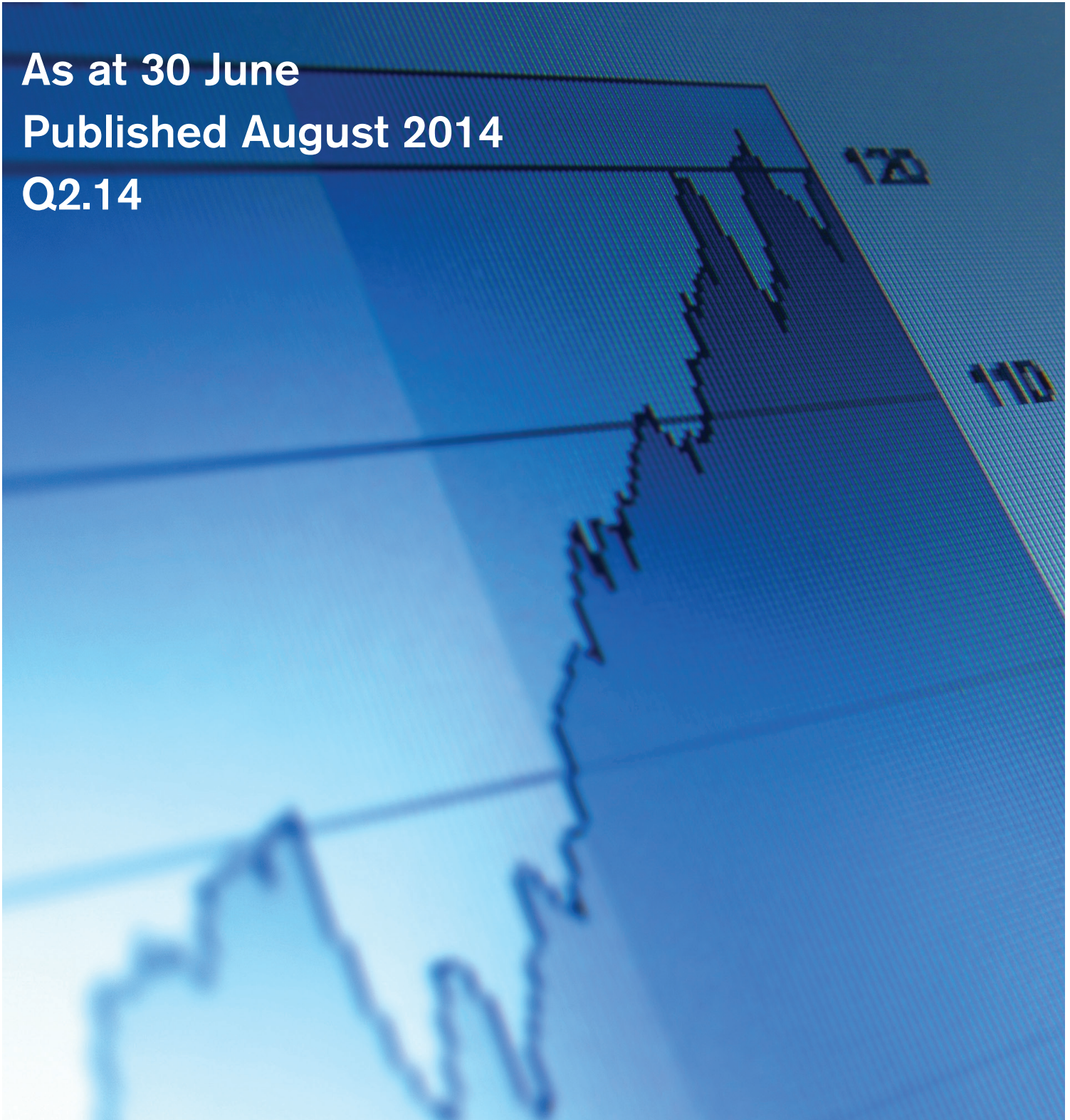


Prepared by:  
Gary Wells, FIA, FSAI



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## STATISTICS TO QUARTER END

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### INSURANCE

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## COMMENTS

## INSURANCE

According to the AA British Motor Insurance Premium Index, in the second quarter of 2014 the cost of car insurance dropped again, for the eighth consecutive quarter. The average Shoparound quote for an annual comprehensive car insurance policy reduced from £537.33 to £504.29, a fall of 6.1% over the quarter (over the year there was a 19.3% drop, the largest annual fall recorded by the index). Young motorists, aged between 17 and 22, have seen a large decline in premiums over the quarter, with their Shoparound average dropping from £1,184.94 to £1,096.45 (down 7.5% over the quarter and 24% over the year). However, the biggest decline in premiums was for drivers aged between 23 and 29, with their Shoparound average dropping from £704.60 to £649.70 (down 7.8% over the quarter and 22.6% over the year). Once again, motorists aged 70+ witnessed the smallest reduction in their premiums (a fall of 2.6% over the quarter and 10.1% over the year), as their Shoparound average dropped from £369.43 to £359.79 over the quarter. There are also significant differences in the cost of car insurance between regions of the UK with a wide variance in premiums. For example, car insurance is four times more expensive in London compared with the Isle of Man. In London, the average person with a car will pay around £922 for their yearly premium, while those in the Isle of Man pay around £232. The cheapest mainland area was the south west of Cornwall, with the average quote there being around £280. These differences reflect the greater risk of a collision taking place, but also because of the increased criminal activity, which has a detrimental effect on the premiums paid by honest motorists. However, over the past year, premiums have fallen in most areas of the UK and some of the biggest falls have been in postcode areas which have traditionally seen the highest premiums. Industry experts believe that the reductions are becoming unsustainable as insurers are digging into reserves to maintain their competitive edge. They also believe that reforms introduced by the government to curb fraudulent injury claims encouraged insurers to reduce premiums in anticipation that they would deliver large claims cost savings.

There are still concerns over whiplash costs in the UK, as many people are still prepared to claim money from insurance companies by exaggerating whiplash injuries for very minor collisions. A new measure, being introduced in October, is to limit the cost of whiplash medical assessment fees at £180. Currently, prices of up to £700 are charged, leading to concerns that they are being used to generate profit. The government is determined to tackle bogus claims and is hoping that a fixed rate will stop experts, who produce the reports, from having an incentive to encourage claimants to get unnecessary treatment. Around half a million whiplash claims are made each year, which add as much as £90 a year to drivers' premiums. In addition to the fixed rate, courts will be allowed to throw out any compensation case where part of the claim has proved to be fundamentally dishonest.

From January next year, driverless cars will be allowed on the public roads in the UK. Computer-controlled vehicles will be trialled in three cities, with the government making a £10m fund available to develop the technology in the UK. The introduction of driverless cars will mean that a different approach has to be taken with premiums. Motor insurance is based on risk, and the cost of a policy is connected with features of the driver (age, experience, convictions and past claims). With driverless cars, these features will not need to be considered, and consequently premiums for these cars should be lower than premiums for conventional cars, provided the technology operating them is reliable and reduces the likelihood of a crash. Experts believe that further research needs to be carried out on behalf of the industry to understand the full implications of the technology and its impact on the market.

According to the AA British Home Insurance Premium Index, in the second quarter of 2014, the cost of home insurance fell again, for the sixth successive quarter, as the number of claims for damage caused by weather has been fewer both in number and value than the industry was expecting. Although the cost of claims for homes affected by the most recent UK floods reached £1 billion, this had no direct effect on home premiums, as this cost was within the capacity of the industry. The AA Shoparound average premium for a buildings policy dropped from £122.18 to £116.51, down 4.6% over the quarter and 8.5% over the year, while the AA Shoparound average premium for a contents policy

## COMMENTS

dropped from £64.17 to £64, a fall of 0.3% over the quarter and 5.7% over the year. For a combined buildings and contents policy, the Shoparound average premium went from £170.93 to £164.27, a reduction of 3.9% over the quarter and 9.6% over the year.

Flood Re, expected to be introduced in 2015, is planned to provide affordable flood cover for high-risk residential properties. Draft secondary legislation was published in July, which marked another step forward in developing Flood Re; however, insurers have expressed concerns as to whether the scheme is actually workable. Insurers are concerned that Flood Re could be denied approval from regulators as a 'sustainable insurance vehicle'. They are concerned that a proposal to limit Flood Re's cash flows risks causing insurmountable problems in financing the scheme (without a scheme, 200,000 home insurance policyholders will most likely experience large increases in premiums and excess levels). Defra (Department for environment, food and rural affairs) has proposed that the scheme is prevented from adding more than £100 million to public sector net borrowing in any given fiscal year. Industry experts have commented that the £100 million limit would have no impact on Flood Re's ability to pay flood claims to insurers, although the rating agency Moody's believes that if there is a limit to how much the government can contribute into the fund, it may limit how much Flood Re pays out to insurers. Plans are also being considered to encourage policyholders to protect their properties against floods. Under these plans, after a third claim, a policyholder could be ejected from the scheme if they haven't invested enough money in their property's flood resilience.

## ECONOMY

The UK enjoyed a sixth straight quarterly expansion, with its economy growing by 0.8% in the second quarter (on an annual basis, GDP expanded by 3.1%, the fastest annual growth rate since the final quarter of 2007). This means that the UK's economy has overtaken its precession peak (it is 0.2% higher than the peak in 2008). The recovery means that the Bank of England is expected to begin slowly raising interest rates in the near future. The expansion was led by the dominant services sector, which expanded by 1%, the strongest growth since the third quarter of 2012. However, the construction sector declined, with a contraction of 0.5%, the agricultural sector contracted by 0.2% and although industrial production increased by 0.4%, this was slower than the 0.7% growth in the first quarter of 2014. The IMF has predicted that the UK will grow by 3.2% this year (the previous forecast was 2.8%) and it has also predicted that the UK economy is going to be the fastest-growing economy among the G8 developed nations.

