

World Stock Market Returns (GBP and Local Currency)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	YTD	2Q13	Ann.
£ →	42.5%	17.4%	50.5%	19.6%	38.2%	1.3%	59.4%	30.5%	2.9%	17.3%	24.4%	4.0%	16.8%
Local →	Small Cap	EM	EM	Europe ex UK	Asia ex Japan	TOPIX	EM	Small Cap	S&P 500	Asia ex Japan	TOPIX	TOPIX	EM
	46.7%	16.4%	35.8%	22.5%	38.0%	-40.6%	62.8%	24.4%	2.1%	19.7%	33.3%	9.8%	15.3%
	40.5%	16.3%	41.0%	17.3%	37.4%	-12.8%	53.6%	23.7%	0.9%	17.2%	22.0%	3.0%	14.8%
	EM	Small Cap	TOPIX	Asia ex Japan	EM	S&P 500	Asia ex Japan	Asia ex Japan	HDY Equity	Europe ex UK	S&P 500	S&P 500	Asia ex Japan
	46.7%	20.9%	45.2%	28.6%	33.5%	-37.0%	67.2%	15.6%	1.5%	20.0%	13.8%	2.9%	14.0%
	32.2%	14.1%	37.7%	16.3%	15.5%	-18.3%	28.9%	22.9%	-2.2%	13.4%	18.6%	1.0%	12.0%
	Asia ex Japan	Europe ex UK	Asia ex Japan	EM	Europe ex UK	HDY Equity	Small Cap	EM	FTSE 100	EM	Small Cap	Europe ex UK	Small Cap
	45.0%	13.3%	24.1%	28.9%	6.6%	-34.4%	40.8%	14.4%	-2.2%	17.4%	14.1%	0.4%	10.4%
	29.2%	12.4%	29.8%	14.4%	7.9%	-19.1%	27.3%	19.5%	-8.0%	13.0%	12.1%	0.3%	9.8%
	Europe ex UK	HDY Equity	Small Cap	FTSE 100	HDY Equity	Small Cap	FTSE 100	TOPIX	Small Cap	Small Cap	HDY Equity	Small Cap	HDY Equity
	21.2%	15.6%	23.3%	14.4%	4.7%	-40.4%	27.3%	1.0%	-8.7%	18.4%	8.7%	1.4%	8.5%
	24.7%	11.2%	24.5%	13.7%	7.4%	-23.9%	23.2%	18.7%	-11.9%	10.9%	11.4%	-1.6%	9.4%
	TOPIX	FTSE 100	Europe ex UK	HDY Equity	FTSE 100	Europe ex UK	HDY Equity	S&P 500	TOPIX	S&P 500	Europe ex UK	HDY Equity	Europe ex UK
	25.2%	11.2%	28.6%	21.6%	7.4%	-42.7%	30.2%	15.1%	-17.0%	16.0%	6.2%	-0.3%	6.6%
	19.5%	9.8%	23.3%	3.1%	3.7%	-28.3%	19.3%	12.6%	-13.9%	10.3%	7.6%	-2.0%	8.0%
	HDY Equity	Asia ex Japan	HDY Equity	Small Cap	S&P 500	FTSE 100	Europe ex UK	FTSE 100	Europe ex UK	HDY Equity	FTSE 100	FTSE 100	FTSE 100
	22.2%	11.9%	17.7%	13.6%	5.5%	-28.3%	29.0%	12.6%	-12.1%	14.0%	7.6%	-2.0%	8.0%
	17.9%	8.6%	20.8%	1.6%	-0.6%	-33.9%	12.6%	12.1%	-16.5%	10.0%	1.2%	-5.1%	7.0%
	FTSE 100	TOPIX	FTSE 100	S&P 500	Small Cap	Asia ex Japan	S&P 500	HDY Equity	Asia ex Japan	FTSE 100	Asia ex Japan	Asia ex Japan	S&P 500
	17.9%	11.3%	20.8%	15.8%	-3.8%	-47.7%	26.5%	8.0%	-14.6%	10.0%	-2.7%	-3.4%	7.1%
	15.7%	3.4%	17.3%	-10.5%	-6.8%	-35.2%	-6.7%	5.7%	-17.6%	2.8%	-2.9%	-7.8%	5.0%
	S&P 500	S&P 500	S&P 500	TOPIX	TOPIX	EM	TOPIX	Europe ex UK	EM	TOPIX	EM	EM	TOPIX
	28.7%	10.9%	4.9%	3.0%	-11.1%	-45.7%	7.6%	5.1%	-12.5%	20.9%	-4.7%	-4.3%	1.8%

Source: MSCI, FTSE, TOPIX, Standard & Poor's, FactSet, J.P. Morgan Asset Management.

