



**Winter 2008
Diploma Exam**

**PRIVATE CLIENT INVESTMENT
ADVICE AND MANAGEMENT**

Information pack

winter 2008

TABLES OF RATES AND ALLOWANCES

2008/2009

Personal allowances	£ 6,035
Age allowances	
- personal allowance:	
aged 65-74	9,030
aged 75 or over	9,180
- married couple's allowance :	
older spouse 73-74	6,535
older spouse aged 75 or over	6,625
- age allowance income limit	21,800

Bands of Taxable Income

Rate

	<u>Earned income</u>	<u>Investment income</u>	
		<u>Interest</u>	<u>Dividends</u>
£0 - £ 2,320	20% (Lower)	10%	10%
£2,321 - £34,800	20% (Basic)	20%	10%
Over - £34,800	40% (Higher)	40%	32.5%

Capital Gains Tax

Annual exemption (individuals)	£9,600
Over £9,600	18%

Inheritance Tax

Threshold	£312,000
Over £312,000	40%

Companies

Full Corporation Tax Rate	28%
Small Companies Rate	21%

Gilts Daily Price List

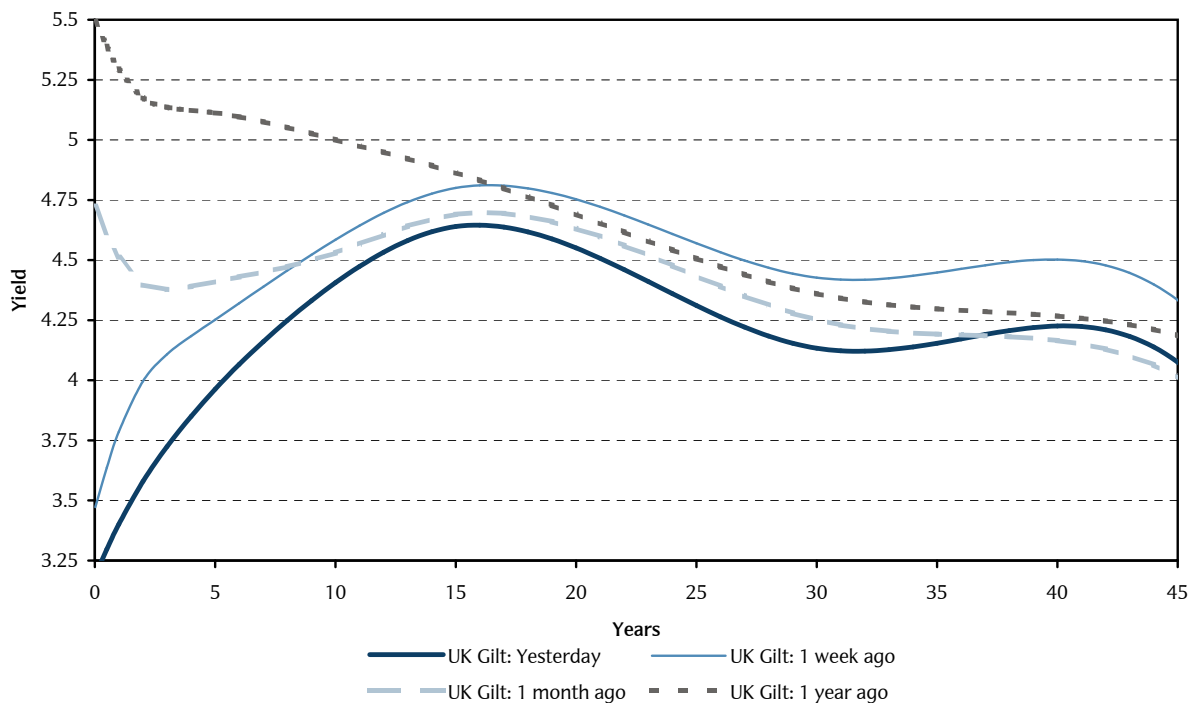
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Report Date 08 October 2008
 Settlement Date 09 October 2008

