Save & Prosper Managed Pension Fund

save&prosper

All performance data relates to the Save & Prosper Managed Pension Fund

Investment objective

To provide a balanced portfolio invested in a combination of fixed-interest securities, property, equities and deposits suitable for provision of pension benefits.

Fund statistics

Fund manager(s)	Valerio Salvati and David Chan
Fund launch date	02/74
Fund size (as at 30/09/11)	GBP 404.6m

Portfolio breakdown (as at 30/09/11)

	%
UK Equity	**34.0**
US Equity	**21.3**
UK Bonds	**12.5**
Europe Equity	**6.1**
Property	**5.8**
Emerging Markets Equity	**4.2**
Japan Equity	**3.8**
Global Bonds	**3.5**
Pacific Equity	**2.2**
Cash	**6.6**

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 absolute return in the quarter. We maintained an overweight position in equities, although we significantly reduced this towards the end of the quarter. A slight overweight in Japan was beneficial, although a larger overweight in emerging markets detracted in the period. An underweight in global bonds detracted, with global bonds outperforming most developed equity markets. We moved to an overweight in UK bonds in the quarter and we also added emerging markets debt into our holdings. We also added new strategies, further diversifying the investment styles within our US equities. Our US and European holdings were among the worst relative performers, and the strongest relative returns were in our Japanese equity holdings. Within our bond allocation, both global and UK holdings produced positive absolute returns.

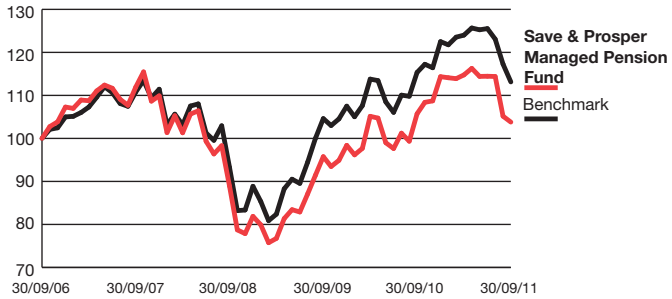
Fund outlook (as at 30/09/11)

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 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.

Benchmark

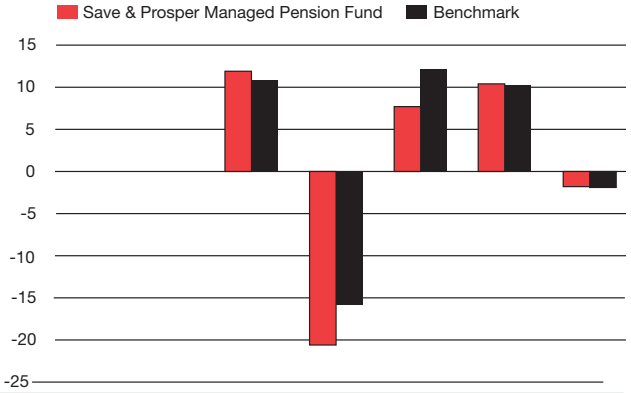
37.5% FTSE All-Share Index, 37.5% MSCI AC World Index ex United Kingdom, 7.5% FTSE Actuaries Govt Securities UK Gilts Total Return Index All Stocks, 7.5% JP Morgan Global Govt Bond Index ex UK Hedged to GBP, 5.0% UK IPD Total Return All Property Index and 5.0% LIBOR GBP 3 Month

Cumulative performance (as at 30/09/11)



%	3M	1 Y	3 Y	5 Y	10 Y
Save & Prosper Managed Pension Fund	**-9.3**	**-1.8**	**16.7**	**3.8**	**71.0**
Benchmark	-9.9	-1.9	21.3	13.1	63.8

Rolling 12 month performance (as at 30/09)



%	2007/2006	2008/2007	2009/2008	2010/2009	2011/2010
Save & Prosper Managed Pension Fund	**11.9**	**-20.6**	**7.7**	**10.4**	**-1.8**
Benchmark	10.8	-15.8	12.2	10.3	-1.9

As at 01/07/10 the Benchmark of the Fund was changed from Micropal IP Fd Balanced Managed to a Customised Benchmark.
Returns calculated on an offer to offer, pension fund tax basis.
Source: J.P. Morgan.

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Benchmark Source: MSCI. The MSCI data is comprised of a custom index calculated by MSCI for, and as requested by, JPMAM (UK). The MSCI data is for internal use only and may not be redistributed or used in connection with creating or offering any securities, financial products or indices. Neither MSCI nor any other third party involved in or related to compiling, computing or creating the MSCI data (the "MSCI Parties") makes any express or implied warranties or representations with respect to such data (or the results to be obtained by the use thereof), and the MSCI Parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to such data. Without limiting any of the foregoing, in no event shall any of the MSCI Parties have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

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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