

Save & Prosper Balanced Investment Fund

save&prosper

All performance data relates to the Save & Prosper Balanced Investment Fund

Investment objective

To provide long term growth by investment in a balance of the main investment sectors. The fund should provide a good alternative to a narrowly based share portfolio.

Fund statistics

Fund manager(s)	Valerio Salvati and David Chan
Fund launch date	04/72
Fund size (as at 30/09/11)	GBP 43.8m

Portfolio breakdown

(as at 30/09/11)

	%
Property	28.3
UK Bonds	23.0
UK	22.0
US	14.2
Europe	4.0
Emerging	3.1
Japan	2.5
Global Bonds	1.4
Pacific	0.5
Cash	1.0

Fund review

(as at 30/09/11)

Government bonds outperformed equities in the third quarter as the eurozone debt crisis gathered pace and the outlook for global growth deteriorated. Equities suffered their largest quarterly declines since the global financial crisis and tested bear market limits.

The fund produced a negative return over the quarter and underperformed its benchmark. We reduced our overweight position in equities in August and September, which was beneficial, and maintained our overweight to emerging market equities, which detracted as emerging markets continued to lag most developed markets. We moved to a slight underweight to continental Europe, which was beneficial given the continued debt concerns and poor performance within this market. We made some changes in underlying fund selection within emerging markets and reshaped our US equity allocation as we added a further growth fund position, while also adding a small holding in a global high yield bond fund. Our US, Asian and continental European equity strategies underperformed, while our Japanese equity and global equity income holdings outperformed their respective benchmarks. The Japan Alpha Plus Fund provided particularly strong returns.

Fund outlook

(as at 30/09/11)

Monetary easing is likely to be an important theme over the next three to six months. Several central banks have announced easing measures in the past month with several more poised to ease shortly. The US economy is holding up well, although our global growth indicator series is finely poised between signalling a mid-cycle slowdown and a full-blown recession. Valuations have become extreme in certain asset classes, especially equity risk premia versus bonds and credit.

Returns calculated on an offer to offer, net income reinvested basis.
Source: J.P. Morgan.

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For up to date information and performance data please contact our Customer Services Team on 0845 3000144. Telephone lines are recorded to ensure compliance with our legal and regulatory obligations and internal policies. The price of the fund is also published in the Financial Times each day.

You should remember that past performance is not a guide to the future. The price of investments and the income from them may go down as well as up and you may not get back the full amount invested. Investment in emerging markets may involve a higher element of risk due to political and economic instability and underdeveloped markets and systems. Investments in smaller companies may involve a higher degree of risk as markets are usually more sensitive to price movements. Exchange rate changes may cause the value of underlying overseas investments to go down or up. The value of property assets is a matter of valuer's opinion, not fact. These assets may be more difficult to realise and may not be realisable at all. The level of tax benefits and liabilities will depend on individual circumstances and may change in the future.

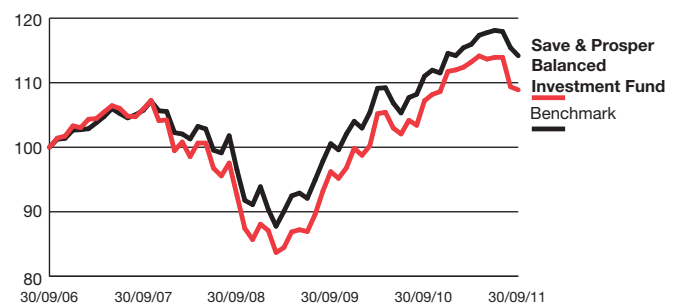
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Benchmark

Composite benchmark: 25% FTSE All-Share, 25% FTSE World Ex UK, 25% FTSE All-Stocks and 25% S&P Property Fund.

Cumulative performance

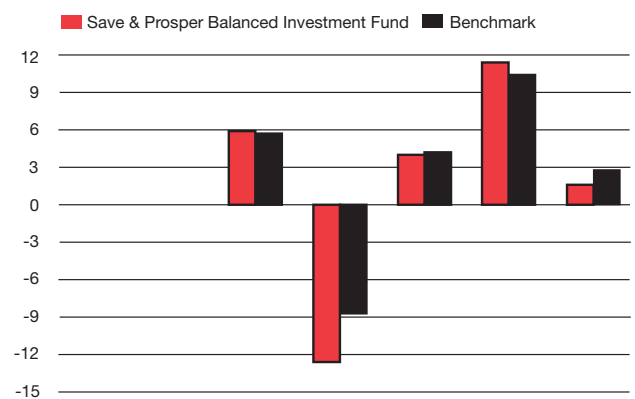
(as at 30/09/11)



%	3M	1 Y	3 Y	5 Y	10 Y
Save & Prosper Balanced Investment Fund	-4.4	1.6	17.7	8.9	57.9
Benchmark	-3.3	2.8	18.4	14.2	60.1

Rolling 12 month performance

(as at 30/09)



%	2007/2006	2008/2007	2009/2008	2010/2009	2011/2010
Save & Prosper Balanced Investment Fund	5.9	-12.6	4.0	11.4	1.6
Benchmark	5.7	-8.7	4.2	10.4	2.8