MARKET RETURNS

		Equities	Property	Gilts	Corporate Bonds	Index-linked	Cash
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%
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%

Highest Market Return in Year Across Overseas Markets

MARKETS

UK MARKET RETURNS (CONTINUED)

		Equities	Property	Gilts	Corporate Bonds	Index-linked	Cash
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%
	Q3	5.6%	2.9%	1.3%	2.8%	0.6%	0.1%
	Q4	5.5%	2.6%	-1.8%	0.2%	-0.9%	0.1%
	Annual	20.8%	8.7%	-5.9%	1.9%	0.5%	0.4%
2014	Q1	-0.6%	6.0%	3.4%	2.4%	3.2%	0.1%
	Q2						
	Q3						
	Q4						
	Annual						

Highest Market Return in Year Across Overseas Markets

MARKETS

INTERNATIONAL MARKET RETURNS

		World ex UK	North America	Europe ex UK	Japan	Pacific Basin ex Japan	Emerging Markets
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%
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%

Highest Market Return in Year Across Overseas Markets

MARKETS

INTERNATIONAL MARKET RETURNS (CONTINUED)

		World ex UK	North America	Europe ex UK	Japan	Pacific Basin ex Japan	Emerging Markets
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%
	Q3	1.2%	-0.8%	7.3%	0.1%	4.3%	-2.2%
	Q4	5.6%	7.5%	5.8%	0.1%	-1.1%	-0.7%
	Annual	25.0%	28.3%	26.5%	25.0%	2.4%	-5.0%
2014	Q1	0.8%	1.2%	3.0%	-6.0%	1.0%	-0.7%
	Q2						
	Q3						
	Q4						
	Annual						

Highest Market Return in Year Across Overseas Markets

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%
2013	2.7%	20.8%	17.7%	10.4%	5.3%	5.9%

MARKETS

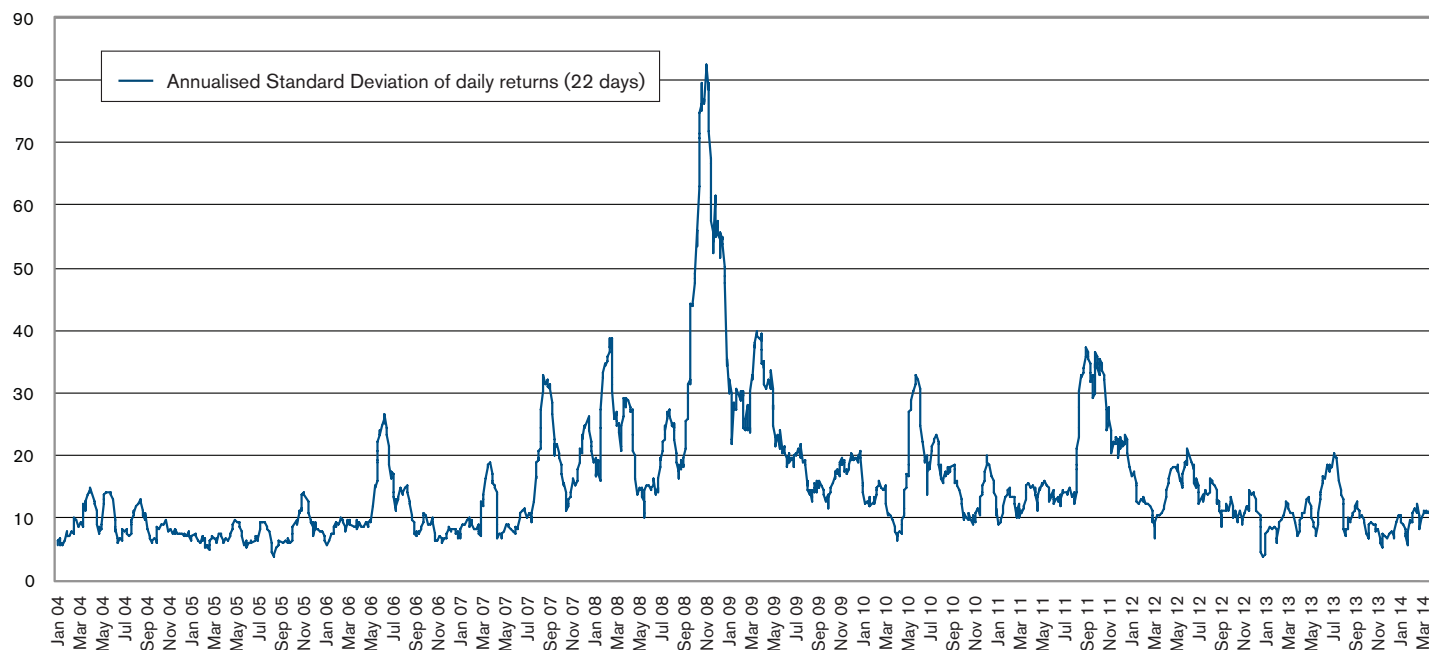
HISTORIC RETURNS FOR UK MARKETS (CONTINUED)

