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The Eurozone economy stumbled through the second quarter with a modest decline of 0.2% in gross domestic product. Germany continued to defy the worst of the Eurozone crisis. After a growth of 0.5% in the first quarter, it followed that up with a growth of 0.3% in the second quarter, helped by exports and domestic consumption. France defied expectation of contraction and recorded zero growth for the third consecutive quarter. Other economies didn't fare as well, with Portugal contracting 1.2%, Cyprus 0.8%, Italy 0.7% and Spain 0.4%. Greece released quarter two figures (having not provided quarter one figures), and these showed that its economy had contracted 6.2% compared with the same period a year earlier. Harsh austerity measures and economic reforms linked to the aid agreements have taken a heavy toll on Greece's economy, with unemployment hitting record highs.

There was also bad news for the UK, as Britain's economy came in at -0.5% (worse than the -0.2% which analysts had predicted) as the country's double-dip recession extended into a third quarter. Construction output dropped by 5.2% between the first and second quarters of 2012, with industrial production falling by 1.3% and service sector output by 0.1%. The output of the economy is 4.5% lower than it was during its peak before the onset of the financial crisis in 2008.

Elsewhere, growth in the United States slowed, with the economy increasing by 0.4%, as consumer spending eased. The Japanese economy also signaled a slowdown, as growth was only 0.3%.

UK equities performed poorly in the quarter, with the FTSE All Share contracting 2.6%. Things weren't any better for the international market, with the Emerging Markets contracting 7.3%. On the other hand, fixed interest assets performed well over the quarter, with corporate (AAA) bonds showing growth of 5.3%, while UK gilts (over 15 years) grew by 6.7% (helped in large measure by QE). This reveals that investors were keen on reducing their risk profile by choosing safer asset classes.

The AA insurance premium index showed that car insurance premiums had risen after two quarters which showed very little premium movement. Both comprehensive and non-comprehensive premiums increased over the year with respect to the Shoparound average index, 8.5% and 5.5% respectively. However, using the same Shoparound basket of risks on price comparison sites, comprehensive premiums have decreased by 3.3% over the year, which has led to some analysts describing the insurance market at present as being *in turmoil*.

MARKETS

MARKETS AT A GLANCE



■ = local currency

MARKETS

ASSET	3 Months %	1 Year % pa	2 Years % pa	3 Years % pa	4 Years % pa	5 Years % pa	10 Years % pa
EQUITIES							
FTSE All Share	-2.6%	-3.1%	10.3%	13.8%	4.1%	0.4%	6.1%
FTSE 100	-2.3%	-2.7%	10.3%	13.4%	3.6%	0.4%	5.6%
FTSE 250	-4.2%	-5.6%	11.1%	17.0%	7.7%	1.9%	10.2%
FTSE Small Cap	-4.2%	-6.5%	8.1%	13.0%	4.0%	-3.1%	5.3%
INTERNATIONAL							
North America	-1.4%	5.9%	13.5%	17.6%	9.6%	5.4%	5.6%
Europe ex UK	-7.1%	-20.0%	1.7%	6.2%	-1.0%	-2.6%	5.4%
Japan	-5.5%	-4.8%	0.2%	3.5%	0.9%	-1.6%	2.3%
Pacific Basin ex Japan	-4.4%	-9.6%	7.6%	14.8%	8.1%	6.6%	13.0%
Emerging Markets	-7.3%	-13.6%	0.7%	11.8%	5.4%	5.4%	14.2%
World (FTSE All World)	-3.6%	-4.0%	8.1%	13.1%	5.8%	2.9%	6.2%
World ex UK (Developed)	-3.2%	-2.7%	9.0%	13.2%	6.1%	2.9%	5.6%
PROPERTY							
PROPERTY	0.3%	4.7%	6.9%	12.3%	1.3%	-2.2%	6.2%
BONDS & CASH							
UK Gilts (Over 15 Years)	6.7%	27.9%	14.7%	12.4%	12.1%	10.8%	7.4%
UK Gilts (All Stocks)	3.8%	15.9%	9.3%	8.4%	9.6%	8.9%	6.4%
UK Index Linked (All)	0.6%	14.3%	11.6%	10.7%	8.1%	9.6%	7.6%
Cash	0.2%	0.7%	0.6%	0.5%	1.0%	1.9%	3.2%
Corporate (All Inv Grade)	1.7%	7.9%	7.1%	10.9%	7.1%	5.2%	5.3%
Corporate (AAA)	5.3%	10.9%	7.1%	8.0%	5.4%	4.7%	4.8%
Corporate (AA)	3.5%	11.0%	7.8%	9.8%	7.4%	6.0%	5.3%
Corporate (A)	2.4%	7.7%	6.8%	10.6%	5.0%	3.3%	4.3%
Corporate (BBB)	0.2%	6.5%	7.1%	13.0%	10.1%	7.2%	6.6%
OTHER							
Retail Price Index	0.4%	2.8%	3.9%	4.3%	2.8%	3.2%	3.2%
National Average Earnings	0.5%	1.5%	2.4%	2.2%	2.2%	2.4%	3.2%

