

All performance data relates to the Save & Prosper Deposit Fund

Investment objective

To achieve the highest possible return consistent with high capital security.

Fund statistics

Fund launch date	02/74
Fund size (as at 30/06/10)	GBP 7.8m

Additional information

This Fund is 100% invested in the JPM Sterling Liquidity Fund. For further details on this Fund please visit our web site www.jpmgloballiquidity.com

Portfolio breakdown

(as at 30/06/10)

Deposit duration to maturity for the JPM Sterling Liquidity Fund	%
Less than 1 Month	64.4
1 - 3 Months	29.6
3 - 6 Months	6.0

Fund review

(as at 30/06/10)

The MPC kept the bank rate unchanged at 0.5% at its June meeting, with the committee voting seven-to-one in favour of keeping rates on hold. However, recent comments by MPC members have been conflicting concerning future action. The main causes are the persistence in headline inflation and inflation expectations, which have been given further impetus by the planned hike in VAT in January 2011, and whether the economy can withstand monetary tightening. In the budget chancellor of the exchequer, George Osborne, set out an aggressive plan to cut the public deficit over the course of this parliament, with the structural deficit projected to fall by nearly 8% of GDP. The latest activity data suggests that the recovery is well underway. In the labour market May's claimant count fell by 30,900, while May retail sales rose 0.5% month-on-month, suggesting strengthening household demand. UK house prices rose for a fourth month in June, according to the Nationwide, although mortgage lending remains weak. CPI inflation fell to 3.4% in May, still above the target rate.

The fund invests directly into the JPM Sterling Liquidity Fund. In the Sterling Liquidity Fund, overnight maturities were kept above 20% and the portfolio continued to invest mainly in the one-to-three month part of the curve. As market volatility increased, the weighted average maturity was reduced to 33 days.

Fund outlook

(as at 30/06/10)

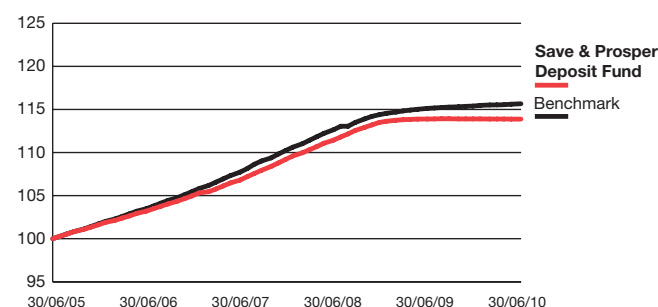
Markets and data releases are likely to remain volatile, which suggests a change in policy will be unlikely in the near term. We expect that the bank rate will be held at 0.5% for the rest of the year.

Benchmark

3 Month GBP LIBOR

Cumulative performance

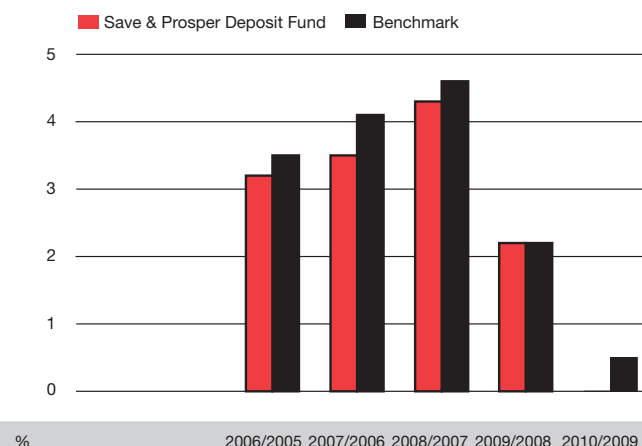
(as at 30/06/10)



%	3M	1 Y	3 Y	5 Y	10 Y
Save & Prosper Deposit Fund	0.0	0.0	6.6	13.9	33.6
Benchmark	0.1	0.5	7.4	15.7	37.0

Rolling 12 month performance

(as at 30/06)



%	2006/2005	2007/2006	2008/2007	2009/2008	2010/2009
Save & Prosper Deposit Fund	3.2	3.5	4.3	2.2	0.0
Benchmark	3.5	4.1	4.6	2.2	0.5

Returns calculated on an offer to offer, net income reinvested 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.

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