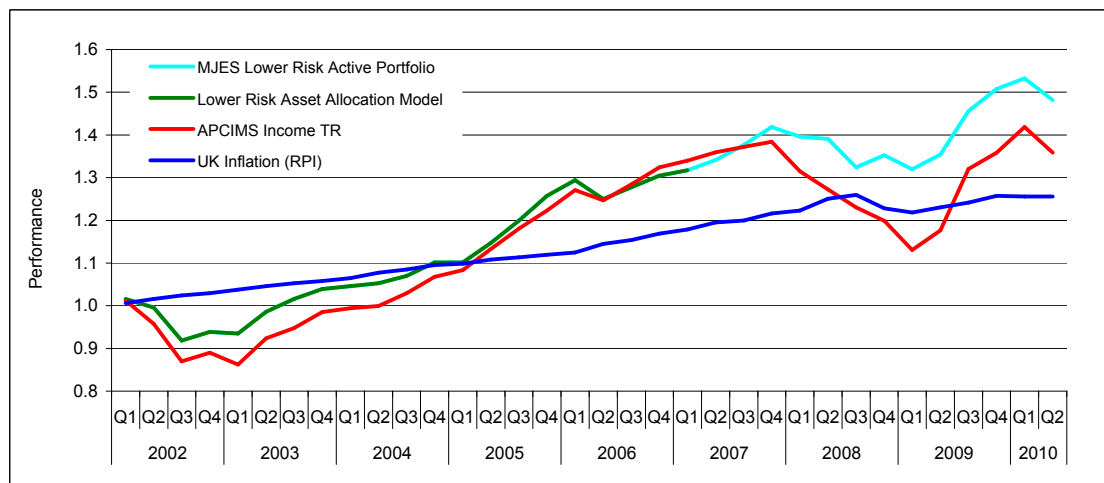




Merchant John East Securities

Monday 10 May 2010

Lower Risk Portfolio



	Annualised Performance			Annual Performance		
	1 Week	MTD	YTD	2009	2008	2007
MJES Lower Risk Active Portfolio	-3.13%	-3.13%	-1.70%	11.17	-4.65	8.58
APCIMS Income	-3.49%	-3.49%	-0.02%	14.22	-12.90	4.92
Inflation (UK RPI)			1.24%	1.90	0.95	4.05

Source: Bloomberg, Merchant John East Securities

Recent Changes

Last week was one of the worst periods for global equity markets since the 2008 financial crisis. Whilst corporate data was robust and encouraging, investors scrutinised European sovereign debt and the potential contagion effect. Our purchase of Gold was timely and performed stronger than we had initially anticipated. Our model performance was a little disappointing as our structured products suffered from a combination of falling equity markets and widening credit spreads. We believe these setbacks to be temporary and have decided not to make any significant changes this week.

Portfolio Asset Allocation

Fixed Income	45%
Equities	40%
Other	15%

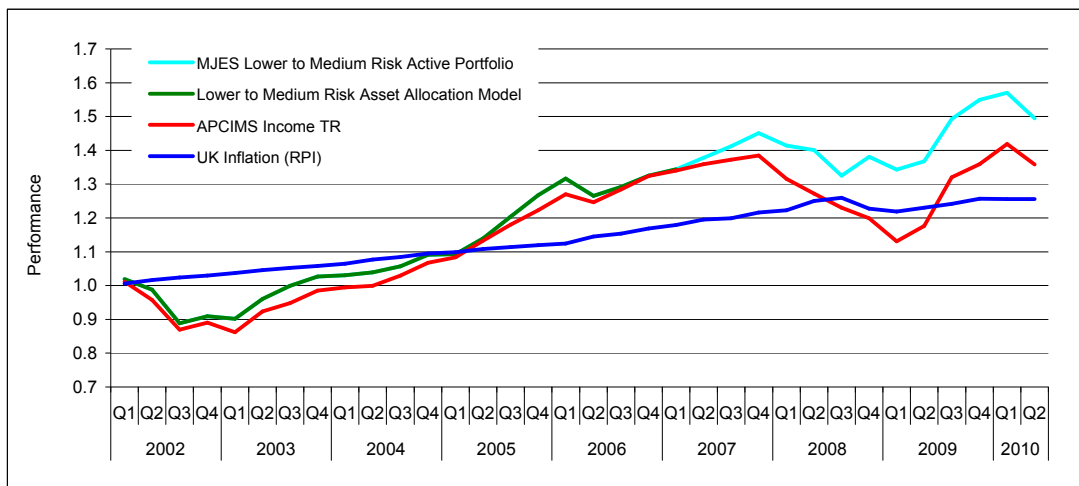
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Lower to Medium Risk Portfolio



	Annualised Performance			Annual Performance		
	1 Week	MTD	YTD	2009	2008	2007
MJES Lower to Medium Risk Active Portfolio	-4.22%	-4.22%	-3.52%	11.91	-4.86	9.33
APCIMS Income	-3.49%	-3.49%	-0.02%	14.22	-12.9	4.92
Inflation (UK RPI)			1.24%	1.90	0.95	4.05

Source: Bloomberg, Merchant John East Securities

Recent Changes

Last week was one of the worst periods for global equity markets since the 2008 financial crisis. Whilst corporate data was robust and encouraging, investors scrutinised European sovereign debt and the potential contagion effect. Our purchase of Gold was timely and performed stronger than we had initially anticipated. Our model performance was a little disappointing as our structured products suffered from a combination of falling equity markets and widening credit spreads. We believe these setbacks to be temporary and have decided not to make any significant changes this week.