The Eurozone's recovery ground to a halt as the economy stagnated in the second quarter, recording zero growth and increasing the pressure on the European Central Bank to take measures to stimulate the economy. The Eurozone suffered as a result of the German economy contracting by 0.2%, the first fall since 2012, as foreign trade and investment, particularly in the construction sector, weighed on growth. A mild winter meant that more of the year's construction work could be done in the first quarter, when output increased by 0.7%, which meant that construction investment declined in the second quarter. Economists had predicted that Germany would stagnate over the period. In addition to Germany struggling, France registered zero growth for the second successive quarter (companies slashed investment and imports fell). The lack of growth was weaker than many economists had expected. The French finance minister doesn't believe that France will meet its deficit target for the year, and its annual growth forecast has been revised down from 1% to 0.5%. There was also trouble for Italy, as the Eurozone's third-largest economy entered a triple-dip recession, with its GDP falling by 0.2% in the second quarter (following a 0.1% contraction in the first quarter). There was some positive growth for certain countries in the Eurozone, with the Spanish economy growing by 0.6% and the Portuguese economy growing by 0.6% after a 0.6% contraction in the first quarter.

## COMMENTS

Over the second quarter, the US economy expanded at an annual rate of 4%, reversing the contraction seen in the first quarter (when the economy shrank by 2.1%). The growth was also better than the 3% economists had predicted. The economy was boosted by a 2.5% increase in consumer spending (up from 1.2% in the previous quarter), which makes up more than two-thirds of US economic activity. There was also an increase in exports, business spending and local government spending. Annual revisions also showed that the economy expanded at an annual rate of 4% in the second half of 2013, its fastest pace of growth in a decade. However, the economy is still at its weakest position since World War II, and the recovery from the recession remains the slowest on record.

China's economy grew by 7.5% in the second quarter of 2014, compared to the previous year. This was better than the 7.4% growth in the first quarter and better than the 7.4% expected growth (the quarterly growth was 2%, which was stronger than the 1.8% growth forecast and the 1.4% growth in the previous quarter). The latest results appear to show that the recovery is slowly taking hold as government stimulus measures kick in. China still expects to achieve at least 7.5% growth over the year, as easing measures and ongoing export recovery should help growth in the third quarter. However, other economists believe that the economic recovery appears patchy and that faltering Eurozone growth could keep expected export gains in check.

## MARKETS

After a poor performance in the first quarter of 2014, UK equities performed relatively favourably in the second quarter. The FTSE Small Cap grew by a modest 0.1% (after a growth of 1.4% in the first quarter), the FTSE All Share grew by 2.2% (after a contraction of 0.6% in the first quarter) and the FTSE 100 expanded by 3% (after a contraction of 1.3% in the first quarter). There was a strong performance overseas, with North American equities growing by 2.9%, Japanese equities growing by 4.3% and the Emerging Markets growing by 5%. Fixed-interest assets had a similar performance to the first quarter, with all of the major bonds recording growth. The Corporate (AAA) bond increased by 2.3%, the Corporate (AA) bond increased by 1.6%, the Corporate (A) bond grew by 2.2% and the Corporate (BBB) grew by 2.6%.

## INSURANCE

### THE AA'S BRITISH INSURANCE PREMIUM INDEX

|             |               | Buildings     | Contents     | Combined | Motor<br>Comp | Motor<br>Non-Comp |             |               | Buildings    | Contents      | Combined     | Motor<br>Comp | Motor<br>Non-Comp |
|-------------|---------------|---------------|--------------|----------|---------------|-------------------|-------------|---------------|--------------|---------------|--------------|---------------|-------------------|
| <b>1995</b> | Q1            | 152.4         | 99.0         |          | 314.5         | 371.3             | <b>2005</b> | Q1            | 158.4        | 108.6         |              | 599.1         | 746.6             |
|             | Q2            | 151.0         | 99.9         |          | 319.5         | 373.7             |             | Q2            | 155.4        | 106.9         |              | 604.3         | 753.2             |
|             | Q3            | 149.0         | 99.2         |          | 312.1         | 373.2             |             | Q3            | 157.1        | 109.2         |              | 611.1         | 770.9             |
|             | Q4            | 141.3         | 96.7         |          | 297.1         | 367.6             |             | Q4            | 158.4        | 108.8         |              | 608.6         | 773.7             |
|             | <b>Annual</b> | <b>-10.8%</b> | <b>-5.8%</b> |          | <b>-8.0%</b>  | <b>-4.2%</b>      |             | <b>Annual</b> | <b>-0.9%</b> | <b>-0.4%</b>  |              | <b>0.9%</b>   | <b>3.4%</b>       |
| <b>1996</b> | Q1            | 138.5         | 93.7         |          | 297.2         | 367.3             | <b>2006</b> | Q1            | 159.4        | 109.8         |              | 605.5         | 787.2             |
|             | Q2            | 135.2         | 93.4         |          | 303.1         | 368.8             |             | Q2            | 158.6        | 110.0         |              | 608.9         | 784.9             |
|             | Q3            | 136.8         | 93.4         |          | 321.0         | 384.4             |             | Q3            | 158.1        | 107.1         |              | 616.5         | 821.2             |
|             | Q4            | 140.1         | 95.3         |          | 325.7         | 389.9             |             | Q4            | 160.1        | 106.5         |              | 643.3         | 822.2             |
|             | <b>Annual</b> | <b>-0.8%</b>  | <b>-1.4%</b> |          | <b>9.6%</b>   | <b>6.1%</b>       |             | <b>Annual</b> | <b>1.1%</b>  | <b>-2.0%</b>  |              | <b>5.7%</b>   | <b>6.3%</b>       |
| <b>1997</b> | Q1            | 142.2         | 96.7         |          | 338.5         | 403.6             | <b>2007</b> | Q1            | 161.3        | 107.9         |              | 640.7         | 817.1             |
|             | Q2            | 141.9         | 96.4         |          | 342.6         | 407.4             |             | Q2            | 158.3        | 106.5         |              | 656.7         | 828.0             |
|             | Q3            | 142.2         | 96.1         |          | 349.4         | 406.7             |             | Q3            | 163.1        | 108.9         |              | 665.5         | 857.5             |
|             | Q4            | 142.2         | 96.6         |          | 356.7         | 422.4             |             | Q4            | 165.4        | 109.3         |              | 677.6         | 886.9             |
|             | <b>Annual</b> | <b>1.5%</b>   | <b>1.3%</b>  |          | <b>9.5%</b>   | <b>8.3%</b>       |             | <b>Annual</b> | <b>3.3%</b>  | <b>2.6%</b>   |              | <b>5.3%</b>   | <b>7.9%</b>       |
| <b>1998</b> | Q1            | 141.2         | 96.8         |          | 362.2         | 429.6             | <b>2008</b> | Q1            | 165.1        | 110.5         |              | 674.2         | 878.8             |
|             | Q2            | 141.3         | 97.3         |          | 372.3         | 441.7             |             | Q2            | 165.8        | 110.6         | 260.6        | 694.5         | 926.4             |
|             | Q3            | 140.8         | 97.2         |          | 382.0         | 452.1             |             | Q3            | 168.9        | 105.9         | 255.6        | 716.1         | 921.3             |
|             | Q4            | 141.3         | 96.8         |          | 389.6         | 462.7             |             | Q4            | 177.8        | 104.2         | 259.4        | 736.8         | 952.9             |
|             | <b>Annual</b> | <b>-0.7%</b>  | <b>0.2%</b>  |          | <b>9.2%</b>   | <b>9.6%</b>       |             | <b>Annual</b> | <b>7.5%</b>  | <b>-4.7%</b>  |              | <b>8.7%</b>   | <b>7.4%</b>       |
| <b>1999</b> | Q1            | 141.3         | 97.2         |          | 395.3         | 472.0             | <b>2009</b> | Q1            | 178.2        | 107.0         | 261.1        | 746.7         | 947.0             |
|             | Q2            | 143.7         | 98.2         |          | 412.2         | 486.1             |             | Q2            | 182.6        | 103.6         | 266.3        | 773.0         | 990.6             |
|             | Q3            | 143.3         | 98.4         |          | 425.4         | 499.9             |             | Q3            | 185.4        | 105.5         | 266.2        | 816.0         | 1083.2            |
|             | Q4            | 143.9         | 98.9         |          | 450.6         | 529.0             |             | Q4            | 196.5        | 112.2         | 287.5        | 874.8         | 1179.3            |
|             | <b>Annual</b> | <b>1.9%</b>   | <b>2.2%</b>  |          | <b>15.7%</b>  | <b>14.3%</b>      |             | <b>Annual</b> | <b>10.5%</b> | <b>7.7%</b>   | <b>10.8%</b> | <b>18.7%</b>  | <b>23.8%</b>      |
| <b>2000</b> | Q1            | 145.3         | 99.4         |          | 477.3         | 548.1             | <b>2010</b> | Q1            | 200.0        | 109.3         | 297.3        | 846.9         | 1126.5            |
|             | Q2            | 145.4         | 99.4         |          | 498.3         | 582.3             |             | Q2            | 205.1        | 110.8         | 299.2        | 949.3         | 1304.1            |
|             | Q3            | 145.9         | 99.9         |          | 515.7         | 603.8             |             | Q3            | 204.3        | 110.8         | 289.9        | 1059.9        | 1431.5            |
|             | Q4            | 147.0         | 100.0        |          | 535.0         | 632.2             |             | Q4            | 215.0        | 112.3         | 297.1        | 1129.8        | 1667.9            |
|             | <b>Annual</b> | <b>2.2%</b>   | <b>1.1%</b>  |          | <b>18.7%</b>  | <b>19.5%</b>      |             | <b>Annual</b> | <b>9.5%</b>  | <b>0.1%</b>   | <b>3.3%</b>  | <b>29.1%</b>  | <b>41.4%</b>      |
| <b>2001</b> | Q1            | 149.4         | 101.4        |          | 558.5         | 671.4             | <b>2011</b> | Q1            | 216.9        | 110.7         | 296.4        | 1201.1        | 1798.2            |
|             | Q2            | 150.7         | 102.9        |          | 563.5         | 688.2             |             | Q2            | 211.7        | 112.7         | 296.5        | 1219.7        | 1735.2            |
|             | Q3            | 151.1         | 103.7        |          | 574.1         | 700.8             |             | Q3            | 215.2        | 112.9         | 301.0        | 1229.6        | 1737.8            |
|             | Q4            | 152.8         | 104.8        |          | 584.6         | 711.6             |             | Q4            | 220.7        | 117.3         | 309.0        | 1236.9        | 1779.3            |
|             | <b>Annual</b> | <b>3.9%</b>   | <b>4.8%</b>  |          | <b>9.3%</b>   | <b>12.6%</b>      |             | <b>Annual</b> | <b>2.6%</b>  | <b>4.5%</b>   | <b>4.0%</b>  | <b>9.5%</b>   | <b>6.7%</b>       |
| <b>2002</b> | Q1            | 154.4         | 105.8        |          | 589.9         | 721.3             | <b>2012</b> | Q1            | 219.5        | 114.7         | 310.3        | 1237.5        | 1802.8            |
|             | Q2            | 155.5         | 106.3        |          | 595.0         | 723.0             |             | Q2            | 213.8        | 112.9         | 303.2        | 1263.3        | 1826.0            |
|             | Q3            | 156.2         | 106.9        |          | 600.2         | 727.3             |             | Q3            | 218.2        | 114.1         | 305.3        | 1227.8        | 1750.6            |
|             | Q4            | 156.6         | 107.2        |          | 605.7         | 735.8             |             | Q4            | 221.9        | 115.7         | 309.4        | 1179.6        | 1707.0            |
|             | <b>Annual</b> | <b>2.5%</b>   | <b>2.3%</b>  |          | <b>3.6%</b>   | <b>3.4%</b>       |             | <b>Annual</b> | <b>0.6%</b>  | <b>-1.4%</b>  | <b>0.1%</b>  | <b>-4.6%</b>  | <b>-4.1%</b>      |
| <b>2003</b> | Q1            | 157.9         | 108.0        |          | 610.1         | 741.8             | <b>2013</b> | Q1            | 217.4        | 111.0         | 304.2        | 1142.6        | 1635.3            |
|             | Q2            | 158.2         | 108.5        |          | 612.3         | 741.5             |             | Q2            | 210.1        | 105.1         | 292.6        | 1067.0        | 1452.2            |
|             | Q3            | 158.6         | 109.0        |          | 619.3         | 750.6             |             | Q3            | 201.5        | 103.0         | 282.5        | 1006.8        | 1355.2            |
|             | Q4            | 159.7         | 109.4        |          | 620.8         | 749.2             |             | Q4            | 200.6        | 102.0         | 280.2        | 979.5         | 1302.1            |
|             | <b>Annual</b> | <b>2.0%</b>   | <b>2.0%</b>  |          | <b>2.5%</b>   | <b>1.8%</b>       |             | <b>Annual</b> | <b>-9.6%</b> | <b>-11.9%</b> | <b>-9.5%</b> | <b>-17.0%</b> | <b>-23.7%</b>     |
| <b>2004</b> | Q1            | 159.6         | 110.0        |          | 619.6         | 749.3             | <b>2014</b> | Q1            | 197.1        | 102.8         | 274.2        | 902.1         | 1214.9            |
|             | Q2            | 159.6         | 110.5        |          | 606.0         | 742.2             |             | Q2            | 192.3        | 101.9         | 269.1        | 888.3         | 1202.0            |
|             | Q3            | 159.5         | 109.3        |          | 600.5         | 743.8             |             | Q3            |              |               |              |               |                   |
|             | Q4            | 159.8         | 109.2        |          | 603.4         | 748.2             |             | Q4            |              |               |              |               |                   |
|             | <b>Annual</b> | <b>0.1%</b>   | <b>-0.1%</b> |          | <b>-2.8%</b>  | <b>-0.1%</b>      |             | <b>Annual</b> |              |               |              |               |                   |

