

CORRESPONDENCE

28 ST. ANDREW SQUARE,
EDINBURGH, 2. 3rd June 1949.

The Editor,

Transactions of the Faculty of Actuaries.

DEAR SIR,

Referring to my letter of 7th July 1948, published on page 355 of Volume XVIII of the *Transactions*, I have arranged for the calculation of the percentages invested as at 31st December 1948 in different classes of securities by the ten Life Offices whose figures were included in the Appendix to Mr. A. C. Murray's paper "The Investment Policy of Life Assurance Offices" (*T.F.A.*, vol. xvi. p. 263).

The Table herewith sets out these percentages compared with the corresponding figures as at 31st December 1947 before and after adjustment to give effect to the inclusion of British Transport Stock issued on 1st January 1948 with British Government Securities as at 31st December 1947.

The Electricity Supply Industry was nationalised during 1948, holdings of stocks and shares in Companies engaged in the Industry being exchanged for British Electricity Stock, guaranteed by the British Government, on 1st May 1948. The total of British Government Securities as at 31st December 1948 was, therefore, increased to the extent that the transfer was not offset by the action of individual offices in selling British Electricity or other British Government Securities for the purpose of reinvesting in other classes of securities.

To comply with the present general practice of the Offices, the names of Items 2, 3 and 4 in the Table have been altered to allow for the changed status of India and the names of Items 7, 8 and 9 have been altered on account of the removal of British Railway Debenture, Preference and Ordinary Stocks.

Yours faithfully,

C. M. GULLAND.

PERCENTAGES OF TOTAL ASSETS OF TEN LIFE OFFICES
INVESTED IN DIFFERENT CLASSES OF SECURITIES

	31 Dec. 1947		31 Dec. 1948
	<i>Before exchange of railway stocks</i>	<i>After exchange of railway stocks</i>	
1. British Government Securities	21.0	29.3	31.8
2. *Dominion and Colonial Govern- ment Securities		1.4	1.1
3. *Dominion and Colonial Pro- vincial Securities0	.0
4. *Dominion and Colonial Muni- cipal Securities3	.3
5. Foreign Municipal Securities .		.0	.0
6. Foreign Government and Pro- vincial Securities6	.3
7. †Debentures and Debenture Stocks	15.2	12.6	11.5
8. †Preference and Guaranteed Stocks and Shares	17.3	13.4	12.6
9. †Ordinary Stocks and Shares .	16.2	15.5	15.6
10. Loans on Rates, Municipal and County Securities and Public Boards—United Kingdom .	6.0	4.9	4.0
11. Life Interests and Reversions and Loans thereon		1.9	2.0
12. Loans on Stocks and Shares .		.2	.1
13. Loans on Policies within their Surrender Values		1.9	1.8
14. Loans on Personal Security .		.1	.1
15. Mortgages on Property within the United Kingdom		8.8	9.6
16. Mortgages on Property out of the United Kingdom1	.1
17. Rent Charges, Freehold and Leasehold Ground Rents, etc.		1.5	1.5
18. House Property		3.6	3.8
19. Cash, Deposits and Bank Balances		1.7	2.0
20. Miscellaneous		2.2	1.8
		<u>100.0</u>	<u>100.0</u>

* The names of these classes have been altered to allow for the changed status of India.

† The names of these classes have been altered on account of the removal of British Railway Debenture, Preference and Ordinary Stocks.