	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%
2013	-5.9%	-8.4%	1.2%	2.6%	5.0%	0.4%	-2.2%	-2.9%	-0.6%	2.1%

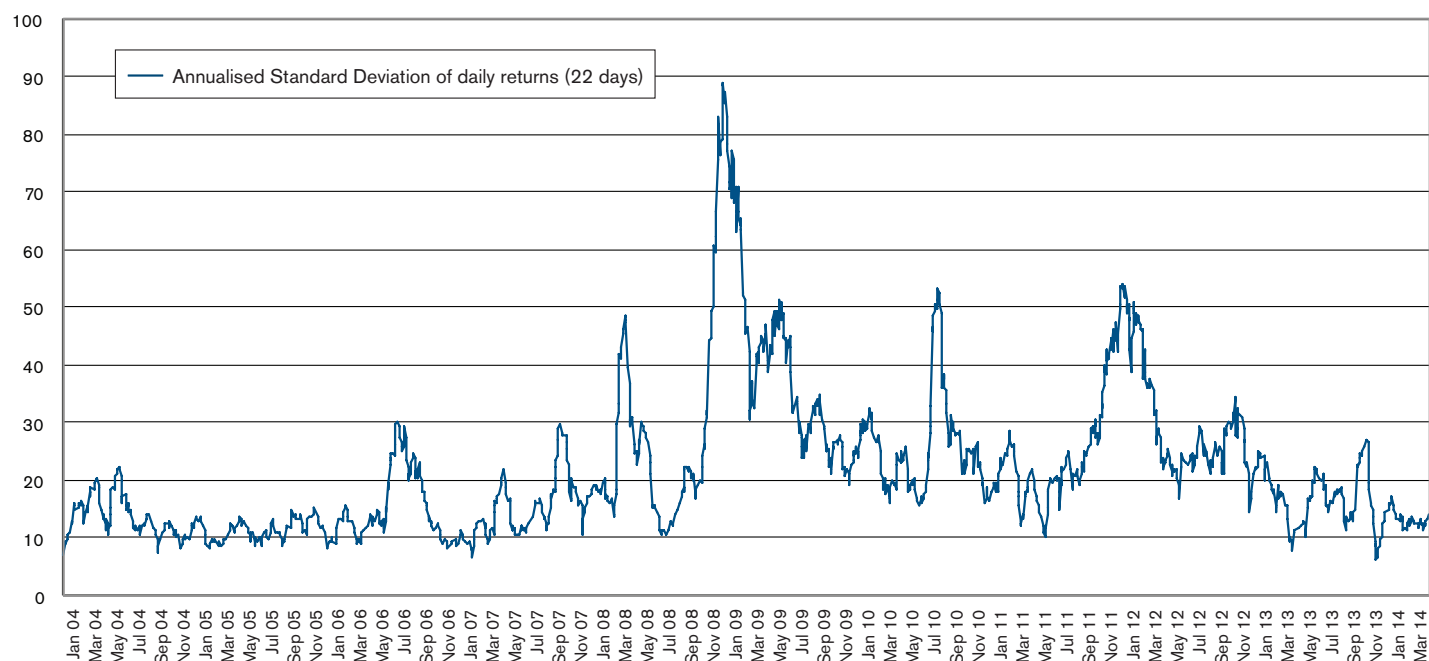
MARKETS

VOLATILITY OF MARKETS

FTSE 100



FTSE AW Europe ex UK

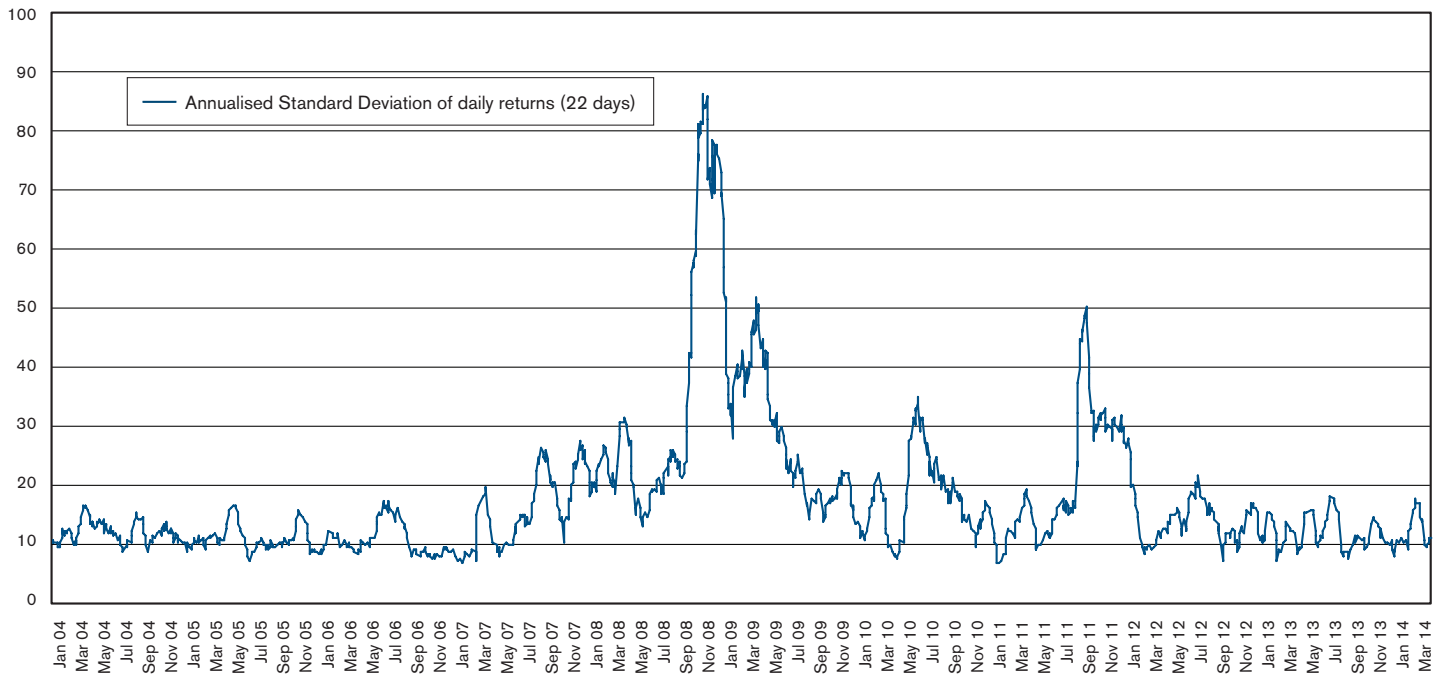


The annualised standard deviation of daily returns provides a measure of how volatile the market has been over the past month. High levels of volatility are associated with periods when prices have moved sharply from day to day.