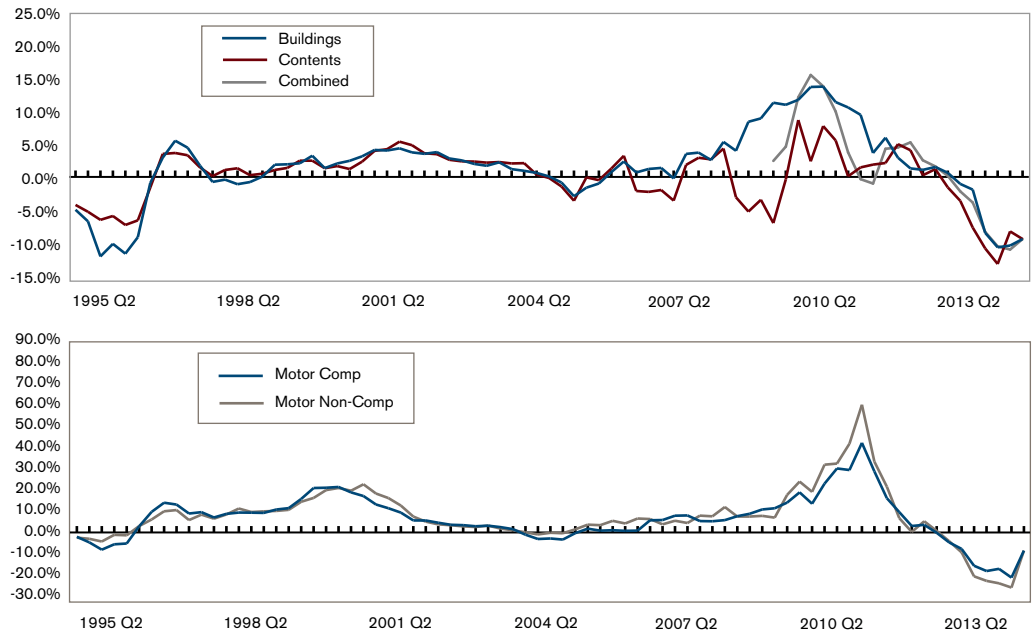
## INSURANCE

### INSURANCE PREMIUM INDEX-SHOPAROUND AVERAGE PREMIUM

|             |               | Buildings | Contents | Combined | Motor<br>Comp | Motor<br>Non-Comp |             |               | Buildings    | Contents     | Combined     | Motor<br>Comp | Motor<br>Non-Comp |
|-------------|---------------|-----------|----------|----------|---------------|-------------------|-------------|---------------|--------------|--------------|--------------|---------------|-------------------|
| <b>1995</b> | Q1            |           |          |          |               |                   | <b>2005</b> | Q1            | 100.9        | 78.2         | 376.2        | 336.9         |                   |
|             | Q2            |           |          |          |               |                   |             | Q2            | 101.7        | 76.5         | 380.2        | 337.6         |                   |
|             | Q3            |           |          |          |               |                   |             | Q3            | 105.5        | 78.0         | 379.7        | 343.3         |                   |
|             | Q4            |           |          |          |               |                   |             | Q4            | 105.3        | 77.5         | 383.7        | 353.7         |                   |
|             | <b>Annual</b> |           |          |          |               |                   |             | <b>Annual</b> | <b>4.1%</b>  | <b>-2.7%</b> | <b>1.9%</b>  | <b>4.7%</b>   |                   |
| <b>1996</b> | Q1            |           |          |          |               |                   | <b>2006</b> | Q1            | 107.1        | 78.8         | 385.3        | 364.9         |                   |
|             | Q2            |           |          |          |               |                   |             | Q2            | 105.8        | 77.4         | 384.5        | 365.9         |                   |
|             | Q3            |           |          |          |               |                   |             | Q3            | 105.5        | 76.9         | 379.3        | 359.9         |                   |
|             | Q4            |           |          |          |               |                   |             | Q4            | 108.7        | 76.4         | 386.8        | 369.0         |                   |
|             | <b>Annual</b> |           |          |          |               |                   |             | <b>Annual</b> | <b>3.2%</b>  | <b>-1.4%</b> | <b>0.8%</b>  | <b>4.3%</b>   |                   |
| <b>1997</b> | Q1            |           |          |          |               |                   | <b>2007</b> | Q1            | 107.3        | 77.0         | 384.2        | 377.5         |                   |
|             | Q2            |           |          |          |               |                   |             | Q2            | 103.6        | 74.4         | 392.4        | 381.4         |                   |
|             | Q3            |           |          |          |               |                   |             | Q3            | 109.6        | 75.0         | 390.3        | 390.8         |                   |
|             | Q4            |           |          |          |               |                   |             | Q4            | 121.1        | 72.9         | 405.5        | 399.4         |                   |
|             | <b>Annual</b> |           |          |          |               |                   |             | <b>Annual</b> | <b>11.4%</b> | <b>-4.5%</b> | <b>4.8%</b>  | <b>8.2%</b>   |                   |
| <b>1998</b> | Q1            |           |          |          |               |                   | <b>2008</b> | Q1            | 120.7        | 73.1         | 196.1        | 400.8         | 405.8             |
|             | Q2            |           |          |          |               |                   |             | Q2            | 126.3        | 75.3         | 205.7        | 415.8         | 431.1             |
|             | Q3            |           |          |          |               |                   |             | Q3            | 123.5        | 72.4         | 198.4        | 424.3         | 436.2             |
|             | Q4            |           |          |          |               |                   |             | Q4            | 122.7        | 69.6         | 196.3        | 434.8         | 449.5             |
|             | <b>Annual</b> |           |          |          |               |                   |             | <b>Annual</b> | <b>1.3%</b>  | <b>-4.5%</b> | <b>7.2%</b>  | <b>12.6%</b>  |                   |
| <b>1999</b> | Q1            |           |          |          |               |                   | <b>2009</b> | Q1            | 127.7        | 73.0         | 201.9        | 438.1         | 462.0             |
|             | Q2            |           |          |          |               |                   |             | Q2            | 133.0        | 69.3         | 204.6        | 457.3         | 486.4             |
|             | Q3            |           |          |          |               |                   |             | Q3            | 130.2        | 69.1         | 204.6        | 479.3         | 526.7             |
|             | Q4            |           |          |          |               |                   |             | Q4            | 136.8        | 72.7         | 214.4        | 533.3         | 599.7             |
|             | <b>Annual</b> |           |          |          |               |                   |             | <b>Annual</b> | <b>11.5%</b> | <b>4.4%</b>  | <b>9.2%</b>  | <b>22.6%</b>  | <b>33.4%</b>      |
| <b>2000</b> | Q1            |           |          |          |               |                   | <b>2010</b> | Q1            | 136.3        | 74.2         | 217.3        | 536.5         | 626.6             |
|             | Q2            |           |          |          |               |                   |             | Q2            | 137.7        | 75.9         | 224.4        | 598.4         | 726.4             |
|             | Q3            |           |          |          |               |                   |             | Q3            | 140.0        | 79.3         | 218.3        | 667.4         | 814.0             |
|             | Q4            |           |          |          |               |                   |             | Q4            | 150.7        | 78.7         | 224.9        | 710.3         | 1030.7            |