Portfolio Asset Allocation

Fixed Income	34%
Equities	51%
Other	15%

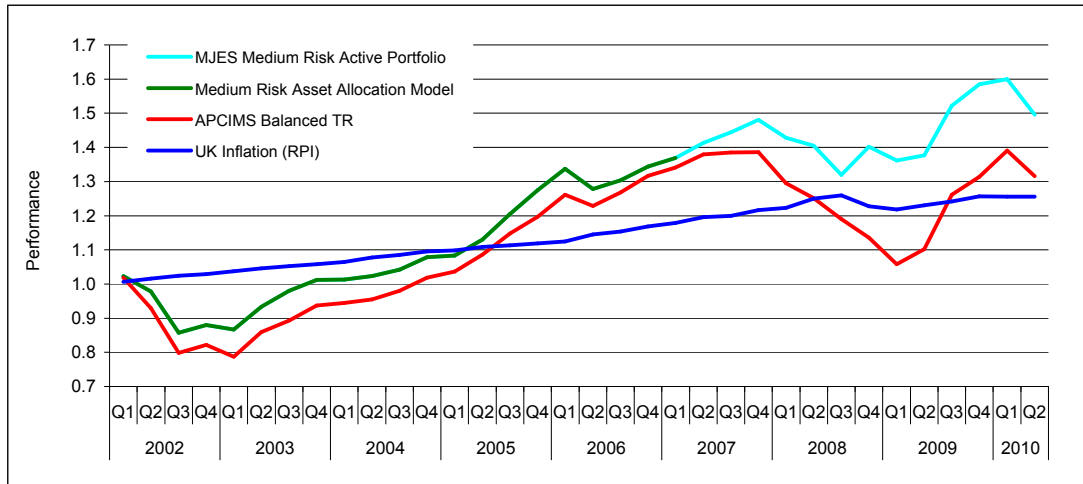
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Medium Risk Portfolio



	Annualised Performance			Annual Performance		
	1 Week	MTD	YTD	2009	2008	2007
MJES Medium Risk Active Portfolio	-5.48%	-5.48%	-5.62%	12.66	-5.29	9.94
APCIMS Balanced	-4.17%	-4.17%	0.19%	16.62	-17.3	5.66
Inflation (UK RPI)			1.24%	1.90	0.95	4.05

Source: Bloomberg, Merchant John East Securities

Recent Changes

Last week was one of the worst periods for global equity markets since the 2008 financial crisis. Whilst corporate data was robust and encouraging, investors scrutinised European sovereign debt and the potential contagion effect. Our purchase of Gold was timely and performed stronger than we had initially anticipated. Our model performance was a little disappointing as our structured products suffered from a combination of falling equity markets and widening credit spreads. We believe these setbacks to be temporary and have decided not to make any significant changes this week.

Portfolio Asset Allocation

Fixed Income	23%
Equities	62%
Other	15%

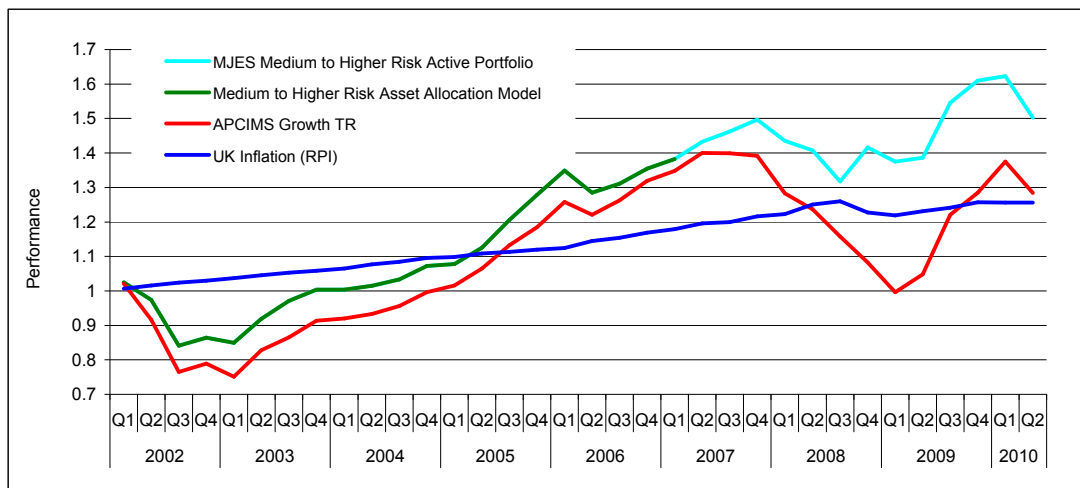
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Medium to Higher Risk Portfolio



