

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

## Investment objective

To provide a portfolio invested in a wide range of equities designed to give the best total return.

### Fund statistics

Fund manager(s)	William Meadon & James Illsley
Fund launch date	10/72
Fund size (as at 30/06/10)	GBP 44.8m

### Portfolio breakdown

(as at 30/06/10)

	%
JPM Life UK Specialist Equity Fund	100.0

### Fund review

(as at 30/06/10)

UK stocks fell heavily over the second quarter, unsettled by sovereign debt concerns and macroeconomic uncertainty.

In the fund, positive contributions to relative returns included stock selection and overweight positions in the pharmaceuticals and nonlife insurance sectors. Stock selection detracted in the mining and oil & gas producers sectors. At the stock level, the fund benefited most from an overweight position in drugmaker AstraZeneca, which rose after a US court upheld a patent on its Crestor cholesterol medication through to 2016. An overweight position in engineering company IMI plc was also positive for the fund after the company raised its first-half revenue forecasts. The biggest stock-level detractor was an overweight position in BP, which was held due to its attractive valuation and strong growth characteristics, but which fell heavily following an explosion at its Deepwater Horizon rig in the Gulf of Mexico. Overweight positions in Eurasian Natural Resources and Ferrexpo were also detrimental as mining stocks were hit by uncertainty over the commodity price outlook amid fears of weakening demand from Europe and China. However, the fund was boosted by an overweight position in car insurer Admiral Group, which reported a 28% increase in first-quarter turnover due to higher prices and said it was on course to meet full-year earnings estimates.

### Fund outlook

(as at 30/06/10)

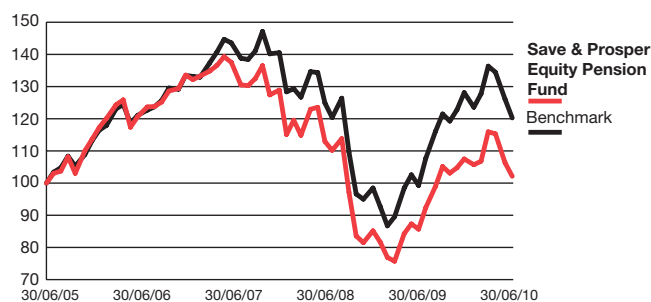
Valuations are attractive, but markets are likely to remain volatile in the short term given uncertainty over the economic outlook.

### Benchmark

FTSE All-Share

### Cumulative performance

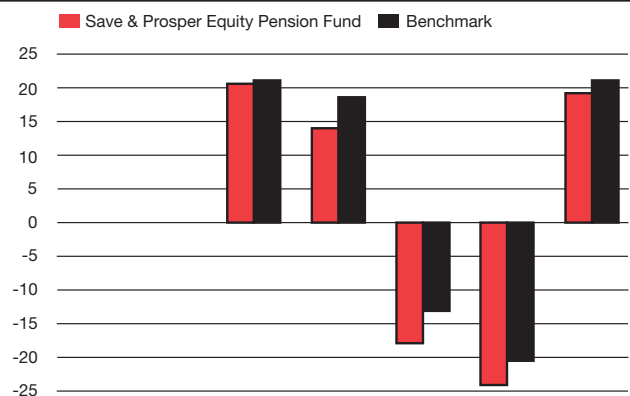
(as at 30/06/10)



%	3M	1 Y	3 Y	5 Y	10 Y
Save & Prosper Equity Pension Fund	-11.9	19.2	-25.8	2.1	2.5
Benchmark	-11.8	21.1	-16.3	20.3	21.9

### Rolling 12 month performance

(as at 30/06)



%	2006/2005	2007/2006	2008/2007	2009/2008	2010/2009
Save & Prosper Equity Pension Fund	20.6	14.0	-17.9	-24.1	19.2
Benchmark	21.1	18.6	-13.1	-20.5	21.1

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.

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