|             | <b>Annual</b> |           |          |          |               |                   |             | <b>Annual</b> | <b>10.2%</b> | <b>8.3%</b>  | <b>4.9%</b>  | <b>33.2%</b>  | <b>71.9%</b>      |
| <b>2001</b> | Q1            |           |          |          |               |                   | <b>2011</b> | Q1            | 154.9        | 83.0         | 224.0        | 751.9         | 1140.9            |
|             | Q2            |           |          |          |               |                   |             | Q2            | 153.9        | 82.1         | 227.4        | 778.7         | 1086.5            |
|             | Q3            |           |          |          |               |                   |             | Q3            | 160.0        | 83.9         | 230.8        | 776.6         | 1083.3            |
|             | Q4            |           |          |          |               |                   |             | Q4            | 165.0        | 87.6         | 237.5        | 818.8         | 1109.2            |
|             | <b>Annual</b> |           |          |          |               |                   |             | <b>Annual</b> | <b>9.5%</b>  | <b>11.2%</b> | <b>5.6%</b>  | <b>15.3%</b>  | <b>7.6%</b>       |
| <b>2002</b> | Q1            |           |          |          |               |                   | <b>2012</b> | Q1            | 165.8        | 86.1         | 241.1        | 809.9         | 1118.0            |
|             | Q2            |           |          |          |               |                   |             | Q2            | 164.4        | 86.1         | 244.8        | 844.8         | 1146.3            |
|             | Q3            |           |          |          |               |                   |             | Q3            | 168.3        | 86.7         | 247.4        | 820.0         | 1125.9            |
|             | Q4            |           |          |          |               |                   |             | Q4            | 168.7        | 87.2         | 245.9        | 796.1         | 1138.9            |
|             | <b>Annual</b> |           |          |          |               |                   |             | <b>Annual</b> | <b>2.2%</b>  | <b>-0.5%</b> | <b>3.6%</b>  | <b>-2.8%</b>  | <b>2.7%</b>       |
| <b>2003</b> | Q1            |           |          |          |               |                   | <b>2013</b> | Q1            | 164.5        | 84.4         | 243.5        | 800.5         | 1179.7            |
|             | Q2            |           |          |          |               |                   |             | Q2            | 160.4        | 83.9         | 237.8        | 762.5         | 1107.1            |
|             | Q3            |           |          |          |               |                   |             | Q3            | 154.1        | 81.4         | 228.9        | 721.5         | 1057.1            |
|             | Q4            |           |          |          |               |                   |             | Q4            | 154.7        | 80.5         | 226.5        | 699.5         | 977.9             |
|             | <b>Annual</b> |           |          |          |               |                   |             | <b>Annual</b> | <b>-8.3%</b> | <b>-7.6%</b> | <b>-7.9%</b> | <b>-12.1%</b> | <b>-14.1%</b>     |
| <b>2004</b> | Q1            |           |          |          |               |                   | <b>2014</b> | Q1            | 152.0        | 80.5         | 221.5        | 648.7         | 930.0             |
|             | Q2            |           |          |          | 390.8         | 334.7             |             | Q2            | 145.5        | 80.6         | 213.9        | 620.1         | 852.0             |
|             | Q3            | 101.5     | 81.2     |          | 384.0         | 344.2             |             | Q3            |              |              |              |               |                   |
|             | Q4            | 101.2     | 79.6     |          | 376.4         | 337.8             |             | Q4            |              |              |              |               |                   |
|             | <b>Annual</b> |           |          |          |               |                   |             | <b>Annual</b> |              |              |              |               |                   |

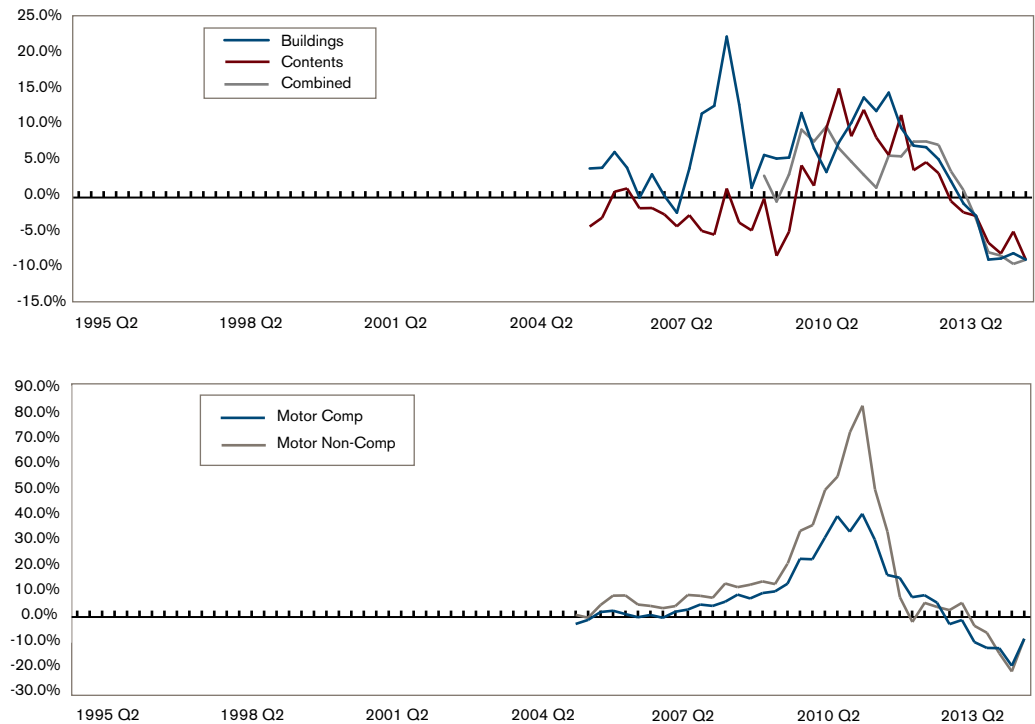
## INSURANCE

### 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             | %    |
|--------------------------|------|----------------------------|------|----------------------------|------|
| <b>1992</b> 5th May      | 10.0 | <b>1998</b> 4th June       | 7.5  | <b>2004</b> 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  |
| <b>1993</b> 26th January | 6.0  | <b>1999</b> 7th January    | 6.0  | <b>2005</b> 4th August     | 4.5  |
| 23rd November            | 5.5  | 4th February               | 5.5  | Annual Average             | 4.6  |
| Annual Average           | 6.0  | 10th June                  | 5.0  | <b>2006</b> 3rd August     | 4.75 |
| <b>1994</b> 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  | <b>2007</b> 11th January   | 5.25 |
| Annual Average           | 5.5  | <b>2000</b> 13th January   | 5.75 | 10th May                   | 5.5  |
| <b>1995</b> 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  | <b>2001</b> 8th February   | 5.75 | Annual Average             | 5.5  |
| <b>1996</b> 18th January | 6.25 | 5th April                  | 5.5  | <b>2008</b> 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  |
| <b>1997</b> 6th May      | 6.25 | 8th November               | 4.0  | Annual Average             | 4.7  |
| 9th June                 | 6.5  | Annual Average             | 5.1  | <b>2009</b> 8th January    | 1.5  |
| 10th July                | 6.75 | <b>2002</b> Annual Average | 4.0  | 5th February               | 1    |
| 7th August               | 7.0  | <b>2003</b> 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 | <b>2010</b> Annual Average | 0.5  |
|                          |      | Annual Average             | 3.7  | <b>2011</b> Annual Average | 0.5  |
|                          |      |                            |      | <b>2012</b> Annual Average | 0.5  |
|                          |      |                            |      | <b>2013</b> 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 | 1.71 | 1.25 | 173 |
|      | 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 |      |    |      |      |     |