MARKETS

UK MARKET RETURNS

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

Highest Market Return in Year
Across Major Asset Classes

UK MARKET RETURNS

	Equities	Property	Gilts	Corporate Bonds	Index Linked	Cash
2005						
Q1	3.0%	2.7%	-1.0%	0.5%	-0.1%	1.2%
Q2	5.0%	4.5%	6.7%	4.5%	4.1%	1.2%
Q3	8.2%	4.4%	0.3%	1.0%	1.4%	1.1%
Q4	4.3%	6.1%	4.7%	2.6%	3.4%	1.2%
Annual	22.0%	18.8%	11.0%	8.8%	9.0%	4.7%
2006						
Q1	8.1%	4.4%	-1.2%	-0.7%	-0.7%	1.1%
Q2	-1.8%	5.1%	-2.7%	-1.1%	-0.7%	1.2%
Q3	3.6%	3.7%	4.9%	2.4%	4.0%	1.2%
Q4	6.2%	3.8%	-0.8%	0.3%	0.2%	1.3%
Annual	16.8%	18.1%	0.0%	0.8%	2.9%	4.8%
2007						
Q1	2.9%	2.3%	-2.3%	-0.2%	-0.5%	1.3%
Q2	4.5%	2.1%	-4.8%	-2.1%	-1.5%	1.4%
Q3	-1.8%	-1.0%	4.6%	1.1%	5.1%	1.5%
Q4	-0.3%	-8.5%	5.6%	1.7%	5.4%	1.4%
Annual	5.3%	-5.5%	2.7%	0.4%	8.5%	5.7%
2008						
Q1	-9.9%	-3.4%	-0.1%	-4.4%	3.7%	1.3%
Q2	-1.4%	-2.7%	-4.0%	-0.1%	1.1%	1.3%
Q3	-12.2%	-4.8%	4.0%	-4.8%	-0.3%	1.4%
Q4	-10.2%	-13.5%	13.9%	-0.9%	-0.7%	0.5%
Annual	-29.9%	-22.5%	13.6%	-9.9%	3.7%	4.5%
2009						
Q1	-9.1%	-7.1%	-4.5%	-8.2%	-1.3%	0.2%
Q2	10.9%	-2.7%	-1.6%	11.3%	2.9%	0.1%
Q3	22.4%	3.3%	5.9%	11.5%	3.1%	0.1%
Q4	5.5%	9.4%	-4.3%	1.0%	1.6%	0.1%
Annual	30.1%	2.2%	-4.8%	15.1%	6.4%	0.5%
2010						
Q1	6.4%	5.7%	0.2%	4.6%	2.2%	0.1%
Q2	-11.8%	3.6%	6.4%	1.0%	1.7%	0.1%
Q3	13.6%	2.2%	5.8%	5.5%	3.6%	0.1%
Q4	7.4%	2.2%	-3.5%	-2.6%	1.1%	0.1%
Annual	14.5%	14.5%	8.8%	8.7%	8.9%	0.4%
2011						
Q1	1.0%	2.3%	-1.5%	1.5%	0.0%	0.1%
Q2	1.9%	2.1%	2.3%	1.7%	4.0%	0.2%
Q3	-13.5%	1.9%	14.4%	-1.0%	6.4%	0.2%
Q4	8.4%	1.6%	9.6%	3.1%	8.4%	0.2%
Annual	-3.5%	8.1%	26.3%	5.4%	19.9%	0.6%
2012						
Q1	6.1%	0.9%	-4.4%	4.0%	-1.5%	0.2%
Q2	-2.6%	0.3%	6.7%	1.7%	0.6%	0.2%

MARKETS

INTERNATIONAL MARKET RETURNS

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

Highest Market Return in Year
Across Overseas Markets

INTERNATIONAL MARKET RETURNS

	World ex UK	North America	Europe ex UK	Japan	Pacific Basin ex Japan	Emerging Markets
2005						
Q1	0.4%	0.0%	1.5%	-0.4%	2.0%	2.8%
Q2	6.5%	7.6%	4.8%	1.8%	10.8%	10.1%
Q3	8.4%	5.9%	9.8%	19.9%	11.4%	19.5%
Q4	6.5%	5.4%	6.2%	15.0%	2.6%	11.6%
Annual	23.5%	20.2%	24.1%	39.7%	29.1%	51.1%
2006						
Q1	5.6%	3.4%	11.3%	5.7%	6.1%	11.1%
Q2	-6.9%	-7.5%	-4.5%	-10.4%	-3.4%	-10.2%
Q3	3.8%	4.3%	5.6%	-1.8%	4.0%	4.2%
Q4	3.3%	1.9%	7.0%	-0.4%	11.8%	12.4%
Annual	5.4%	1.7%	20.1%	-7.4%	19.2%	16.8%
2007						
Q1	2.2%	0.8%	4.2%	2.7%	7.1%	2.4%
Q2	4.4%	4.3%	7.0%	-2.7%	8.5%	13.0%
Q3	1.3%	1.1%	0.8%	-3.1%	13.6%	11.6%
Q4	0.2%	-0.6%	3.0%	-3.4%	2.0%	6.5%
Annual	8.3%	5.6%	15.7%	-6.4%	34.6%	37.4%
2008						
Q1	-8.8%	-9.1%	-7.4%	-7.2%	-13.3%	-10.0%
Q2	-2.0%	-1.6%	-5.2%	2.3%	0.5%	-1.1%
Q3	-4.1%	1.3%	-11.2%	-7.8%	-16.9%	-17.5%
Q4	-2.1%	-4.4%	-2.2%	12.9%	-4.7%	-11.1%
Annual	-16.0%	-13.3%	-23.8%	-1.1%	-31.0%	-34.8%
2009						
Q1	-11.5%	-9.8%	-15.9%	-16.1%	-2.1%	1.6%
Q2	5.2%	1.8%	9.7%	7.0%	16.2%	18.4%
Q3	21.1%	19.3%	29.4%	9.3%	27.7%	25.2%
Q4	2.8%	4.8%	0.5%	-4.0%	4.1%	7.8%
Annual	15.9%	14.8%	19.9%	-5.8%	51.2%	62.5%
2010						
Q1	10.4%	12.5%	3.9%	15.4%	9.8%	9.1%
Q2	-11.1%	-10.3%	-14.3%	-8.7%	-10.4%	-6.5%
Q3	7.7%	5.8%	13.4%	0.1%	15.0%	12.1%
Q4	9.9%	11.6%	4.7%	12.8%	9.3%	8.1%
Annual	16.2%	19.1%	5.7%	19.0%	23.7%	23.6%
2011						
Q1	2.6%	3.5%	5.7%	-6.9%	1.5%	-1.2%
Q2	0.5%	-0.4%	3.2%	0.2%	0.4%	-1.8%
Q3	-14.5%	-11.8%	-24.2%	-3.1%	-18.8%	-19.2%
Q4	7.6%	11.3%	3.6%	-3.6%	6.2%	4.2%
Annual	-5.1%	1.2%	-14.4%	-12.9%	-12.3%	-18.1%
2012						
Q1	9.2%	9.3%	9.7%	7.9%	9.7%	10.6%
Q2	-3.2%	-1.4%	-7.1%	-5.5%	-4.4%	-7.3%

MARKETS

HISTORIC RETURNS FOR UK MARKETS

EQUITIES
(FTSE All Share)

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

MARKETS

GILTS (15 Years)