Local return is analogous to the return from a hedged position. Annualised return covers the period 2003 to 2012. Total return indices. EM, Asia ex Japan, HDY Equity, world small cap, and Europe ex UK are MSCI Indices. HDY Equity is the MSCI AC World High Dividend Yield.

Fixed Income Sector Returns

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	YTD	2Q13	Ten-yr Ann.
£ →	17.6%	8.5%	25.1%	2.9%	8.5%	45.1%	44.5%	17.1%	19.9%	15.8%	8.4%	-0.6%	11.9%
Local* →	28.2%	8.5%	11.9%	2.9%	8.5%	5.6%	60.9%	14.9%	19.9%	15.8%	1.7%	-0.9%	12.0%
	15.9%	6.8%	13.3%	0.9%	7.6%	26.5%	15.4%	15.3%	16.8%	13.4%	3.3%	-2.4%	10.9%
	28.8%	6.8%	2.9%	0.9%	5.3%	-5.1%	15.4%	11.8%	16.8%	18.0%	-2.0%	-2.4%	10.7%
	7.6%	6.6%	11.5%	0.2%	5.1%	25.0%	12.1%	10.6%	11.3%	12.9%	2.0%	-2.7%	8.0%
	11.6%	6.6%	7.3%	0.2%	5.1%	-9.7%	25.9%	9.5%	11.1%	18.0%	-1.2%	-1.7%	8.0%
	7.4%	5.5%	9.0%	-1.2%	4.9%	13.6%	11.2%	9.2%	10.0%	7.4%	0.8%	-2.8%	7.4%
	7.4%	8.1%	9.0%	4.1%	3.2%	13.6%	17.3%	7.2%	9.2%	9.6%	0.8%	-2.8%	7.4%
	6.6%	4.8%	8.5%	-1.6%	4.7%	12.1%	6.4%	8.9%	6.4%	6.3%	0.2%	-3.7%	6.2%
	6.6%	11.4%	8.5%	10.5%	6.5%	-2.0%	6.4%	8.9%	5.4%	10.9%	-2.6%	-3.7%	5.5%
	2.8%	4.2%	8.1%	-3.1%	4.4%	3.7%	6.1%	8.9%	5.9%	2.6%	-1.2%	-3.9%	6.0%
	6.5%	11.8%	8.1%	10.5%	4.4%	3.7%	16.6%	4.6%	5.9%	2.6%	-1.2%	-3.9%	6.0%
	2.0%	2.1%	7.9%	-5.9%	1.6%	0.9%	-1.0%	8.8%	5.1%	0.6%	-2.9%	-6.2%	5.9%
	2.0%	5.5%	3.5%	3.6%	2.0%	-26.4%	-1.0%	8.8%	4.8%	0.6%	-9.4%	-6.3%	4.8%
	1.2%	1.9%	6.8%	-6.5%	0.6%	-9.1%	-4.8%	7.5%	4.0%	-0.3%	-3.2%	-6.5%	5.9%
	3.1%	4.9%	4.3%	3.6%	0.6%	-9.1%	5.1%	7.5%	3.7%	5.7%	-3.2%	-6.5%	5.9%

Fixed Income

Source: Barclays Capital, BoA/Merrill Lynch, J.P. Morgan Asset Management.

*Returns are calculated in the currency of the underlying asset class if it is a single currency index otherwise they are hedged ('local currency') if the index contains assets in denominated in different currencies. Annualised return covers period 2003 to 2012. Linkers: FTSE UK Gilts Indexed Linked Government; UK Gilts: JP Morgan UK Global Bond, EM debt: JP Morgan EMBI+; US HY: Merrill Lynch Developed Markets High Yield Constrained, UK corp: Merrill Lynch Sterling Corporates; Global Agg: Barclays Global Aggregate; Global IG: Barclays Global Aggregate – Corporates. Portfolio weights; 35% Gilts, 15% EM debt, 15% high yield, 10% index linked, 10% UK corporate, and 15% global investment grade bonds.