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UK Gilt Curve



FIXED COUPON

Wednesday 08 October 2008, Settlement Thursday 09 October 2008

Amount of Loan (£m)	Stock	Issue Date	Clean Price	Accrued Interest			Income Yield	GRY	Net Redemption Yields at Income Tax of			Price % Chg on Week	BPV	Modified Duration	Next xd Date
				Days		Gross			10%	20%	40%				
Life of 0 - 2 Years															
411	TREAS 9.0 13 Oct 2008	2/87	100.09	-4	183	-0.098	8.992	1.166	0.263	-0.637	-2.422	-0.090	0.000	0.011	2/10
17141	TREAS 4.0 07 Mar 2009	5/03	100.51	32	181	0.354	3.980	2.741	2.344	1.947	1.153	#VALUE!	0.004	0.406	26/02
12479	TREAS 5.75 07 Dec 2009	7/98	102.63	124	183	1.948	5.603	3.414	2.851	2.288	1.161	0.412	0.011	1.102	27/11
17137	TREAS 4.75 07 Jun 2010	11/04	101.87	124	183	1.609	4.663	3.578	3.109	2.640	1.703	0.648	0.016	1.566	27/11
Life of 2 - 5 Years															
5410	TREAS 6.25 25 Nov 2010	1/94	105.60	137	184	2.327	5.919	3.494	2.891	2.288	1.081	0.820	0.021	1.952	14/11
14292	TREAS 4.25 07 Mar 2011	11/05	101.37	32	181	0.376	4.192	3.649	3.228	2.806	1.964	0.921	0.023	2.269	26/02
5887	CONV 9.0 12 Jul 2011	7/86	113.84	89	184	2.177	7.906	3.674	2.845	2.015	0.353	0.954	0.028	2.432	31/12
452	TREAS 7.75 26 Jan 2015	1/72	111.73	75	184	1.579	6.936	3.919	3.195	2.471	1.022	1.003	0.032	2.896	15/01
10654	TREAS 5.25 07 Jun 2012	3/07	104.90	124	184	1.779	5.005	3.803	3.294	2.784	1.763	1.141	0.034	3.269	27/11
18311	TREAS 5.0 07 Mar 2012	5/01	103.90	32	181	0.442	4.812	3.769	3.280	2.792	1.814	1.067	0.032	3.113	26/02
13323	TREAS 4.5 07 Mar 2013	3/08	102.51	32	181	0.398	4.390	3.874	3.431	2.987	2.100	1.275	0.041	3.964	26/02
Life of 5 - 15 Years															
6745	TREAS 8.0 27 Sep 2013	4/93	118.01	12	181	0.265	6.779	3.968	3.243	2.518	1.066	1.231	0.049	4.174	18/03
14239	TREAS 5.0 07 Sep 2014	7/02	105.47	32	181	0.442	4.741	3.953	3.468	2.983	2.014	1.400	0.054	5.092	26/02
14185	TREAS 4.75 07 Sep 2015	9/03	104.27	32	181	0.420	4.555	4.035	3.572	3.108	2.181	1.620	0.061	5.854	26/02
8049	TREAS 8.0 07 Dec 2015	1/95	123.22	124	183	2.710	6.493	4.209	3.505	2.799	1.383	1.225	0.068	5.528	27/11
14032	TREAS 4.0 07 Sep 2016	3/06	99.74	32	181	0.354	4.010	4.038	3.637	3.237	2.436	1.641	0.067	6.699	26/02
8456	TREAS 8.75 25 Aug 2017	4/92	132.54	45	184	1.070	6.602	4.301	3.566	2.829	1.349	1.350	0.087	6.528	16/02