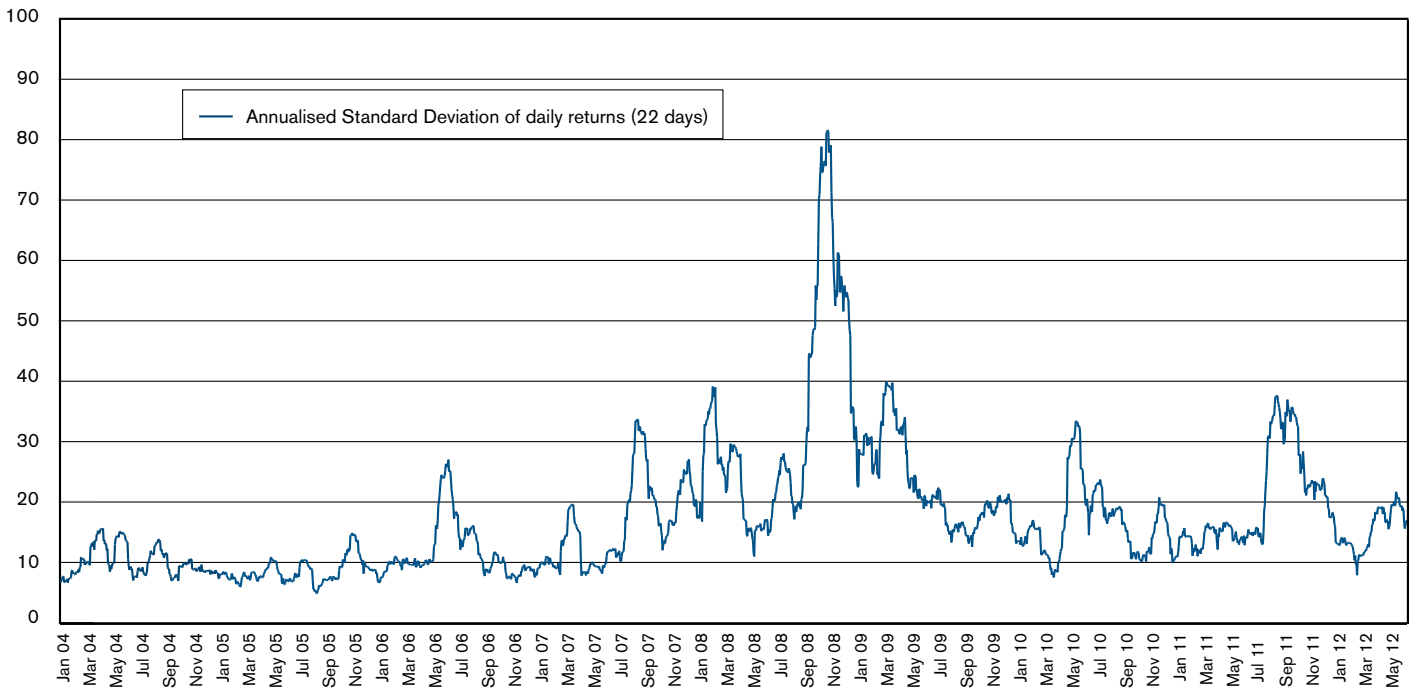
CASH (One week deposit)