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	YTD	2Q13	Ten-yr Ann.
MSCI EM	46.7%	REITS	MSCI EM	REITS	MSCI EM	Govt bonds	MSCI EM	REITS	REITS	REITS	Wrld ex UK	Wrld ex UK	MSCI EM
		30.4%	35.8%	34.4%	33.5%	9.1%	62.8%	27.6%	7.3%	20.1%	12.5%	2.3%	15.3%
REITS	38.5%	MSCI EM	All Share	MSCI EM	Cmnty	Cash	HY bonds	Cmnty	EMD	HY bonds	All Share	Cash	EMD
		16.4%	22.0%	28.9%	16.2%	6.9%	57.7%	16.8%	7.0%	19.2%	8.5%	0.1%	11.6%
HY bonds	29.3%	All Share	Cmnty	All Share	Portfolio	IG bonds	EMD	HY bonds	Govt bonds	EMD	REITS	Govt bonds	HY bonds
		12.8%	21.4%	16.8%	8.3%	-5.1%	34.2%	15.1%	5.5%	17.9%	5.4%	-1.5%	11.4%
EMD	26.9%	HY bonds	Wrld ex UK	Wrld ex UK	Cash	EMD	Portfolio	All Share	IG bonds	MSCI EM	Portfolio	HY bonds	REITS
		12.0%	15.9%	16.3%	6.1%	-14.7%	30.6%	14.5%	4.8%	17.4%	1.3%	-1.6%	11.0%
Wrld ex UK	26.4%	EMD	Portfolio	Portfolio	Govt bonds	Portfolio	All Share	MSCI EM	HY bonds	Wrld ex UK	HY bonds	All Share	Portfolio
		11.9%	15.3%	14.0%	5.6%	-23.2%	30.1%	14.4%	3.6%	17.1%	0.4%	-1.7%	9.3%
Cmnty	23.9%	Wrld ex UK	EMD	HY bonds	All Share	HY bonds	REITS	EMD	Cash	Portfolio	Cash	Portfolio	All Share
		11.9%	12.3%	12.2%	5.3%	-25.2%	27.4%	12.8%	1.2%	12.7%	0.3%	-2.3%	8.8%
Portfolio	22.6%	Portfolio	REITS	EMD	EMD	All Share	Wrld ex UK	Portfolio	Portfolio	All Share	Govt bonds	IG bonds	Wrld ex UK
		11.5%	8.3%	10.0%	5.2%	-29.9%	26.4%	12.0%	-1.4%	12.3%	-0.7%	-2.4%	6.5%
All Share	20.9%	Cmnty	HY bonds	Cash	Wrld ex UK	Cmnty	Cmnty	Wrld ex UK	All Share	IG bonds	IG bonds	REITS	IG bonds
		9.1%	5.6%	4.8%	5.0%	-35.6%	18.9%	10.4%	-3.5%	10.9%	-2.0%	-3.4%	5.5%
IG bonds	6.5%	IG bonds	Govt bonds	IG bonds	IG bonds	REITS	IG bonds	IG bonds	Wrld ex UK	Govt bonds	MSCI EM	MSCI EM	Govt bonds
		5.5%	5.0%	3.6%	3.2%	-37.3%	16.6%	7.2%	-5.3%	4.5%	-4.7%	-4.3%	4.4%
Cash	3.8%	Govt bonds	Cash	Govt bonds	HY bonds	Wrld ex UK	Cash	Govt bonds	MSCI EM	Cash	EMD	EMD	Cmnty
		4.8%	4.9%	3.3%	2.0%	-39.3%	2.2%	3.6%	-12.5%	1.4%	-6.5%	-5.1%	4.1%
Govt bonds	2.0%	Cash	IG bonds	Cmnty	REITS	MSCI EM	Govt bonds	Cash	Cmnty	Cmnty	Cmnty	Cmnty	Cash
		4.7%	3.5%	2.1%	-17.8%	-45.7%	1.0%	1.0%	-13.3%	-1.1%	-10.5%	-9.5%	3.7%

Other Assets and Investor Behaviour

Source: FTSE, MSCI, Barclays, Dow Jones/UBS, FactSet, J.P. Morgan Asset Management.

Returns are in base currency of the index. Annualised period covers 2003 to 2012. Govt bonds: Barclays Global Aggregate Government Treasuries; HY bonds: Barclays Global High Yield; EMD: Barclays Emerging Markets (USD); IG bonds: Barclays Global Aggregate – Corporates; Cmnty: DJ UBS Commodity; REITS: FTSE NAREIT All REITS; World ex UK: MSCI World ex UK; All share : FTSE All Share; Cash: JP Morgan Cash United Kingdom (3M). Portfolio; 20%: All Share; 10%: government bonds; 15%: IG bonds; 15%: EM equities; 10%: World ex UK equities; 10%: HY bonds; 5% : EMD; 5%: commodities; 5%: cash; and 5%: REITS.