

# Save & Prosper Cautious Total Return Pension Fund

**save&prosper**

All performance data relates to the Save & Prosper Cautious Total Return Pension Fund

## Investment objective

To achieve over a medium-term horizon (2-3 years) higher returns than those available from money market instruments denominated in Sterling, by investing primarily in fixed income securities, convertible bonds, equity securities and short term securities of issuers located in any country.

## Fund statistics

Fund launch date	07/07
Fund size (as at 30/09/11)	GBP 19.5m

## Additional information

This Fund is 100% invested in the JPM Cautious Total Return Fund. For further details on this Fund please visit our web site [www.jpmmorganassetmanagement.co.uk](http://www.jpmmorganassetmanagement.co.uk).

## Current positioning

(as at 30/09/11)

Weight	
Bonds	55.4
Equity	15.8
Convertibles	4.9
Cash/Cash for Margin	23.9
Total	100.0
<b>Derivative Positions</b>	
Equity Futures	15.8
Bond Futures	7.4
Options	-6.4

## Fund review

(as at 30/09/11)

Government bonds continued to outperform equities in the third quarter as the eurozone debt crisis gathered pace and the outlook for global growth deteriorated. In the fund, the equity sensitivity (delta) averaged 16% in the period, reaching a peak of 32% at beginning of July and a low of 5% in September. We remained constructive on equities and our defensive stock positions performed well in excess of the MSCI World in the quarter. While we have had very little exposure to financials, we added some Japanese bank names at the end of September. We benefited considerably from our options positions, which helped protect the portfolio from the extreme market events in August. Our fixed income positions added value over the quarter as bond markets saw a flight to quality. We maintained a constructive view on UK ten-year Gilts, taking profits on some of the position in September.

## Fund outlook

(as at 30/09/11)

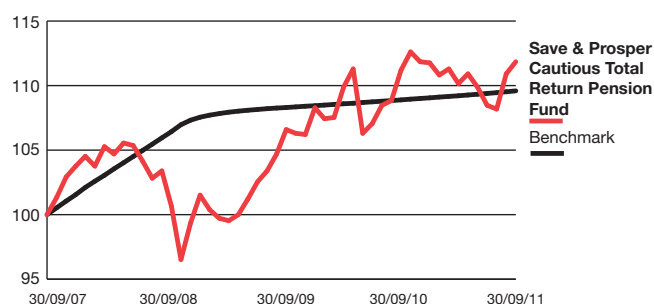
Going forward, the most pressing issue is a meaningful resolution to Europe's debt crisis. However, there have been signs of more positive macro data from the US, including stronger capital goods orders. Monetary policy is set to remain ultra-stimulative for the foreseeable future, with further quantitative easing from the Bank of England and rate cuts from the European Central Bank combined with extensive liquidity provision highly likely. Operation Twist will flatten the yield curve and will aim to reduce longer-term funding costs, although the follow-through to credit markets and general risk appetite has not happened yet.

## Benchmark

1 month LIBOR

## Cumulative performance

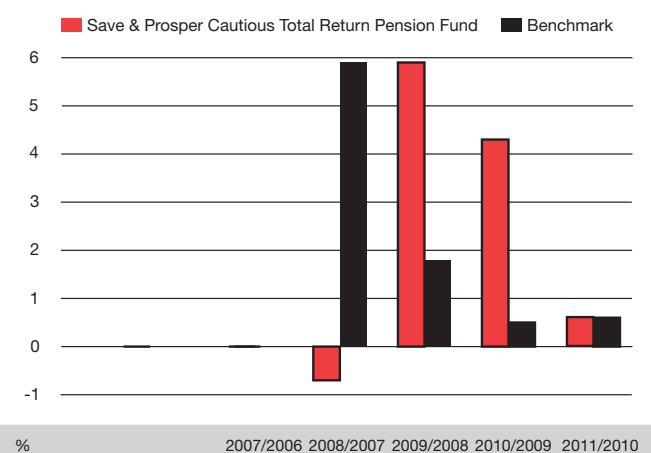
(as at 30/09/11)



%	3M	1 Y	3 Y	5 Y	10 Y
Save & Prosper Cautious Total Return Pension Fund	3.1	0.6	11.1	-	-
Benchmark	0.2	0.6	3.0	-	-

## Rolling 12 month performance

(as at 30/09)



%	2007/2006	2008/2007	2009/2008	2010/2009	2011/2010
Save & Prosper Cautious Total Return Pension Fund	-	-0.7	5.9	4.3	0.6
Benchmark	-	5.9	1.8	0.5	0.6

Returns calculated on an offer to offer, pension fund tax basis.

Source: J.P. Morgan.

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.

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.

Total Return Funds do not have a capital guarantee. Performance may show periodic shortfalls against the target return and the fund will not benefit from strong equity market performance to the same extent as a fund which has no limitation on direct equity investing.

Save & Prosper Pensions Limited is authorised and regulated by the Financial Services Authority.

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