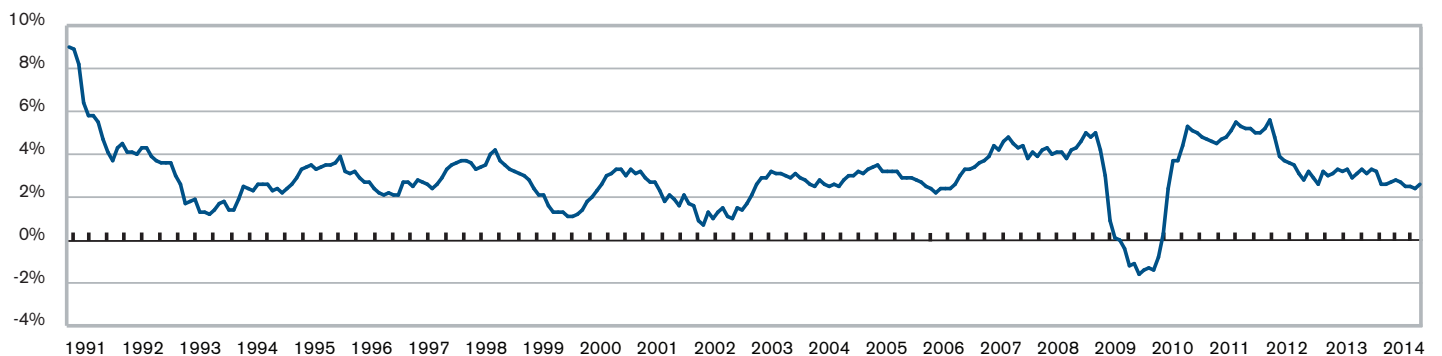
\* Euro from Q1 1999

## 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 | 255.7 | 255.9 | 256.3 |       |       |       |       |       |       |                 |

Rolling Annual Increase on a Monthly Basis



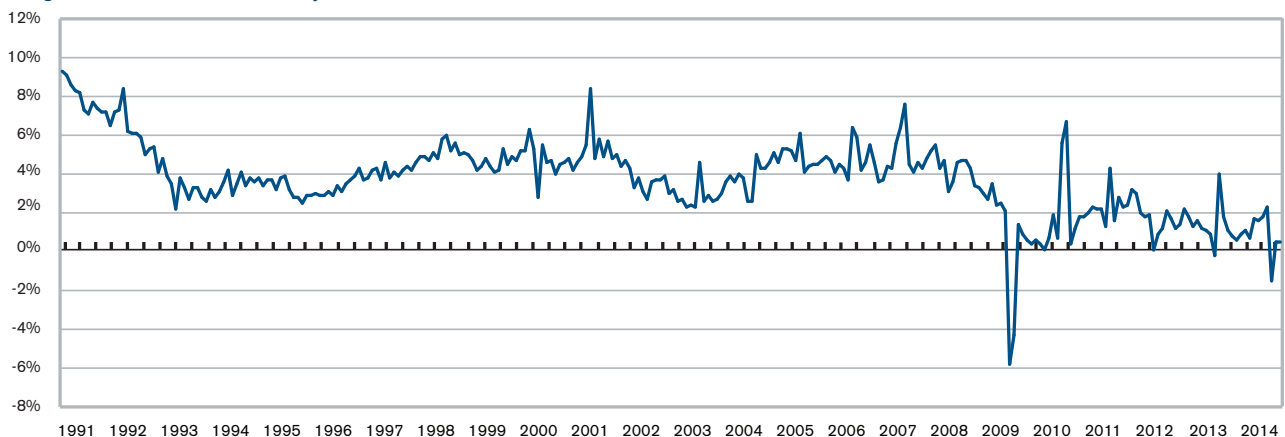
## ECONOMICS

### 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 | 147.7 | 146.6 | 152.8 | 149.9 | 149.6 | 149.4 | 149.5 | 149.5 | 149.8 | 149.7 | 150.7 | 1.7%            |
| 2014 | 150.5 | 150.4 | 149.9 | 150.5 | 150.6 | 150.3 |       |       |       |       |       |       |                 |

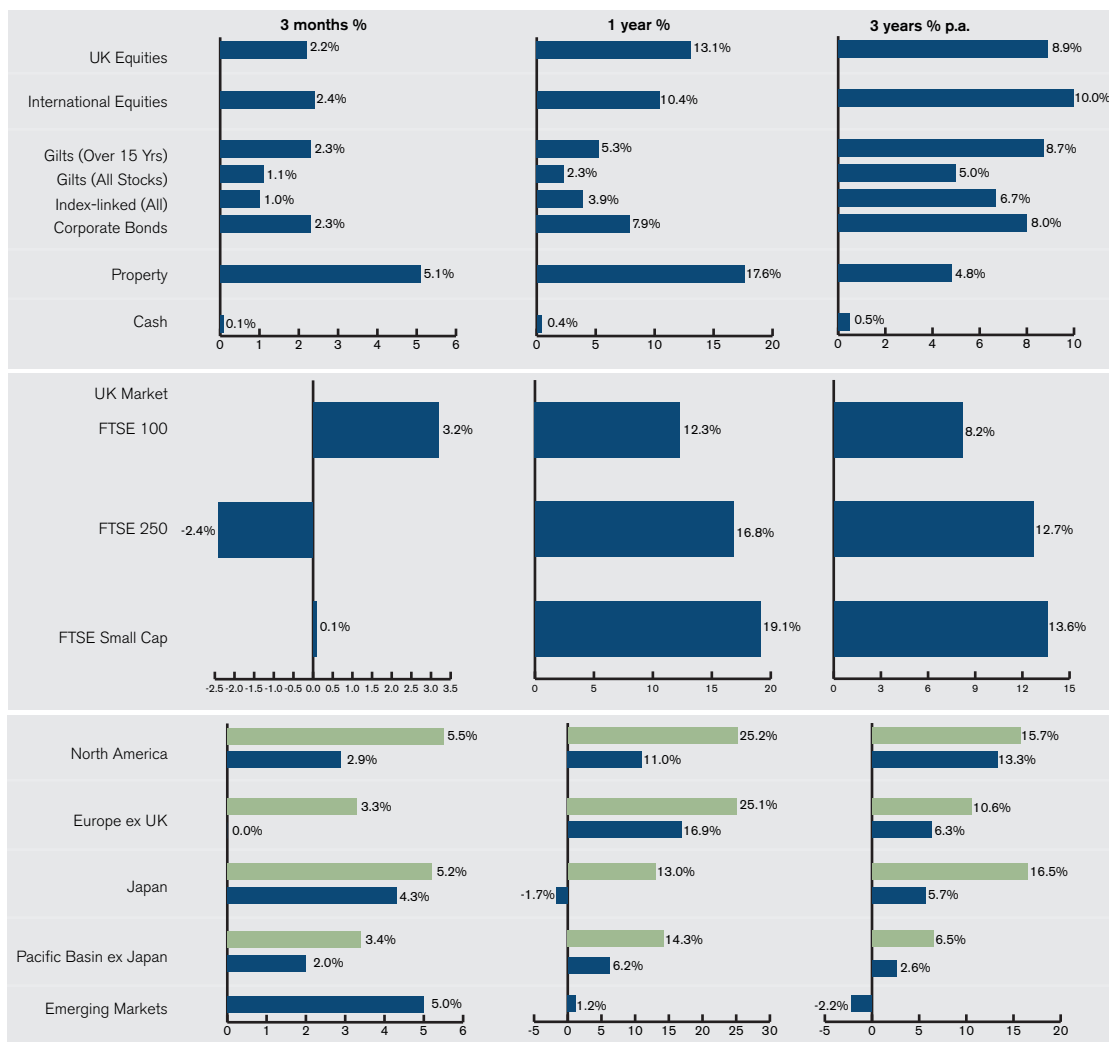
The National Average Earnings Index was discontinued as of September 2010 with the last data being supplied for July 2010. From August 2010 data from the National Weekly Earnings Index replaces the National Average Earning index. Subsequently, measures of past performance incorporating data from both 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<br>% | 1 Year<br>% p.a. | 2 Years<br>% p.a. | 3 Years<br>% p.a. | 4 Years<br>% p.a. | 5 Years<br>% p.a. | 10 Years<br>% p.a. |
|---------------------------|---------------|------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| <b>EQUITIES</b>           |               |                  |                   |                   |                   |                   |                    |
| FTSE All Share            | 2.2%          | 13.1%            | 15.5%             | 8.9%              | 12.9%             | 14.5%             | 8.6%               |
| FTSE 100                  | 3.2%          | 12.3%            | 14.1%             | 8.2%              | 12.1%             | 13.6%             | 8.1%               |
| FTSE 250                  | -2.4%         | 16.8%            | 23.2%             | 12.7%             | 17.0%             | 19.4%             | 12.7%              |
| FTSE Small Cap            | 0.1%          | 19.1%            | 25.2%             | 13.6%             | 16.3%             | 17.7%             | 8.3%               |
| <b>INTERNATIONAL</b>      |               |                  |                   |                   |                   |                   |                    |
| North America             | 2.9%          | 11.0%            | 17.1%             | 13.3%             | 15.3%             | 17.4%             | 8.9%               |
| Europe ex UK              | 0.0%          | 16.9%            | 22.5%             | 6.3%              | 11.6%             | 12.4%             | 9.3%               |
| Japan                     | 4.3%          | -1.7%            | 11.4%             | 5.7%              | 5.7%              | 6.6%              | 3.9%               |
| Pacific Basin ex Japan    | 2.0%          | 6.2%             | 9.3%              | 2.6%              | 8.5%              | 12.6%             | 13.5%              |
| Emerging Markets          | 5.0%          | 1.2%             | 4.1%              | -2.2%             | 2.4%              | 8.7%              | 13.3%              |
| World (FTSE All World)    | 2.7%          | 9.6%             | 15.4%             | 8.5%              | 11.7%             | 14.0%             | 8.9%               |
| World ex UK (Developed)   | 2.4%          | 10.4%            | 16.9%             | 10.0%             | 12.9%             | 14.7%             | 8.6%               |
| <b>PROPERTY</b>           |               |                  |                   |                   |                   |                   |                    |
|                           | 5.1%          | 17.6%            | 4.1%              | 4.8%              | 9.1%              | 23.9%             | 17.5%              |
| <b>BONDS &amp; CASH</b>   |               |                  |                   |                   |                   |                   |                    |
| UK Gilts (Over 15 Years)  | 2.3%          | 5.3%             | 0.2%              | 8.7%              | 7.2%              | 7.3%              | 6.5%               |
| UK Gilts (All Stocks)     | 1.1%          | 2.3%             | 0.0%              | 5.0%              | 4.5%              | 5.0%              | 5.5%               |
| UK Index Linked (All)     | 1.0%          | 3.9%             | 3.1%              | 6.7%              | 7.3%              | 7.6%              | 7.0%               |
| Cash                      | 0.1%          | 0.4%             | 0.5%              | 0.5%              | 0.5%              | 0.5%              | 2.5%               |
| Corporate (All Inv Grade) | 2.3%          | 7.9%             | 8.0%              | 8.0%              | 7.5%              | 9.8%              | 5.6%               |
| Corporate (AAA)           | 2.3%          | 5.5%             | 2.6%              | 5.3%              | 4.8%              | 5.8%              | 4.2%               |
| Corporate (AA)            | 1.6%          | 6.0%             | 3.0%              | 11.0%             | 4.7%              | 13.8%             | 11.8%              |
| Corporate (A)             | 2.2%          | 6.8%             | 5.7%              | 7.7%              | 6.0%              | 18.7%             | 13.3%              |
| Corporate (BBB)           | 2.6%          | 9.6%             | 12.9%             | 6.5%              | 7.7%              | 25.7%             | 12.2%              |
| <b>OTHER</b>              |               |                  |                   |                   |                   |                   |                    |
| Retail Price Index        | 0.6%          | 2.6%             | 3.0%              | 2.9%              | 3.4%              | 3.7%              | 3.2%               |
| National Average Earnings | -0.5%         | 2.3%             | 1.0%              | 1.1%              | 1.5%              | 2.5%              | 2.8%               |

