

2010 update

from your CEO

Police Mutual

Owned by you. Run by you.

February 2010

Dear Member,

I wanted to give you an update on the performance of your mutual and to share some of the changes we are making to reflect the needs of our members over the coming year.

2009 was a turbulent year for investments. In keeping with our steady, low risk approach to investing, we remained cautious in 2009 and whilst we increased our exposure to stocks and shares as the market recovered, we did this carefully, ever mindful of the need to act quickly should it fall again.

This approach served us well and on 1 January we were able to increase the returns on our 10 year regular savings plans, which is good news for the many members sharing in payouts of over £130 million this year.


Our approach to your money is very simple. We offer guarantees so you know the minimum amount you can expect back when your plan matures and our costs are amongst the lowest of any mutual in the UK. We don't take big risks with your hard-earned cash and our current 10 year returns continue to beat the average bank / building society account*. However, please remember that past performance should not be seen as a guide to the future.

We try to think ahead about what our members might need and we have introduced a new range of flexible savings and investments to give you more choice. This is proving to be very successful with the Cash ISA and Cash Account taking over £2m in deposits in less than a month.

With now over 200,000 members, it remains very much your Police Mutual, owned by you and run by you.

Thank you for your continued support, we don't take it for granted.

Yours faithfully



Stephen Mann
Chief Executive

*Our payout is based on anyone up to 50 investing over 10 years as at 1 February 2010. Please remember deposit accounts offer capital security and access at all times.