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

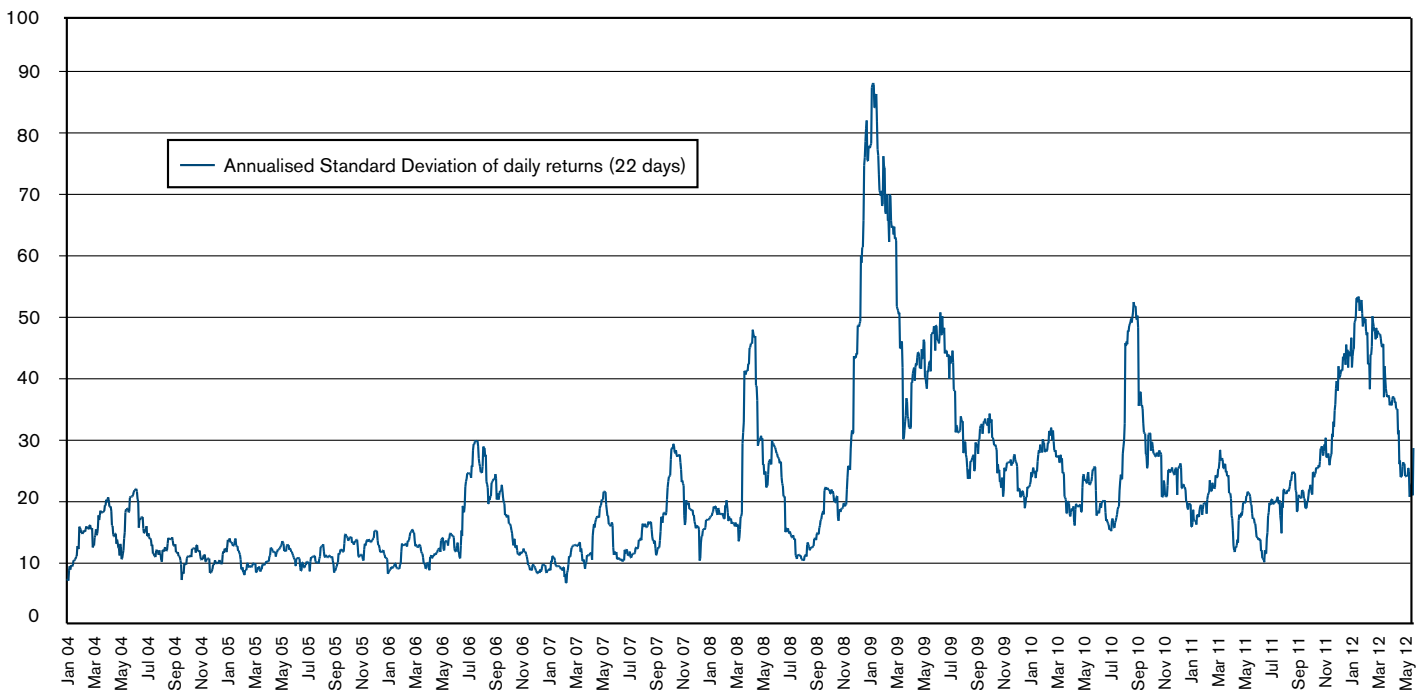
MARKETS

VOLATILITY OF MARKETS

FTSE 100

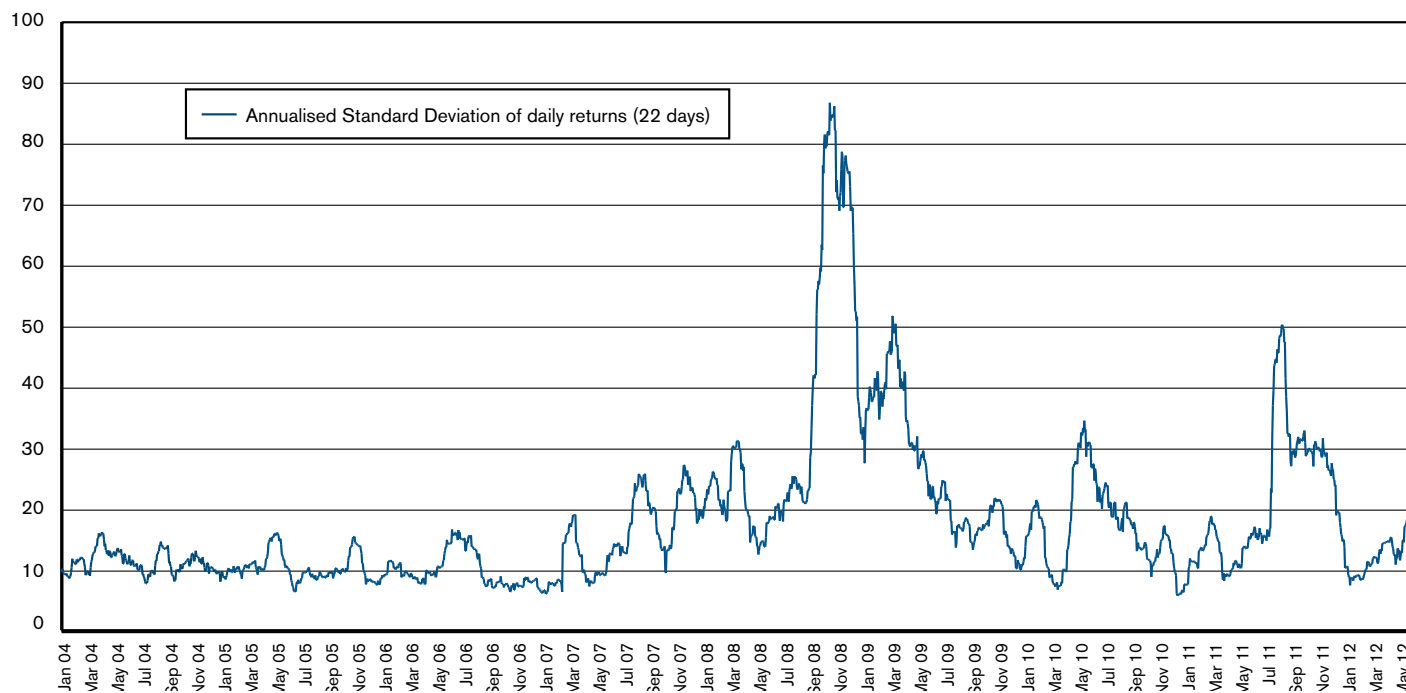


FTSE AW Europe ex UK

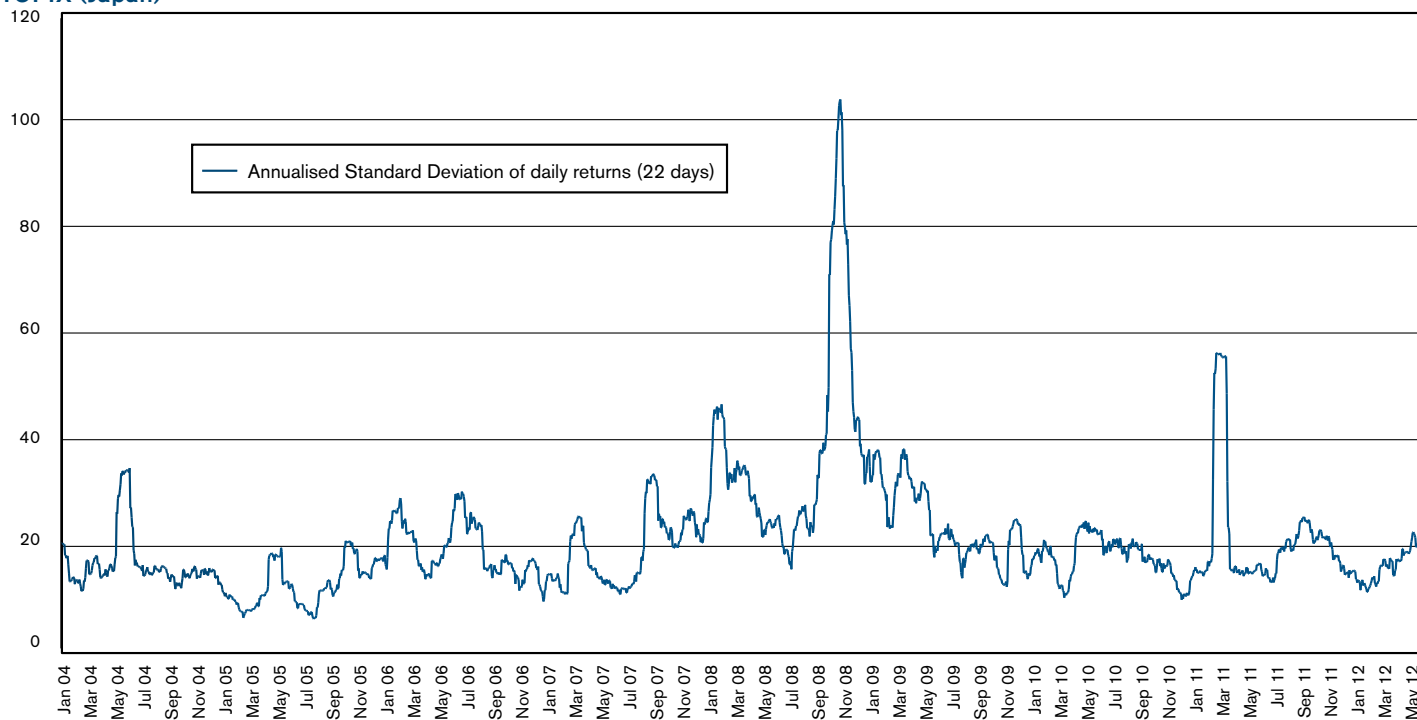


The annualized standard deviation of daily returns provides a measure of how volatile the market has been over the past month. High levels of volatility are associated with periods when prices have moved sharply from day to day.

