

All performance data relates to the Save & Prosper With Profits Fund

Investment objective

To provide investors with a guaranteed sum at maturity with the possibility of an additional terminal bonus.

Fund statistics

Fund manager(s)	Valerio Salvati and David Chan
Fund launch date	04/74
Fund size (as at 30/06/10)	GBP 74.8m

Portfolio breakdown

(as at 30/06/10)

UK Bonds	35.7
Net Equities	11.5
Property	10.0
High Yield Bonds	9.2
Hybrids	2.3
Other	16.9
Cash	14.4

Fund review

(as at 30/06/10)

The second quarter of 2010 was an unhappy one for global equity markets, as investors worried about the threat to growth posed by European austerity budgets and weak data in the US and China. Meanwhile, bond investors found safe havens in the US and other major government bond markets.

The fund produced a positive absolute return this quarter, despite the difficult markets. In the context of heavy falls in equity markets, the portfolio's bond and property exposure was particularly beneficial over the period.

Key positions in the Sterling Bond Fund and UK Gilts supported the portfolio return as equity markets fell, as did the property fund holding. The Strategic Bond Fund, another key holding, disappointed versus its benchmark this quarter; however, the two Japanese equity funds and particularly the Global Equity Income Fund performed very well relative to their respective benchmarks.

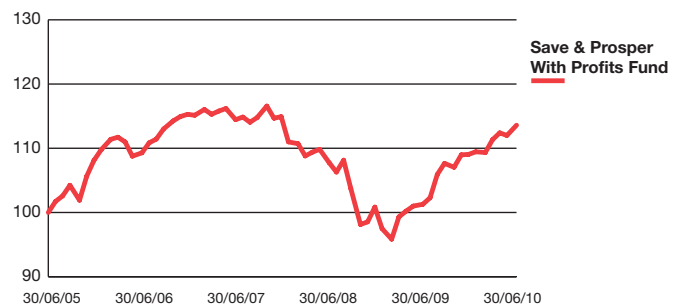
Fund outlook

(as at 30/06/10)

Fiscal policy is being tightened across much of the G20 group of nations, which carries risks for growth in 2011. Monetary conditions have become very easy in Europe, but have tightened in the US, China and Japan. We stick with our longstanding thesis of a sub-par economic recovery in 2010/11 and acknowledge that there is risk of disappointment.

Cumulative performance

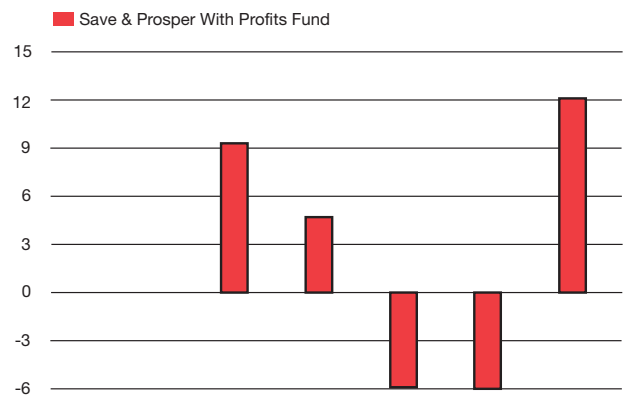
(as at 30/06/10)



%	3M	1 Y	3 Y	5 Y	10 Y
Save & Prosper With Profits Fund	2.0%	12.1	-0.8	13.6	24.4

Rolling 12 month performance

(as at 30/06)



%	2006/2005	2007/2006	2008/2007	2009/2008	2010/2009
Save & Prosper With Profits Fund	9.3	4.7	-5.9	-6.0	12.1

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.

Save & Prosper is a trading name of JPMorgan Asset Management Marketing Limited, which is authorised and regulated by the Financial Services Authority.

Registered in England No 288553. Registered Office: 125 London Wall, London EC2Y 5AJ.