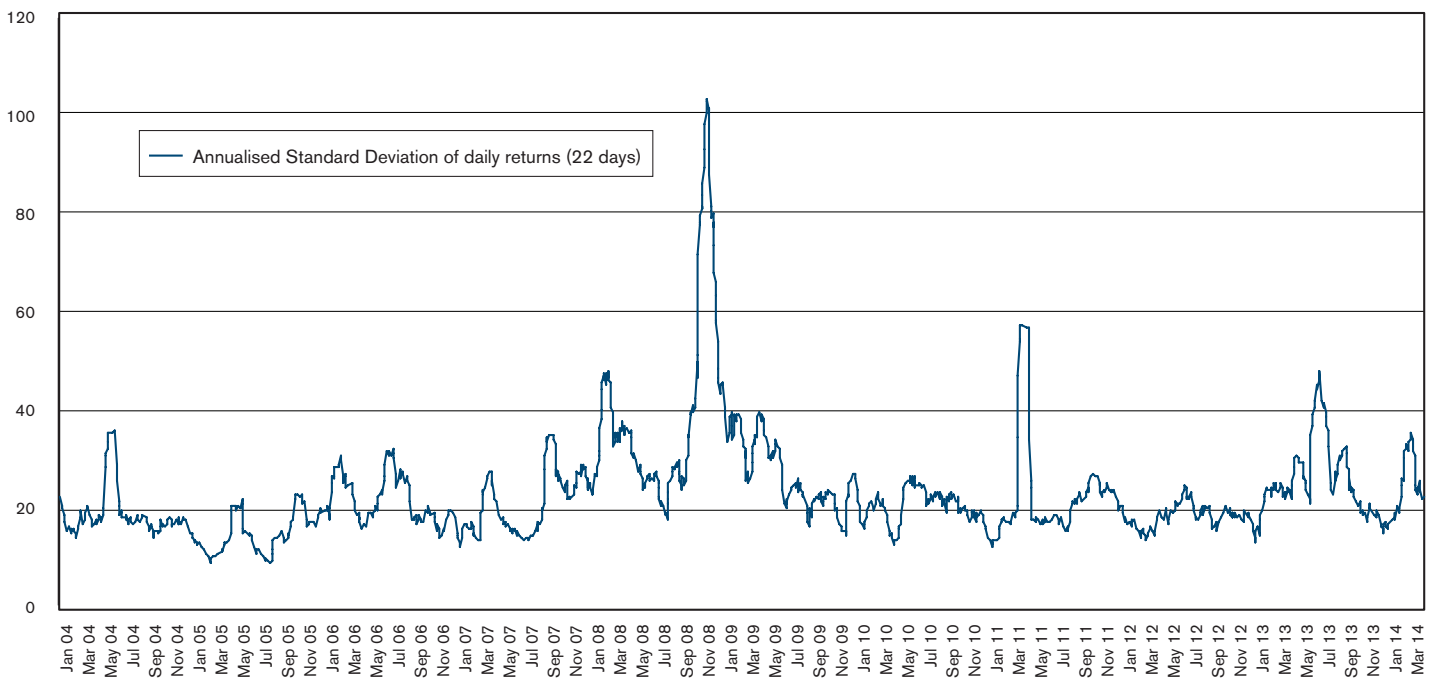
MARKETS

VOLATILITY OF MARKETS

S&P 500



TOPIX (Japan)