15369	TREAS 5.0 07 Mar 2018	5/07	105.89	32	184	0.442	4.722	4.234	3.751	3.268	2.300	1.585	0.079	7.491	26/02
11166	TREAS 4.75 07 Mar 2020	3/05	102.85	32	181	0.420	4.618	4.428	3.961	3.494	2.560	1.691	0.090	8.751	26/02
18265	TREAS 8.0 07 Jun 2021	2/96	134.11	124	183	2.710	5.965	4.446	3.783	3.118	1.779	1.591	0.114	8.483	27/11
Life over 15 Years															
16826	TREAS 5.0 07 Mar 2025	9/01	105.33	32	181	0.442	4.747	4.535	4.052	3.568	2.599	1.988	0.118	11.229	26/02
14032	TREAS 4.25 07 Dec 2027	9/06	97.07	124	183	1.440	4.378	4.479	4.046	3.613	2.748	2.638	0.123	12.720	27/11
12827	TREAS 6.0 07 Dec 2028	1/98	120.16	124	183	2.033	4.993	4.472	3.941	3.409	2.340	2.577	0.147	12.229	27/11
11325	TREAS 4.75 07 Dec 2030	10/07	103.75	124	183	1.609	4.578	4.481	4.018	3.554	2.626	2.913	0.141	13.582	27/11
18009	TREAS 4.25 07 Jun 2032	5/00	97.55	124	183	1.440	4.357	4.418	3.986	3.554	2.691	3.344	0.141	14.493	27/11
16285	TREAS 4.25 07 Mar 2036	2/03	99.22	32	181	0.376	4.283	4.299	3.871	3.444	2.590	4.034	0.159	15.992	26/02
15547	TREAS 4.75 07 Dec 2038	4/04	108.73	124	183	1.609	4.369	4.235	3.787	3.339	2.440	4.374	0.177	16.305	27/11
15394	TREAS 4.5 07 Dec 2042	6/07	104.27	124	183	1.525	4.316	4.261	3.825	3.388	2.513	4.784	0.182	17.459	27/11
14292	TREAS 4.25 07 Dec 2046	5/06	99.55	124	183	1.440	4.269	4.274	3.848	3.421	2.569	4.849	0.184	18.494	27/11
14309	TREAS 4.25 07 Dec 2055	5/05	102.19	124	183	1.440	4.159	4.143	3.726	3.308	2.471	5.296	0.207	20.269	27/11
Irredeemable															
284	CONSOLS 4.0 Perpetual	3/32	86.44	69	184	0.750	4.628	4.628	4.165	3.702	2.777	5.065	0.185	21.427	22/01
1	ANNUITIES 2.75 Perpetual	1/53	59.13	4	92	0.030	4.650	4.650	4.185	3.720	2.790	4.980	0.126	21.246	19/12
44	TREAS 3.0 Perpetual	3/46	66.41	4	182	0.033	4.517	4.517	4.066	3.614	2.710	5.187	0.147	22.126	26/03
449	TREAS B 2.5 Perpetual	10/46	57.77	8	182	0.055	4.327	4.327	3.895	3.462	2.596	5.415	0.133	23.087	23/03
195	CONSOLS A 2.5 Perpetual	1/00	57.03	4	92	0.027	4.383	4.383	3.945	3.507	2.630	5.287	0.129	22.555	22/12
1939	WAR LOAN A 3.5 Perpetual	12/32	80.87	130	183	1.243	4.328	4.328	3.895	3.462	2.597	5.879	0.184	22.761	17/11
18	CONV 3.5 Perpetual	4/22	79.05	8	182	0.077	4.428	4.428	3.985	3.542	2.657	5.293	0.178	22.565	23/03