S & P 500



TOPIX (Japan)



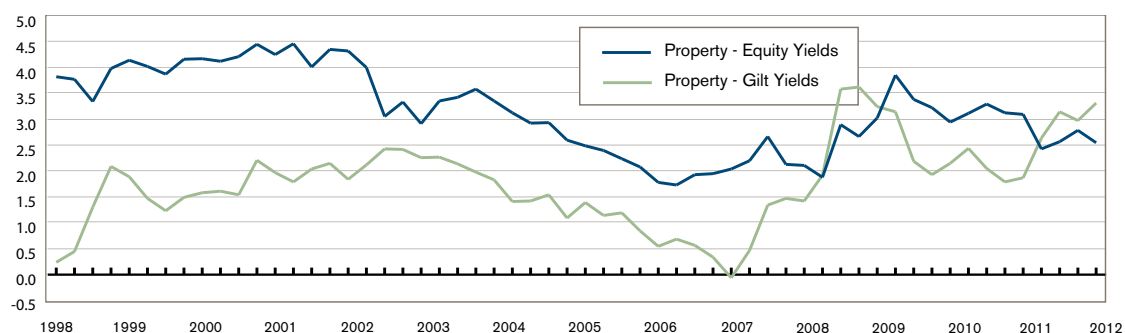
MARKETS

QUARTERLY INVESTMENT YIELDS

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

MARKETS

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



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

ECONOMICS

BANK BASE RATES

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

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					
	Q4	1.51	2.45	189		Q4	1.61	1.54	191					
1993	Q1	1.51	2.43	173	2003	Q1	1.58	1.45	187					
	Q2	1.49	2.55	160		Q2	1.65	1.44	198					
	Q3	1.50	2.45	159		Q3	1.66	1.43	186					
	Q4	1.48	2.57	165		Q4	1.79	1.42	192					
1994	Q1	1.49	2.48	153	2004	Q1	1.84	1.50	191					
	Q2	1.54	2.46	152		Q2	1.81	1.49	198					
	Q3	1.58	2.45	156		Q3	1.81	1.46	199					
	Q4	1.57	2.43	156		Q4	1.92	1.42	197					
1995	Q1	1.63	2.23	141	2005	Q1	1.89	1.45	202					
	Q2	1.59	2.02	135		Q2	1.79	1.48	199					
	Q3	1.58	2.25	156		Q3	1.77	1.47	201					
	Q4	1.53	2.22	160		Q4	1.72	1.46	203					
1996	Q1	1.53	2.25	163	2006	Q1	1.73	1.44	205					
	Q2	1.55	2.37	170		Q2	1.84	1.44	211					
	Q3	1.56	2.39	174		Q3	1.87	1.48	221					
	Q4	1.71	2.64	199		Q4	1.96	1.49	233					
1997	Q1	1.64	2.74	203	2007	Q1	1.96	1.47	232					
	Q2	1.66	2.90	190		Q2	2.01	1.48	248					
	Q3	1.62	2.85	195		Q3	2.04	1.44	234					
	Q4	1.65	2.96	214		Q4	1.99	1.36	222					
1998	Q1	1.67	3.10	223	2008	Q1	1.99	1.25	198					
	Q2	1.67	3.01	232		Q2	1.99	1.26	211					
	Q3	1.70	2.84	231		Q3	1.78	1.27	189					
	Q4	1.66	2.77	188		Q4	1.44	1.03	130					

* End of quarter rates provided

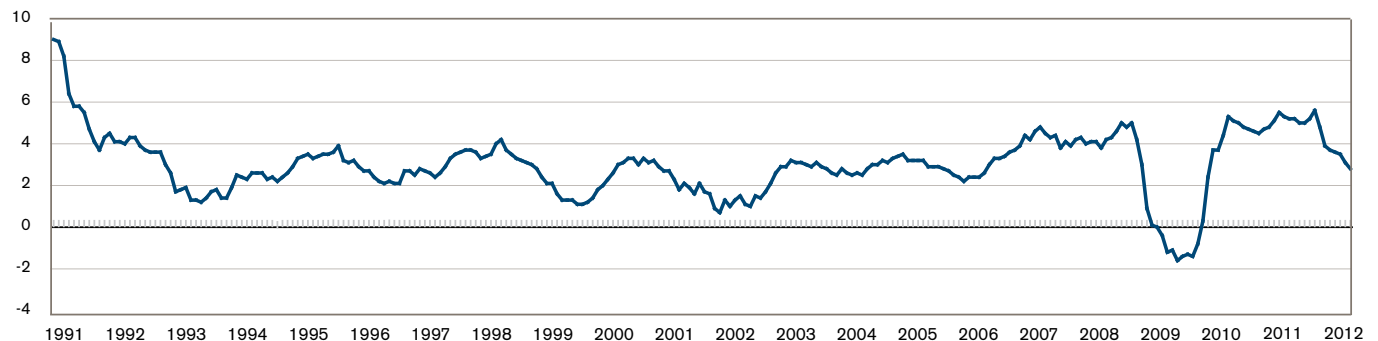
** EURO from Q1 1999

ECONOMICS

RETAIL PRICES INDEX

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Annual Increase
1987	100.0	100.4	100.6	101.8	101.9	101.9	101.8	102.1	102.4	102.9	103.4	103.3	
1988	103.3	103.7	104.1	105.8	106.2	106.6	106.7	107.9	108.4	109.5	110.0	110.3	6.8%
1989	111.0	111.8	112.3	114.3	115.0	115.4	115.5	115.8	116.6	117.5	118.5	118.8	7.7%
1990	119.5	120.2	121.4	125.1	126.2	126.7	126.8	128.1	129.3	130.3	130.0	129.9	9.3%
1991	130.2	130.9	131.4	133.1	133.5	134.1	133.8	134.1	134.6	135.1	135.6	135.7	4.5%
1992	135.6	136.3	136.7	138.8	139.3	139.3	138.8	138.9	139.4	139.9	139.7	139.2	2.6%
1993	137.9	138.8	139.3	140.6	141.1	141.0	140.7	141.3	141.9	141.8	141.6	141.9	1.9%
1994	141.3	142.1	142.5	144.2	144.7	144.7	144.0	144.7	145.0	145.2	145.3	146.0	2.9%
1995	146.0	146.9	147.5	149.0	149.6	149.8	149.1	149.9	150.6	149.8	149.8	150.7	3.2%
1996	150.2	150.9	151.5	152.6	152.9	153.0	152.4	153.1	153.8	153.8	153.9	154.4	2.5%
1997	154.4	155.0	155.4	156.3	156.9	157.5	157.5	158.5	159.3	159.5	159.6	160.0	3.6%
1998	159.5	160.3	160.8	162.6	163.5	163.4	163.0	163.7	164.4	164.5	164.4	164.4	2.8%
1999	163.4	163.7	164.1	165.2	165.6	165.6	165.1	165.5	166.2	166.5	166.7	167.3	1.8%
2000	166.6	167.5	168.4	170.1	170.7	171.1	170.5	170.5	171.7	171.6	172.1	172.2	2.9%
2001	171.1	172.0	172.2	173.1	174.2	174.4	173.3	174.0	174.6	174.3	173.6	173.4	0.7%
2002	173.3	173.8	174.5	175.7	176.2	176.2	175.9	176.4	177.6	177.9	178.2	178.5	2.9%
2003	178.4	179.3	179.9	181.2	181.5	181.3	181.3	181.6	182.5	182.6	182.7	183.5	2.8%
2004	183.1	183.8	184.6	185.7	186.5	186.8	186.8	187.4	188.1	188.6	189.0	189.9	3.5%
2005	188.9	189.6	190.5	191.6	192.0	192.2	192.2	192.6	193.1	193.3	193.6	194.1	2.2%
2006	193.4	194.2	195.0	196.5	197.7	198.5	198.5	199.2	200.1	200.4	201.1	202.7	4.4%
2007	201.6	203.1	204.4	205.4	206.2	207.3	206.1	207.3	208.0	208.9	209.7	210.9	4.0%
2008	209.8	211.4	212.1	214.0	215.1	216.8	216.5	217.2	218.4	217.7	216.0	212.9	0.9%
2009	210.1	211.4	211.3	211.5	212.8	213.4	213.4	214.4	215.3	216.0	216.6	218.0	2.4%
2010	217.9	219.2	220.7	222.8	223.6	224.1	223.6	224.5	225.3	225.8	226.8	228.4	4.8%
2011	229.0	231.3	232.5	234.4	235.2	235.2	234.7	236.1	237.9	238	238.5	239.4	4.8%
2012	238.0	239.9	240.8	242.5	242.4	241.8							