## MARKETS

### UK MARKET RETURNS

|             |               | Equities      | Property     | Gilts        | Corporate Bonds | Index-linked | Cash        |
|-------------|---------------|---------------|--------------|--------------|-----------------|--------------|-------------|
| <b>1999</b> | 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%        |
|             | <b>Annual</b> | <b>24.2%</b>  | <b>14.1%</b> | <b>-0.4%</b> | <b>0.1%</b>     | <b>4.4%</b>  | <b>4.8%</b> |
| <b>2000</b> | 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%        |
|             | <b>Annual</b> | <b>-5.9%</b>  | <b>10.5%</b> | <b>8.0%</b>  | <b>9.8%</b>     | <b>4.3%</b>  | <b>5.7%</b> |
| <b>2001</b> | 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%        |
|             | <b>Annual</b> | <b>-13.3%</b> | <b>7.1%</b>  | <b>-0.9%</b> | <b>7.3%</b>     | <b>-0.5%</b> | <b>5.0%</b> |
| <b>2002</b> | 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%        |
|             | <b>Annual</b> | <b>-22.7%</b> | <b>10.5%</b> | <b>9.9%</b>  | <b>9.0%</b>     | <b>8.2%</b>  | <b>3.8%</b> |
| <b>2003</b> | 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%        |
|             | <b>Annual</b> | <b>20.9%</b>  | <b>11.2%</b> | <b>1.2%</b>  | <b>7.5%</b>     | <b>6.6%</b>  | <b>3.6%</b> |
| <b>2004</b> | 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%        |
|             | <b>Annual</b> | <b>12.8%</b>  | <b>18.9%</b> | <b>8.4%</b>  | <b>6.6%</b>     | <b>8.5%</b>  | <b>4.5%</b> |
| <b>2005</b> | 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%        |
|             | <b>Annual</b> | <b>22.0%</b>  | <b>18.8%</b> | <b>11.0%</b> | <b>8.8%</b>     | <b>9.0%</b>  | <b>4.7%</b> |
| <b>2006</b> | 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%        |
|             | <b>Annual</b> | <b>16.8%</b>  | <b>18.1%</b> | <b>0.0%</b>  | <b>0.8%</b>     | <b>2.9%</b>  | <b>4.8%</b> |

Highest Market Return in Year Across Overseas Markets

## MARKETS

### UK MARKET RETURNS (CONTINUED)

|             |               | Equities      | Property      | Gilts        | Corporate Bonds | Index-linked | Cash        |
|-------------|---------------|---------------|---------------|--------------|-----------------|--------------|-------------|
| <b>2007</b> | 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%        |
|             | <b>Annual</b> | <b>5.3%</b>   | <b>-5.5%</b>  | <b>2.7%</b>  | <b>0.4%</b>     | <b>8.5%</b>  | <b>5.7%</b> |
| <b>2008</b> | 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%        |
|             | <b>Annual</b> | <b>-29.9%</b> | <b>-22.5%</b> | <b>13.6%</b> | <b>-9.9%</b>    | <b>3.7%</b>  | <b>4.5%</b> |
| <b>2009</b> | 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%        |
|             | <b>Annual</b> | <b>30.1%</b>  | <b>2.2%</b>   | <b>-4.8%</b> | <b>15.1%</b>    | <b>6.4%</b>  | <b>0.5%</b> |
| <b>2010</b> | 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%        |
|             | <b>Annual</b> | <b>14.5%</b>  | <b>14.5%</b>  | <b>8.8%</b>  | <b>8.7%</b>     | <b>8.9%</b>  | <b>0.4%</b> |
| <b>2011</b> | 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%        |
|             | <b>Annual</b> | <b>-3.5%</b>  | <b>8.1%</b>   | <b>26.3%</b> | <b>5.4%</b>     | <b>19.9%</b> | <b>0.6%</b> |
| <b>2012</b> | 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%        |
|             | <b>Annual</b> | <b>12.3%</b>  | <b>2.4%</b>   | <b>2.9%</b>  | <b>15.6%</b>    | <b>0.6%</b>  | <b>0.6%</b> |
| <b>2013</b> | 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%        |
|             | <b>Annual</b> | <b>20.8%</b>  | <b>8.7%</b>   | <b>-5.9%</b> | <b>1.9%</b>     | <b>0.5%</b>  | <b>0.4%</b> |
| <b>2014</b> | Q1            | -0.6%         | 6.0%          | 3.4%         | 2.4%            | 3.2%         | 0.1%        |
|             | Q2            | 2.2%          | 5.1%          | 2.3%         | 2.3%            | 1.0%         | 0.1%        |
|             | Q3            |               |               |              |                 |              |             |
|             | Q4            |               |               |              |                 |              |             |
|             | <b>Annual</b> |               |               |              |                 |              |             |

Highest Market Return in Year Across Overseas Markets



## MARKETS

### INTERNATIONAL MARKET RETURNS

|             |               | World<br>ex UK | North<br>America | Europe<br>ex UK | Japan         | Pacific Basin<br>ex Japan | Emerging<br>Markets |
|-------------|---------------|----------------|------------------|-----------------|---------------|---------------------------|---------------------|
| <b>1999</b> | 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%               |
|             | <b>Annual</b> | <b>30.6%</b>   | <b>25.4%</b>     | <b>19.7%</b>    | <b>77.7%</b>  | <b>44.5%</b>              | <b>74.4%</b>        |
| <b>2000</b> | 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%              |
|             | <b>Annual</b> | <b>-3.5%</b>   | <b>-0.5%</b>     | <b>1.8%</b>     | <b>-23.4%</b> | <b>-5.0%</b>              | <b>-27.2%</b>       |
| <b>2001</b> | 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%               |
|             | <b>Annual</b> | <b>-14.4%</b>  | <b>-10.8%</b>    | <b>-20.0%</b>   | <b>-27.4%</b> | <b>-6.7%</b>              | <b>5.2%</b>         |
| <b>2002</b> | 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%                |
|             | <b>Annual</b> | <b>-27.5%</b>  | <b>-29.5%</b>    | <b>-27.0%</b>   | <b>-18.0%</b> | <b>-15.8%</b>             | <b>-15.1%</b>       |
| <b>2003</b> | 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%                |
|             | <b>Annual</b> | <b>20.2%</b>   | <b>16.4%</b>     | <b>29.7%</b>    | <b>23.0%</b>  | <b>31.4%</b>              | <b>38.5%</b>        |
| <b>2004</b> | 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%               |
|             | <b>Annual</b> | <b>7.2%</b>    | <b>4.1%</b>      | <b>13.8%</b>    | <b>7.9%</b>   | <b>20.4%</b>              | <b>19.3%</b>        |
| <b>2005</b> | 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%               |
|             | <b>Annual</b> | <b>23.5%</b>   | <b>20.2%</b>     | <b>24.1%</b>    | <b>39.7%</b>  | <b>29.1%</b>              | <b>51.1%</b>        |
| <b>2006</b> | 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%               |
|             | <b>Annual</b> | <b>5.4%</b>    | <b>1.7%</b>      | <b>20.1%</b>    | <b>-7.4%</b>  | <b>19.2%</b>              | <b>16.8%</b>        |