Benchmark gilts are highlighted

INDEX-LINKED

Wednesday 08 October 2008, Settlement Thursday 09 October 2008

Amount of Loan (£m)	Stock	Issue Date	Base RPI Index *	Date	Clean Price	Accrued Interest			Initial Income Yield	Gross Real Yield		Net Real Yield at Income Tax of **		BPV	Modified Duration	Next xd Date
						Days	Gross			12m Retro	3%	20%	40%			
7633	TSY I/L 8MO 2.5 20 May 2009 Rg	10/82	78.76	2/82	275.94	142	184	2.598	2.440	-1.650	-0.179	-0.669	-1.160	0.017	0.600	11/11
11302	TSY I/L 8MO 2.5 23 Aug 2011 Rg	1/82	74.55	5/81	291.84	47	184	0.927	2.491	1.525	1.858	1.364	0.870	0.079	2.716	12/2
14439	TSY I/L 8MO 2.5 16 Aug 2013	2/85	89.20	6/84	245.18	54	184	0.892	2.478	1.815	2.010	1.516	1.023	0.110	4.476	5/2
16603	TSY I/L 8MO 2.5 26 Jul 2016 Rg	1/83	81.62	5/82	274.35	75	184	1.343	2.401	1.707	1.838	1.351	0.864	0.191	6.949	15/1
9634	TSY I/L 3MO 1.25 22 Nov 2017 Rg	2/06	193.73	2/06	96.45	140	184	0.532	1.296	1.671	1.684	1.416	1.171	0.081	8.397	13/11
13022	TSY I/L 8MO 2.5 16 Apr 2020 Rg	10/83	82.97	2/83	279.46	-7	183	-0.122	2.279	1.606	1.694	1.216	0.738	0.277	9.921	7/10
6904	TSY I/L 1.875 In Nov 2022 Rg	7/07	205.66	11/06	102.03	140	183	0.752	1.838	1.712	1.720	1.349	0.977	0.124	12.118	13/11
11874	TSY I/L 8MO 2.5 17 Jul 2024 Rg	12/86	97.67	4/86	248.24	84	184	1.257	2.218	1.475	1.542	1.076	0.610	0.322	12.964	8/1
8222	TSY I/L 3MO 1.25 22 Nov 2027 Rg	4/06	194.07	4/06	98.48	140	184	0.531	1.269	1.340	1.347	0.892	0.841	0.164	16.602	13/11
6457	TSY I/L 8MO 4.125 22 Jul 2030	6/92	135.10	10/91	245.12	79	184	1.410	2.679	1.184	1.241	0.606	-0.035	0.385	15.719	13/1
8473	TSY I/L 8MO 2.0 26 Jan 2035 Rg	7/02	173.60	11/01	151.60	75	184	0.505	1.635	0.953	0.997	0.642	0.286	0.315	20.763	15/1
8527	TSY I/L 3MO 1.125 22 Nov 2037 Rg	2/07	202.24	6/06	104.94	140	184	0.459	1.072	0.930	0.934	0.715	0.495	0.257	24.452	13/11
2848	TSY I/L 0.75 22 Nov 2047	11/07	207.77	11/07	101.64	140	184	0.298	0.738	0.701	0.704	0.957	0.406	0.339	33.316	13/11
5934	TSY I/L 3MO 1.25 22 Nov 2055 Rg	9/05	192.20	9/05	126.90	140	184	0.536	0.985	0.594	0.597	0.376	0.159	0.463	36.455	13/11

3 month inflation linked issues are highlighted

* Rebased January 1987 @ 100 (old basis 394.5)

** Inflation assumption of 3%

Stock	Price	Comparison Stock	Price	Breakeven Inflation Rates at Income Tax levels of			
				0%	10%	20%	40%
TSY I/L 8MO 2.5 20 May 2009 Rg	275.94	TREAS 4.0 07 Mar 2009	100.51	2.92			
TSY I/L 8MO 2.5 23 Aug 2011 Rg	291.84	TREAS 4.25 07 Mar 2011	101.37	1.49	1.56	1.57	1.39
TSY I/L 8MO 2.5 16 Aug 2013	245.18	TREAS 8.0 27 Sep 2013	118.01	1.81	1.53	1.20	0.35
TSY I/L 8MO 2.5 26 Jul 2016 Rg	274.35	TREAS 4.0 07 Sep 2016	99.74	2.12	2.13	2.08	1.82
TSY I/L 3MO 1.25 22 Nov 2017 Rg	96.45	TREAS 5.0 07 Mar 2018	99.74	2.34	2.19	2.01	1.56
TSY I/L 8MO 2.5 16 Apr 2020 Rg	279.46	TREAS 4.75 07 Mar 2020	102.85	2.71	2.71	2.65	2.38
TSY I/L 1.875 22 Nov 2022 Rg	102.03	TREAS 5.0 07 Mar 2025	105.33	2.81	2.68	2.52	2.07
TSY I/L 8MO 2.5 17 Jul 2024 Rg	248.24	TREAS 5.0 07 Mar 2025	105.33	2.99	2.96	2.87	2.55
TSY I/L 3MO 1.25 22 Nov 2027 Rg	98.48	TREAS 4.25 07 Dec 2027	97.07	3.13	2.84	2.52	1.80
TSY I/L 8MO 4.125 22 Jul 2030	245.12	TREAS 4.25 07 Jun 2032	97.55	3.19	3.38	3.50	3.56
TSY I/L 8MO 2.0 26 Jan 2035 Rg	151.60	TREAS 4.25 07 Mar 2036	99.22	3.32	3.23	3.11	2.75
TSY I/L 3MO 1.125 22 Nov 2037 Rg	104.94	TREAS 4.75 07 Dec 2038	108.73	3.31	3.07	2.81	2.22
TSY I/L 0.75 22 Nov 2047	101.64	TREAS 4.25 07 Dec 2046	99.55	3.59	3.30	3.00	2.35
TSY I/L 3MO 1.25 22 Nov 2055 Rg	126.90	TREAS 4.25 07 Dec 2055	102.19	3.57	3.36	3.13	2.59