MARKETS

QUARTERLY INVESTMENT YIELDS

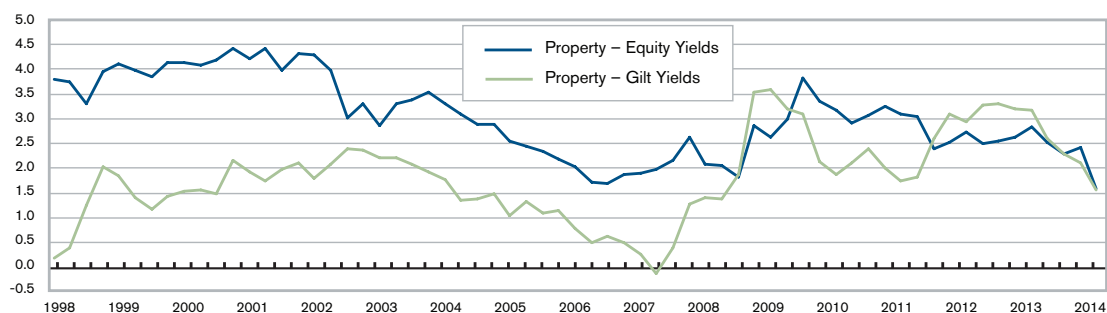
		UK Equities %	Overseas Equities %	Gilts %	Index -linked %	Corporate Bonds %	Cash %	UK Property %
1999	Q1	2.34	1.39	4.60	1.76		5.25	6.50
	Q2	2.26	1.50	4.82	1.90		5.06	6.30
	Q3	2.41	1.38	5.06	2.13		5.38	6.30
	Q4	2.12	1.17	4.80	1.80		3.44	6.30
2000	Q1	2.11	1.15	4.71	1.87		5.81	6.30
	Q2	2.16	1.22	4.68	1.83		5.88	6.30
	Q3	2.17	1.22	4.85	2.02		6.06	6.40
	Q4	2.23	1.28	4.48	1.92		4.88	6.70
2001	Q1	2.53	1.49	4.82	2.24		6.00	6.80
	Q2	2.42	1.44	5.10	2.41		4.91	6.90
	Q3	2.87	1.76	4.85	2.37		4.97	6.90
	Q4	2.63	1.58	4.84	2.30		4.31	7.00
2002	Q1	2.66	1.58	5.15	2.28		3.38	7.00
	Q2	2.98	1.82	4.87	2.14		3.75	7.00
	Q3	3.73	2.22	4.36	2.01	5.11	3.75	6.80
	Q4	3.55	2.12	4.47	2.02	5.16	4.19	6.90
2003	Q1	3.87	2.27	4.53	1.85	5.06	3.81	6.80
	Q2	3.43	1.99	4.52	1.76	5.06	3.63	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	3.50	6.70
2004	Q1	3.13	1.83	4.66	1.67	5.22	3.98	6.50
	Q2	3.16	1.86	4.88	1.87	5.42	4.50	6.30
	Q3	3.16	1.95	4.67	1.71	5.23	4.75	6.10
	Q4	3.05	1.87	4.45	1.54	4.98	4.74	6.00
2005	Q1	3.09	1.98	4.60	1.61	5.08	4.76	5.70
	Q2	3.10	2.03	4.20	1.39	4.83	4.79	5.60
	Q3	2.99	1.94	4.25	1.33	4.82	4.53	5.40
	Q4	2.95	1.92	4.00	1.09	4.48	4.67	5.20
2006	Q1	2.91	1.87	4.15	1.19	4.62	4.56	5.00
	Q2	3.11	2.08	4.35	1.43	4.87	4.60	4.90
	Q3	3.06	2.03	4.11	1.16	4.59	4.84	4.80
	Q4	2.86	1.96	4.23	1.23	4.71	5.12	4.80
2007	Q1	2.84	2.00	4.46	1.38	4.92	5.36	4.80
	Q2	2.75	3.46	4.86	1.67	5.37	5.75	4.80
	Q3	2.89	2.41	4.63	1.33	5.44	5.90	5.10
	Q4	3.02	2.56	4.35	1.00	5.36	5.65	5.70

MARKETS

QUARTERLY INVESTMENT YIELDS (CONTINUED)

		UK Equities %	Overseas Equities %	Gilts %	Index -linked %	Corporate Bonds %	Cash %	UK Property %
2008	Q1	3.76	2.98	4.42	0.81	5.60	5.38	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	5.75	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	0.70	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	0.48	7.20
	Q4	3.20	2.35	4.40	0.68	4.69	0.48	6.60
2010	Q1	3.16	2.21	4.46	0.64	4.70	0.40	6.40
	Q2	3.34	2.52	4.14	0.67	4.36	0.48	6.30
	Q3	3.17	2.41	3.85	0.48	4.11	0.41	6.30
	Q4	2.89	2.26	4.14	0.49	4.38	0.50	6.20
2011	Q1	2.96	2.28	4.30	0.63	4.52	0.55	6.10
	Q2	2.99	2.46	4.22	0.48	4.47	0.60	6.10
	Q3	3.66	2.95	3.45	0.16	3.66	0.65	6.10
	Q4	3.52	2.79	2.94	-0.25	3.55	0.70	6.10
2012	Q1	3.45	2.58	3.26	-0.11	3.61	0.65	6.25
	Q2	3.69	2.74	2.92	-0.10	3.29	0.60	6.25
	Q3	3.64	2.66	2.90	0.09	3.27	0.57	6.25
	Q4	3.57	2.73	3.00	-0.07	3.34	0.48	6.25
2013	Q1	3.35	2.54	3.02	-0.43	3.76	0.48	6.25
	Q2	3.53	2.60	3.43	-0.03	4.19	0.43	6.10
	Q3	3.41	2.49	3.41	-0.04	4.07	0.43	5.75
	Q4	3.28	2.31	3.58	0.03	4.17	0.41	5.75
2014	Q1	3.41	2.38	3.43	-0.10	4.07	0.44	5.05
	Q2							
	Q3							
	Q4							

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 2002-	Bloomberg (GBP EURO AAA Bond Index)
Cash	Return & Yield		Bloomberg
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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