Highest Market Return in Year Across Overseas Markets

## MARKETS

### INTERNATIONAL MARKET RETURNS (CONTINUED)

|             |               | World<br>ex UK | North<br>America | Europe<br>ex UK | Japan         | Pacific Basin<br>ex Japan | Emerging<br>Markets |
|-------------|---------------|----------------|------------------|-----------------|---------------|---------------------------|---------------------|
| <b>2007</b> | 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%                |
|             | <b>Annual</b> | <b>8.3%</b>    | <b>5.6%</b>      | <b>15.7%</b>    | <b>-6.4%</b>  | <b>34.6%</b>              | <b>37.4%</b>        |
| <b>2008</b> | 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%              |
|             | <b>Annual</b> | <b>-16.0%</b>  | <b>-13.3%</b>    | <b>-23.8%</b>   | <b>-1.1%</b>  | <b>-31.0%</b>             | <b>-34.8%</b>       |
| <b>2009</b> | 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%                |
|             | <b>Annual</b> | <b>15.9%</b>   | <b>14.8%</b>     | <b>19.9%</b>    | <b>-5.8%</b>  | <b>51.2%</b>              | <b>62.5%</b>        |
| <b>2010</b> | 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%                |
|             | <b>Annual</b> | <b>16.2%</b>   | <b>19.1%</b>     | <b>5.7%</b>     | <b>19.0%</b>  | <b>23.7%</b>              | <b>23.6%</b>        |
| <b>2011</b> | 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%                |
|             | <b>Annual</b> | <b>-5.1%</b>   | <b>1.2%</b>      | <b>-14.4%</b>   | <b>-12.9%</b> | <b>-12.3%</b>             | <b>-18.1%</b>       |
| <b>2012</b> | 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%                |
|             | <b>Annual</b> | <b>12.0%</b>   | <b>10.7%</b>     | <b>17.3%</b>    | <b>3.3%</b>   | <b>18.9%</b>              | <b>13.0%</b>        |
| <b>2013</b> | 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%               |
|             | <b>Annual</b> | <b>25.0%</b>   | <b>28.3%</b>     | <b>26.5%</b>    | <b>25.0%</b>  | <b>2.4%</b>               | <b>-5.0%</b>        |
| <b>2014</b> | Q1            | 0.8%           | 1.2%             | 3.0%            | -6.0%         | 1.0%                      | -0.7%               |
|             | Q2            | 2.4%           | 2.9%             | 0.0%            | 4.3%          | 2.0%                      | 5.0%                |
|             | Q3            |                |                  |                 |               |                           |                     |
|             | Q4            |                |                  |                 |               |                           |                     |
|             | <b>Annual</b> |                |                  |                 |               |                           |                     |

Highest Market Return in Year Across Overseas Markets

## MARKETS

### HISTORIC RETURNS FOR UK MARKETS

#### EQUITIES (FTSE ALL-SHARE)

|      | Year on Year<br>Inflation | Annual | Inflation<br>Adjusted | Rolling 5-Yr<br>Real Return p.a. | Rolling 10-Yr<br>Real Return p.a. | Rolling 25-Yr<br>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

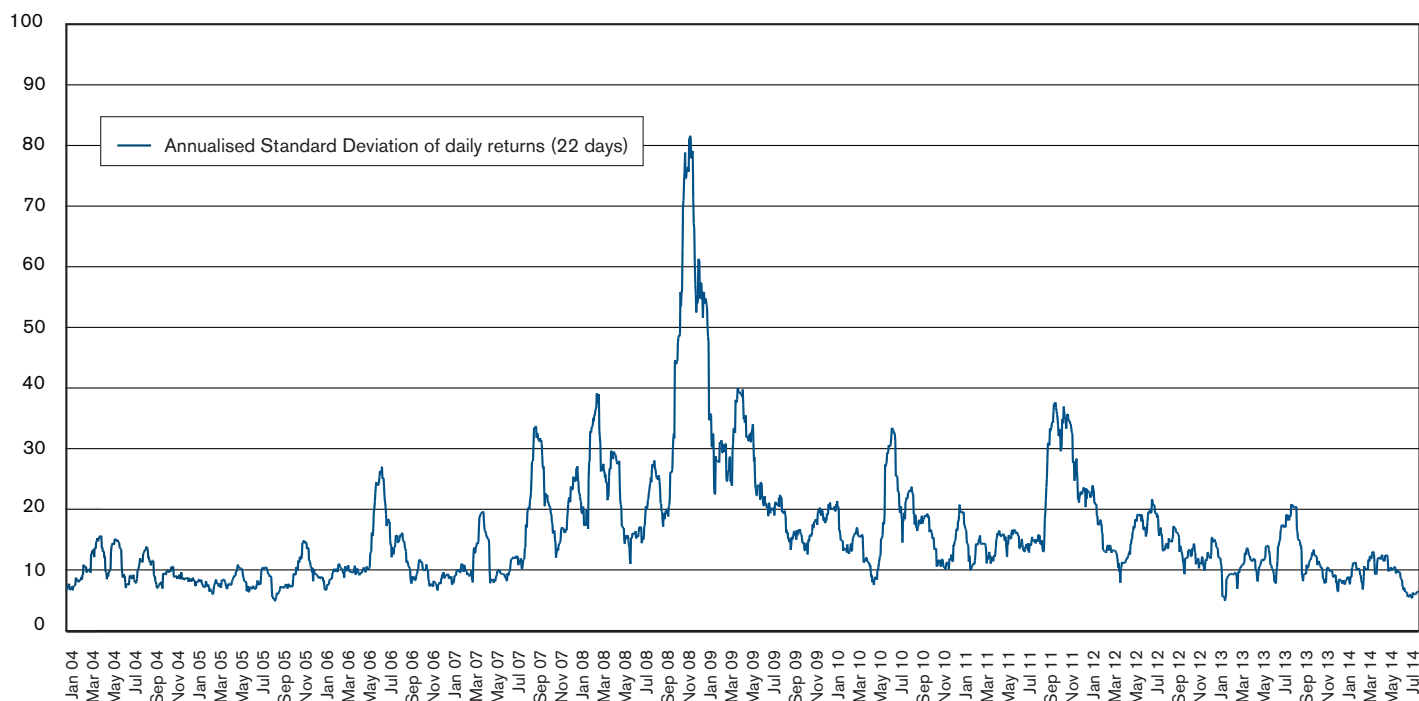
### HISTORIC RETURNS FOR UK MARKETS (CONTINUED)

|      | GILTS<br>(15 Years) |                       |                                  |                                   |                                   | CASH<br>(One-week deposit) |                       |                                  |                                   |                                   |
|------|---------------------|-----------------------|----------------------------------|-----------------------------------|-----------------------------------|----------------------------|-----------------------|----------------------------------|-----------------------------------|-----------------------------------|
|      | Annual              | Inflation<br>Adjusted | Rolling 5-Yr<br>Real Return p.a. | Rolling 10-Yr<br>Real Return p.a. | Rolling 25-Yr<br>Real Return p.a. | Annual                     | Inflation<br>Adjusted | Rolling 5-Yr<br>Real Return p.a. | Rolling 10-Yr<br>Real Return p.a. | Rolling 25-Yr<br>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%                              |