Rolling Annual Increase on a Monthly Basis



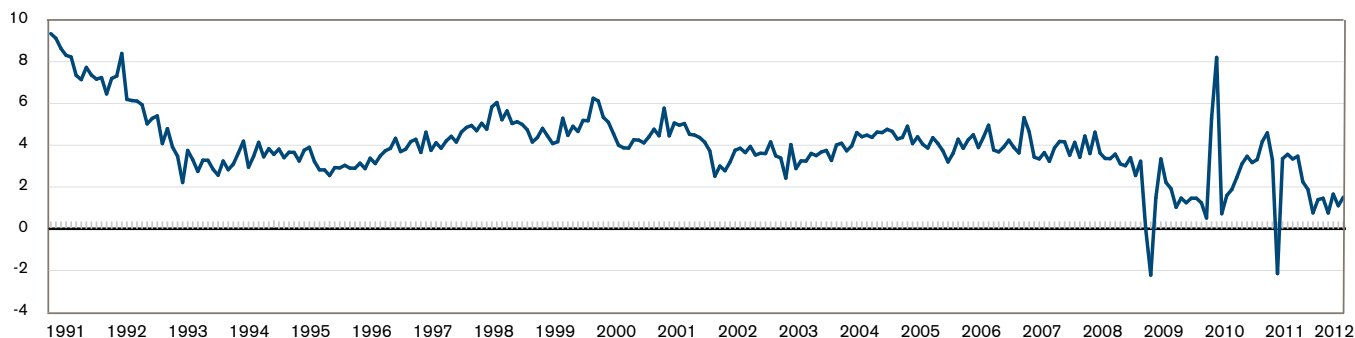
AVERAGE EARNINGS INDEX FOR ALL EMPLOYEES

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Annual Increase
1989													
1990	61.0	61.4	61.4	62.6	63.2	64.0	64.4	64.7	65.2	65.6	66.3	66.6	
1991	66.7	67.0	66.7	67.8	68.4	68.7	69.0	69.7	70.0	70.3	71.1	70.9	6.5%
1992	71.5	71.9	72.3	72.0	72.6	72.9	73.1	73.2	73.7	74.1	74.0	74.3	4.8%
1993	74.3	74.4	73.9	74.7	75.0	74.9	75.5	75.6	75.8	76.0	76.4	76.4	2.8%
1994	76.6	77.1	77.0	76.9	77.6	78.0	78.1	78.5	78.5	78.9	79.0	79.2	3.7%
1995	79.4	79.6	79.9	79.9	80.1	80.2	80.3	80.5	80.8	81.2	81.4	81.5	2.9%
1996	81.7	82.1	82.2	82.6	82.6	83.0	83.3	83.6	84.3	84.2	84.5	84.9	4.2%
1997	85.2	85.1	86.0	85.7	86.0	86.2	86.8	87.3	87.8	88.1	88.6	89.1	4.9%
1998	89.2	89.4	90.1	90.7	91.2	90.7	91.7	91.7	92.3	92.5	92.8	92.8	4.2%
1999	93.1	93.7	94.1	94.4	95.0	95.5	95.8	96.2	96.6	97.3	97.6	98.6	6.3%
2000	98.8	98.7	98.9	98.7	98.8	99.2	99.5	100.3	100.7	101.3	101.9	103.3	4.8%
2001	103.2	104.4	103.3	103.7	103.7	104.2	104.0	104.8	105.1	105.5	105.7	105.9	2.5%
2002	106.3	107.3	106.6	107.6	107.7	108.0	108.1	108.5	108.9	109.3	110.1	109.6	3.5%
2003	109.9	109.9	110.9	110.7	111.2	111.5	112.0	112.3	112.9	113.4	113.7	114.0	4.0%
2004	114.4	114.0	115.3	115.8	116.1	116.5	116.9	117.5	118.1	118.8	119.0	118.9	4.3%
2005	119.4	119.6	120.0	120.9	120.8	121.0	122.0	122.3	122.5	122.6	123.3	124.0	4.3%
2006	124.0	124.7	125.4	125.6	126.1	127.0	126.6	126.8	127.3	127.8	128.1	128.5	3.6%
2007	130.6	130.5	129.7	129.8	130.7	131.1	131.5	132.1	132.6	132.3	133.4	132.9	3.4%
2008	136.4	135.2	135.7	134.5	135.1	135.5	136.2	136.2	136.6	136.8	136.8	137.2	3.2%
2009	136.4	132.2	137.7	139.0	138.1	138.1	137.6	138.2	138.3	138.8	138.8	138.9	1.2%
2010	137.1	139.2	149.0	140.0	140.3	140.7	141.0	142.5	143.1	143.2	143.4	144.7	4.2%
2011	143.4	143.8	145.8	144.7	145.3	145.4	145.9	145.7	145.8	146.4	146	145.8	0.8%
2012	145.4	145.9	146.9	147.1	146.9	147.6							