Stock	Index Ratio ***
TSY I/L 3MO 1.25 22 Nov 2017 Rg	1.119
TSY I/L 1.875 22 Nov 2022 Rg	1.054
TSY I/L 3MO 1.25 22 Nov 2027 Rg	1.117
TSY I/L 3MO 1.125 22 Nov 2037 Rg	1.071
TSY I/L 3MO 1.25 22 Nov 2055 Rg	1.127

*** Settlement: 09 October 2008

RETAIL PRICE INDEX

Wednesday 08 October 2008, Settlement Thursday 09 October 2008

Month	Index	Inflation
Aug 07	207.3	4.07
Sep 07	208	3.95
Oct 07	208.9	4.24
Nov 07	209.7	4.28
Dec 07	210.9	4.05
Jan 08	209.8	4.07
Feb 08	211.4	4.09
Mar 08	212.1	3.77
Apr 08	214	4.19
May 08	215.1	4.32
Jun 08	216.8	4.58
Jul 08	216.5	5.05
Aug 08	217.2	4.78

STRIPS

Stock	Redemption Date	Price	GRY	BPV	Modified Duration
U-strip 07 Mar 2009 4 Principal	07-Mar-2009	98.70	3.196	0.004	0.405
U-strip 07 Dec 2009 5.75 Principal Rg	07-Dec-2009	96.01	3.533	0.011	1.141
U-strip 07 Jun 2010 4.75 Principal Rg	07-Jun-2010	94.16	3.653	0.015	1.631
U-strip 07 Mar 2011 4.25 Principal	07-Mar-2011	91.54	3.700	0.022	2.368
U-strip 07 Mar 2012 5 Principal	07-Mar-2012	87.98	3.791	0.029	3.348
U-strip 07 Jun 2012 5.25 Principal	07-Jun-2012	86.96	3.854	0.031	3.592
U-strip 07 Sep 2014 5 Principal	07-Sep-2014	79.29	3.964	0.046	5.797
U-strip 07 Sep 2015 4.75 Principal	07-Sep-2015	75.64	4.081	0.051	6.773
U-strip 07 Dec 2015 8 Principal Rg	07-Dec-2015	73.66	4.315	0.052	7.010
U-strip 07 Sep 2016 4 Principal Rg	07-Sep-2016	71.98	4.199	0.056	7.749
U-strip 07 Mar 2020 4.75 Principal	07-Mar-2020	60.07	4.517	0.067	11.160
U-strip 07 Jun 2021 8 Principal Rg	07-Jun-2021	56.50	4.560	0.070	12.379
U-strip 07 Mar 2025 5 Principal	07-Mar-2025	47.58	4.578	0.076	16.044
U-strip 07 Dec 2027 4.25 Principal	07-Dec-2027	42.69	4.492	0.080	18.740
U-strip 07 Dec 2028 6 Principal Rg	07-Dec-2028	40.77	4.500	0.080	19.718
U-strip 07 Jun 2032 4.25 Principal Rg	07-Jun-2032	35.68	4.403	0.083	23.151
U-strip 07 Mar 2036 4.25 Principal Rg	07-Mar-2036	31.84	4.219	0.085	26.845
U-strip 07 Dec 2038 4.75 Principal Rg	07-Dec-2038	29.30	4.111	0.086	29.554
U-strip 07 Dec 2046 4.25 Principal	07-Dec-2046	20.22	4.233	0.075	37.370
U-strip 07 Dec 2055 4.25 Principal	07-Dec-2055	15.67	3.969	0.072	46.244

GILT INDICES PROFILES

	Under 5 Year	5 to 15 Years	Over 15 Years	Irredeemable	All Stocks	Index Linked
Capitalisation (billion)	#VALUE!	169.51	154.04	2.23	#VALUE!	273.35

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