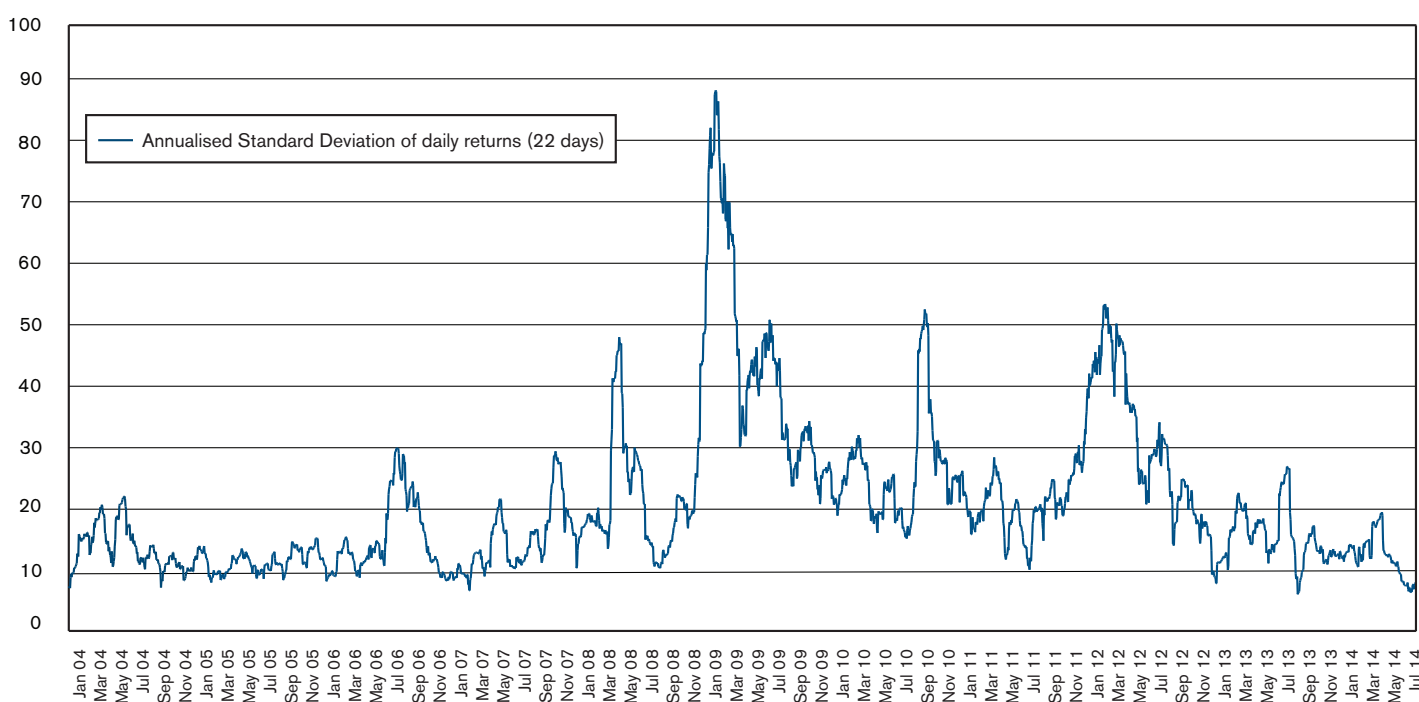
**MARKETS**

**VOLATILITY OF MARKETS**

**FTSE 100**



**FTSE AW Europe ex UK**

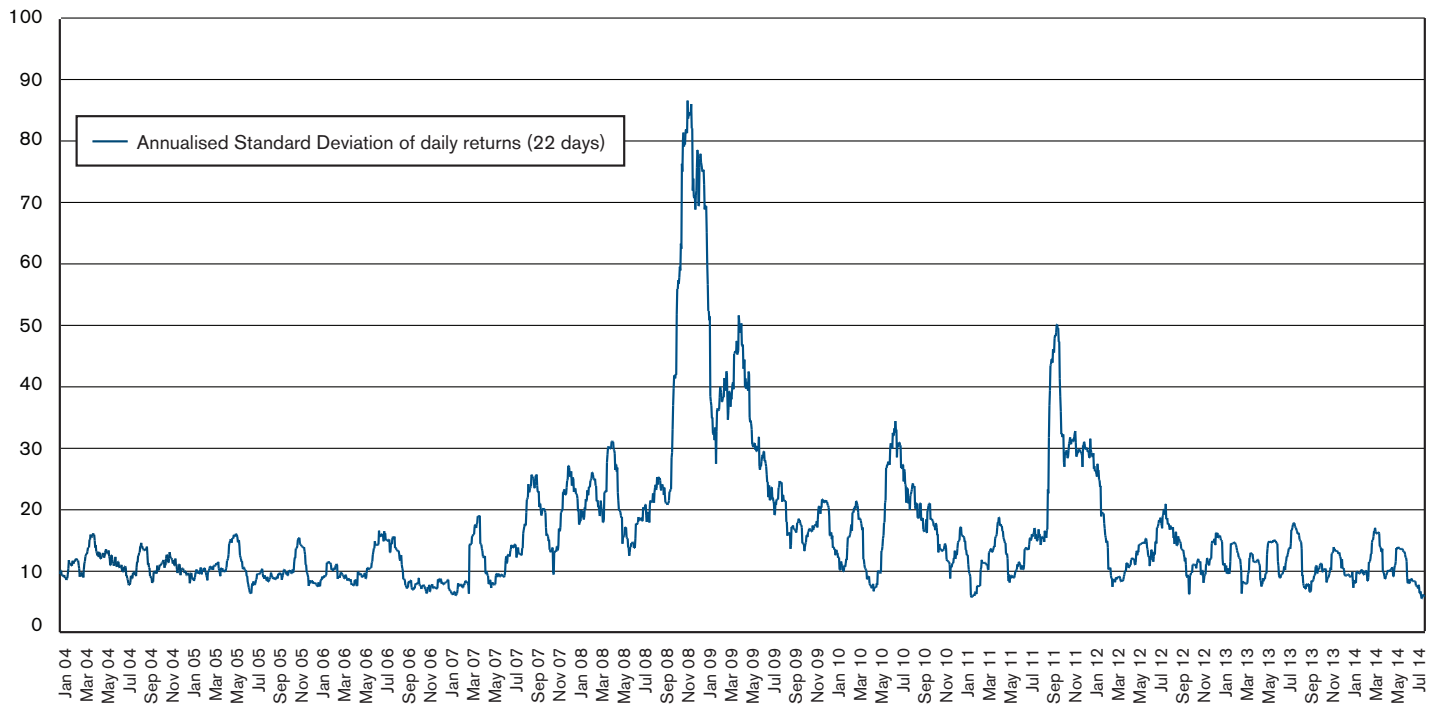


The annualised standard deviation of daily returns provides a measure of how volatile the market has been over the past month. High levels of volatility are associated with periods when prices have moved sharply from day to day.

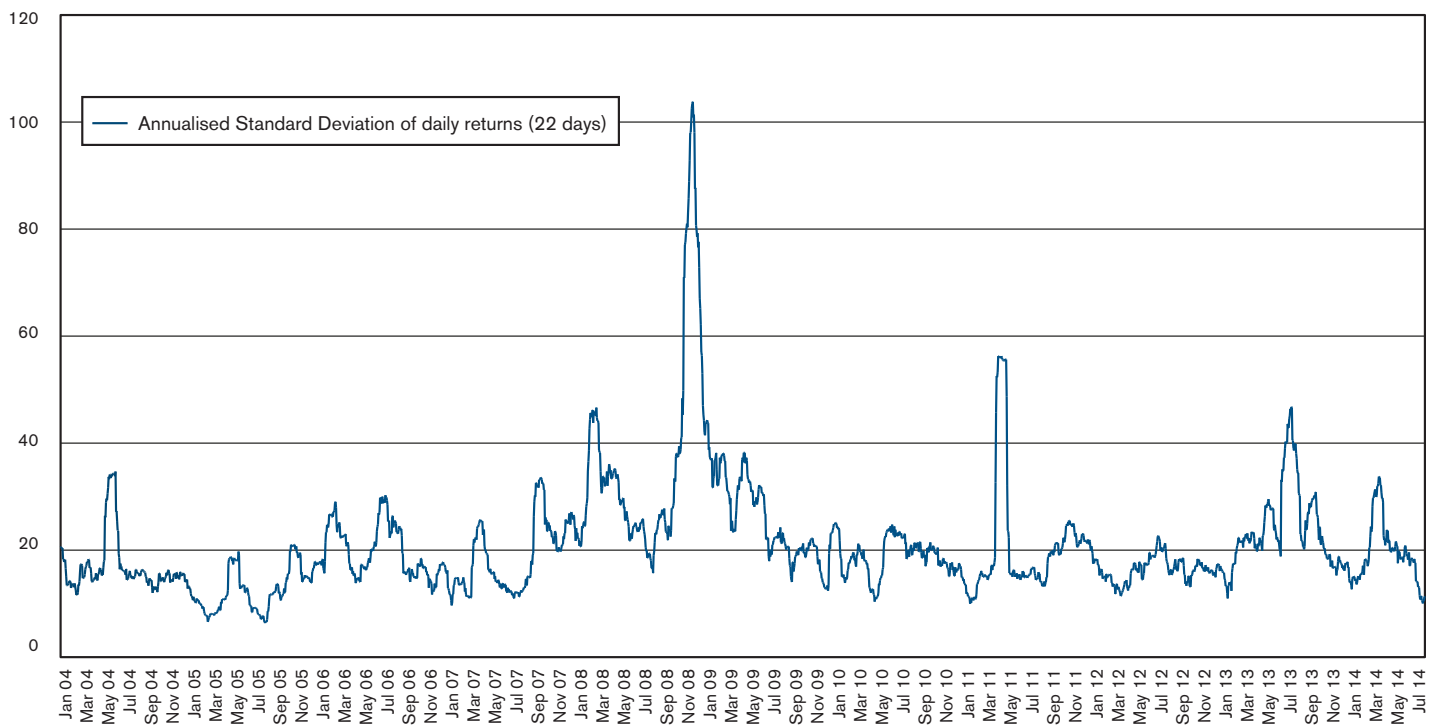
## MARKETS

### VOLATILITY OF MARKETS

#### S&P 500



#### TOPIX (Japan)



## MARKETS

### QUARTERLY INVESTMENT YIELDS

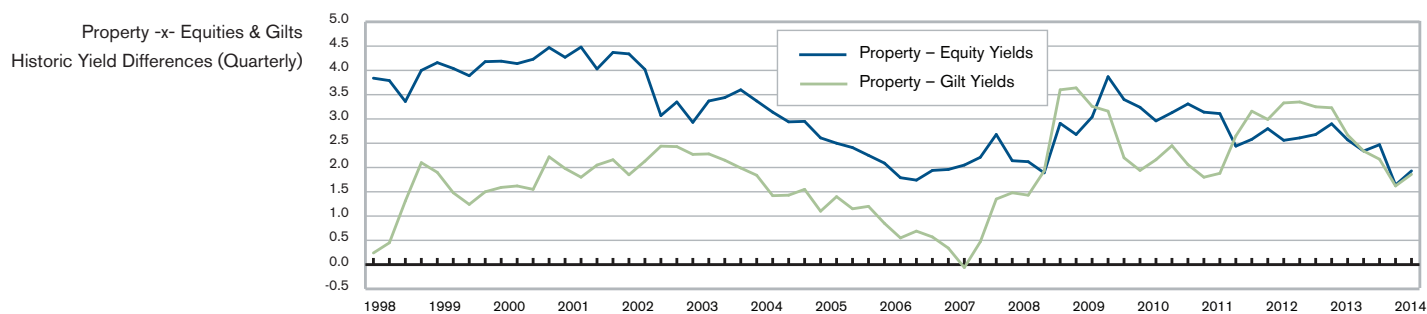
|      |    | UK<br>Equities % | Overseas<br>Equities % | Gilts<br>% | Index<br>Linked % | Corporate<br>Bonds % | Cash<br>% | UK<br>Property % |
|------|----|------------------|------------------------|------------|-------------------|----------------------|-----------|------------------|
| 1999 | Q1 | 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<br>Equities % | Overseas<br>Equities % | Gilts<br>% | Index<br>Linked % | Corporate<br>Bonds % | Cash<br>% | UK<br>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 | 3.27             | 2.37                   | 3.34       | -0.12             | 3.87*                | 0.45      | 5.20             |
|      | Q3 |                  |                        |            |                   |                      |           |                  |
|      | Q4 |                  |                        |            |                   |                      |           |                  |

\*Note: As the corporate bonds index has been discontinued, this table includes the last available figure, from 30 April 2014.





## 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 (GBP EURO Finance AAA Bond Index)                  |
| Cash            | Return & Yield |        | Bloomberg  |
| Property        | Return         |        | Bloomberg (Investment PropertyDatabank (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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[milliman.com](http://milliman.com)



#### **CONTACT**

11 Old Jewry  
London  
EC2R 8DU  
UK

(+) 44 20 7847 1500

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