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

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

Rolling Annual Increase on a Monthly Basis



INSURANCE

INSURANCE PREMIUM INDEX-MARKET AVERAGE PREMIUMS

		Buildings	Contents	Combined	Motor Comp	Motor Non-Comp	Buildings	Contents	Combined	Motor Comp	Motor Non-Comp		
1995	Q1	162.0	104.4		391.4	407.1	2004	Q1	169.6	116.1		771.0	821.4
	Q2	160.4	105.4		397.6	409.6		Q2	169.6	116.6		754.1	813.6
	Q3	158.4	104.7		388.4	409.1		Q3	169.5	115.3		747.2	815.3
	Q4	150.2	102.0		369.8	402.9		Q4	169.8	115.2		750.9	820.1
	Annual	-10.8%	-5.8%		-8.0%	-4.2%		Annual	0.1%	-0.1%		-2.8%	-0.1%
1996	Q1	147.2	98.9		369.8	402.6	2005	Q1	168.3	114.6		745.6	818.4
	Q2	143.7	98.5		377.2	404.2		Q2	165.1	112.8		752.0	825.6
	Q3	145.4	98.5		399.5	421.4		Q3	167.0	115.2		760.5	845.1
	Q4	148.9	100.6		405.4	427.4		Q4	168.3	114.7		757.4	848.1
	Annual	-0.8%	-1.4%		9.6%	6.1%		Annual	-0.9%	-0.4%		0.9%	3.4%
1997	Q1	151.1	102.0		421.2	442.4	2006	Q1	169.4	115.9		753.5	862.9
	Q2	150.8	101.7		426.3	446.6		Q2	168.6	116.0		757.8	860.4
	Q3	151.2	101.4		434.9	445.8		Q3	168.0	113.0		767.1	900.2
	Q4	151.2	101.8		443.8	463.0		Q4	170.1	112.4		800.5	901.3
	Annual	1.5%	1.3%		9.5%	8.3%		Annual	1.1%	-2.0%		5.7%	6.3%
1998	Q1	150.1	102.1		450.7	470.9	2007	Q1	171.5	113.8		797.3	895.7
	Q2	150.2	102.7		463.3	484.1		Q2	168.2	112.3		817.2	907.6
	Q3	149.7	102.6		475.3	495.6		Q3	173.3	114.9		828.2	940.0
	Q4	150.1	102.1		484.9	507.2		Q4	175.8	115.3		843.2	972.2
	Annual	-0.7%	0.2%		9.2%	9.6%		Annual	3.3%	2.6%		5.3%	7.9%
1999	Q1	150.1	102.5		491.9	517.4	2008	Q1	175.4	116.5		839.0	963.3
	Q2	152.7	103.6		513.0	532.8		Q2	176.3	116.6	265.4	864.3	1015.5
	Q3	152.3	103.8		529.3	548.0		Q3	179.5	111.7	260.3	891.1	1009.9
	Q4	152.9	104.3		560.7	579.9		Q4	189.0	109.9	264.1	916.9	1044.5
	Annual	1.9%	2.2%		15.7%	14.3%		Annual	7.5%	-4.7%		8.7%	7.4%
2000	Q1	154.5	104.8		594.0	600.9	2009	Q1	189.4	112.9	265.9	929.2	1038.0
	Q2	154.5	104.9		620.1	638.2		Q2	194.1	109.3	271.2	962.0	1085.9
	Q3	155.0	105.4		641.8	661.8		Q3	197.1	111.3	271.1	1015.5	1187.3
	Q4	156.3	105.5		665.7	692.9		Q4	208.8	118.4	292.7	1088.6	1292.7
	Annual	2.2%	1.1%		18.7%	19.5%		Annual	10.5%	7.7%	10.8%	18.7%	23.8%
2001	Q1	158.8	107.0		695.0	736.0	2010	Q1	212.6	115.3	302.7	1053.9	1234.9
	Q2	160.2	108.6		701.2	754.3		Q2	217.9	116.9	304.6	1181.3	1429.5
	Q3	160.6	109.3		714.4	768.2		Q3	217.2	116.8	295.2	1318.9	1569.2
	Q4	162.3	110.5		727.5	780.0		Q4	228.5	118.5	302.5	1405.9	1828.3
	Annual	3.9%	4.8%		9.3%	12.6%		Annual	9.5%	0.1%	3.3%	29.1%	41.4%
2002	Q1	164.1	111.6		734.1	790.6	2011	Q1	230.6	116.8	301.8	1494.7	1971.1
	Q2	165.2	112.1		740.4	792.5		Q2	225.0	118.8	301.9	1517.8	1902.1
	Q3	166.0	112.7		747.0	797.3		Q3	228.7	119.1	306.5	1530.2	1904.9
	Q4	166.4	113.1		753.7	806.5		Q4	234.5	123.8	314.6	1539.3	1950.4
	Annual	2.5%	2.3%		3.6%	3.4%		Annual	2.6%	4.5%	4.0%	9.5%	6.7%
2003	Q1	167.8	114.0		759.2	813.1	2012	Q1	233.2	121.0	316.0	1539.9	1976.2
	Q2	168.2	114.4		762.0	812.8		Q2	227.2	119.1	308.7	1572.0	2001.6
	Q3	168.6	114.9		770.7	822.8		Q3					
	Q4	169.7	115.4		772.6	821.2		Q4					
	Annual	2.0%	2.0%		2.5%	1.8%		Annual					

INSURANCE

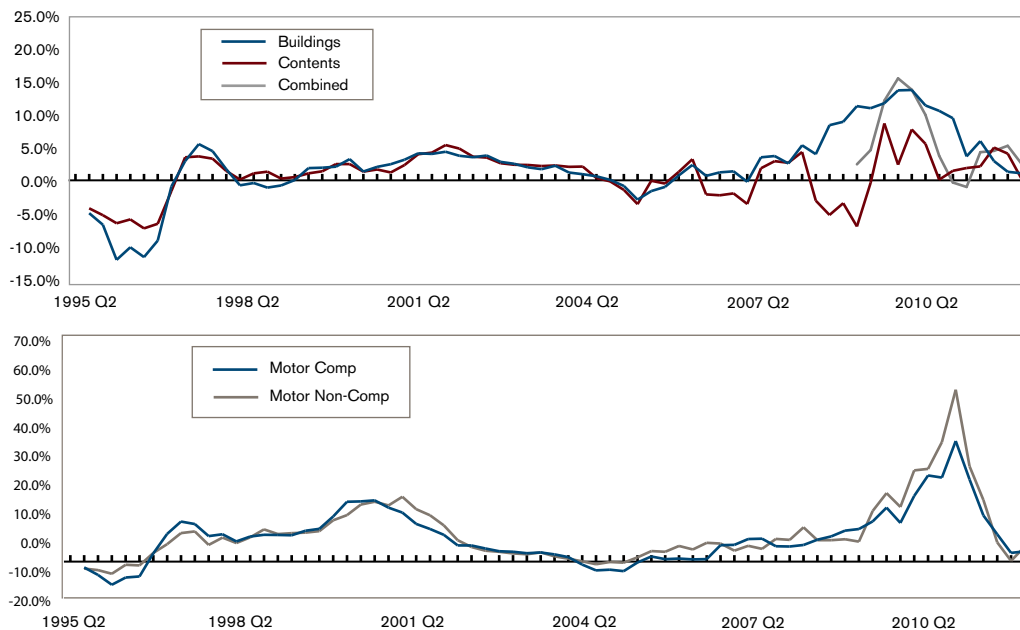
INSURANCE PREMIUM INDEX-SHOPAROUND AVERAGE PREMIUM

		Buildings	Contents	Combined	Motor Comp	Motor Non-Comp			Buildings	Contents	Combined	Motor Comp	Motor Non-Comp
1995	Q1						2004	Q1					
	Q2							Q2				478.9	438.8
	Q3							Q3	108.8	86.8		470.7	451.2
	Q4							Q4	108.5	85.1		461.3	442.8
	Annual							Annual					
1996	Q1						2005	Q1	108.1	83.6		461.1	441.6
	Q2							Q2	109.0	81.8		466.0	442.5
	Q3							Q3	113.1	83.4		465.4	450.0
	Q4							Q4	112.9	82.8		470.3	463.6
	Annual							Annual	4.1%	-2.7%		1.9%	4.7%
1997	Q1						2006	Q1	114.8	84.2		472.3	478.3
	Q2							Q2	113.4	82.8		471.3	479.6
	Q3							Q3	113.1	82.2		464.9	471.8
	Q4							Q4	116.5	81.6		474.1	483.6
	Annual							Annual	3.2%	-1.4%		0.8%	4.3%
1998	Q1						2007	Q1	115.1	82.3		470.9	494.8
	Q2							Q2	111.1	79.5		481.0	499.9
	Q3							Q3	117.5	80.2		478.4	512.3
	Q4							Q4	129.8	77.9		497.0	523.5
	Annual							Annual	11.4%	-4.5%		4.8%	8.2%
1999	Q1						2008	Q1	129.4	78.1	190.4	491.2	531.9
	Q2							Q2	135.4	80.5	199.8	509.7	565.1
	Q3							Q3	132.4	77.4	192.6	520.1	571.8
	Q4							Q4	131.5	74.4	190.6	533.0	589.2
	Annual							Annual	1.3%	-4.5%		7.2%	12.6%
2000	Q1						2009	Q1	136.9	78.0	196.1	537.0	605.6
	Q2							Q2	142.6	74.1	198.7	560.5	637.6
	Q3							Q3	139.6	73.8	198.7	587.5	690.4
	Q4							Q4	146.7	77.7	208.2	653.6	786.1
	Annual							Annual	11.5%	4.4%	9.2%	22.6%	33.4%
2001	Q1						2010	Q1	146.1	79.3	211.1	657.7	821.4
	Q2							Q2	147.6	81.1	218.0	733.4	952.2
	Q3							Q3	150.1	84.8	212.1	818.1	1067.0
	Q4							Q4	161.6	84.2	218.4	870.6	1351.0
	Annual							Annual	10.2%	8.3%	4.9%	33.2%	71.9%
2002	Q1						2011	Q1	166.0	88.8	217.6	921.6	1495.5
	Q2							Q2	165.0	87.8	220.9	954.5	1424.2
	Q3							Q3	171.5	89.7	224.2	951.9	1419.9
	Q4							Q4	176.9	93.6	230.6	1003.6	1453.9
	Annual							Annual	9.5%	11.2%	5.6%	15.3%	7.6%
2003	Q1						2012	Q1	177.7	92.1	234.1	992.7	1465.4
	Q2							Q2	176.3	92.0	237.8	1035.4	1502.5
	Q3							Q3					
	Q4							Q4					
	Annual							Annual					

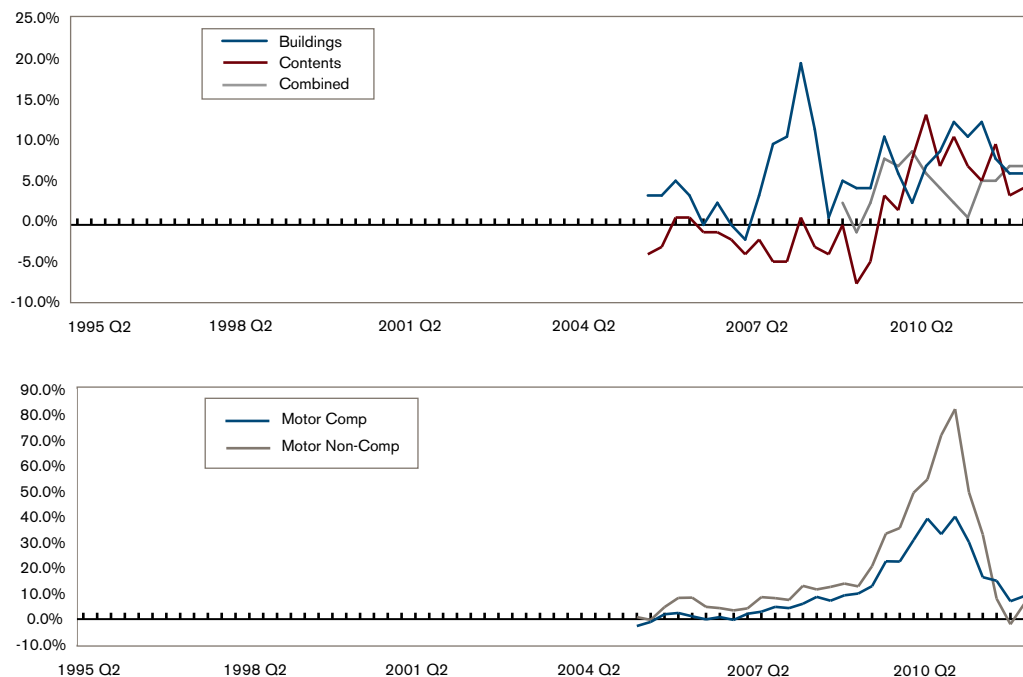
INSURANCE

MARKET AVERAGE PREMIUMS-ROLLING ANNUAL INCREASE ON A QUARTERLY BASIS

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



SHOPAROUND AVERAGE PREMIUMS-ROLLING ANNUAL INCREASE ON A QUARTERLY BASIS



Source for pages 18-20: AA British Insurance Premium Index

SOURCES

SOURCES OF INVESTMENT STATISTICS

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

Overseas			
Equities	Return & Yield	1998-	FTSE World and All World Series Indices Local and Sterling Based
Emerging	Return		FTSE All World Series Emerging

OTHER SOURCES

Insurance			
Market Average Premium	Premium	1994-	The AA British Insurance Premium Index
Shoparound Average Premium	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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