	Annualised Performance			Annual Performance		
	1 Week	MTD	YTD	2009	2008	2007
MJES Medium to Higher Risk Active Portfolio	-6.14%	-6.14%	-6.69%	13.36	-5.40	10.31
APCIMS Growth	-4.99%	-4.99%	-0.12%	19.76	-21.23	6.01
Inflation (UK RPI)			1.24%	1.90	0.95	4.05

Source: Bloomberg, Merchant John East Securities

Recent Changes

Last week was one of the worst periods for global equity markets since the 2008 financial crisis. Whilst corporate data was robust and encouraging, investors scrutinised European sovereign debt and the potential contagion effect. Our purchase of Gold was timely and performed stronger than we had initially anticipated. Our model performance was a little disappointing as our structured products suffered from a combination of falling equity markets and widening credit spreads. We believe these setbacks to be temporary and have decided not to make any significant changes this week.

Portfolio Asset Allocation

Fixed Income	17%
Equities	68%
Other	15%

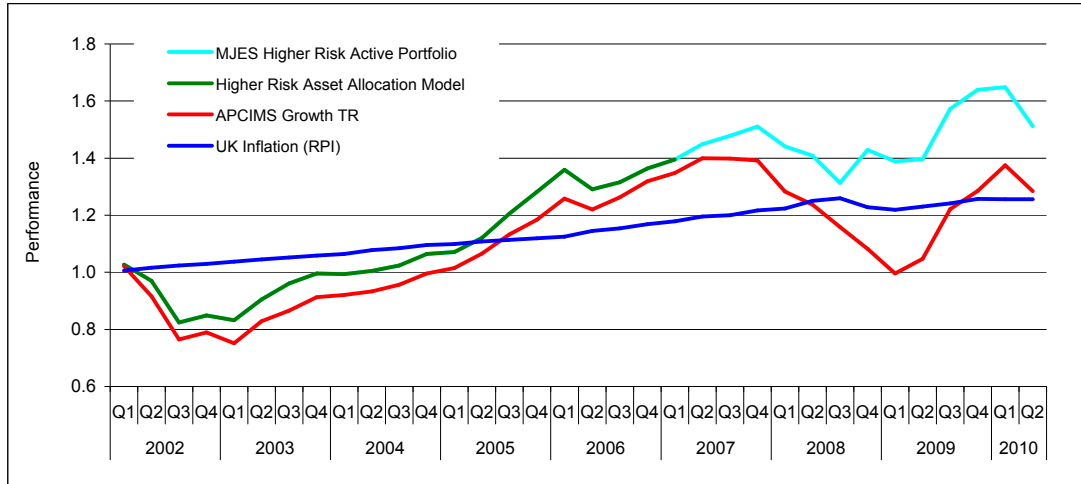
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Higher Risk Portfolio



	Annualised Performance			Annual Performance		
	1 Week	MTD	YTD	2009	2008	2007
MJES Higher Risk Active Portfolio	-6.79%	-6.79%	-7.81%	14.31	-5.43	10.64
APCIMS Growth	-4.99%	-4.99%	-0.12%	19.76	-21.23	6.01
Inflation (UK RPI)			1.24%	1.90	0.95	4.05

Source: Bloomberg, Merchant John East Securities

Recent Changes

Last week was one of the worst periods for global equity markets since the 2008 financial crisis. Whilst corporate data was robust and encouraging, investors scrutinised European sovereign debt and the potential contagion effect. Our purchase of Gold was timely and performed stronger than we had initially anticipated. Our model performance was a little disappointing as our structured products suffered from a combination of falling equity markets and widening credit spreads. We believe these setbacks to be temporary and have decided not to make any significant changes this week.

Portfolio Asset Allocation

Fixed Income	11%
Equities	74%
Other	15%

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Investment Products

Capital Protected Products

Name	Sector	Capital Protection	Underlying	Tax*	Ccy	Participation	Strike Level	Last Bid	Last Ask	Maturity Date
MS FTSE Hindsight Note	UK	90%	FTSE 100	CGT	GBP	140% capped at 59% index growth	3715.2	119.29	120.3	24/7/14
MS FTSE Hindsight Note II	UK	90%	FTSE 100	CGT	GBP	140% capped at 50% index growth	4243.22	102.44	103.45	30/4/15
EuroStoxx Accelerator 2	Europe	95%	DJ EuroStoxx 50	CGT	GBP	175%	3870.89	91.17	94.17	24/3/11
EuroStoxx Accelerator 4	Europe	100%	DJ EuroStoxx 50	CGT	GBP	160%	4463.52	92.17	96.17	1/6/12
Europe Enhanced [A]	Europe	90%	DJ EuroStoxx 50	CGT	GBP	10x up to 60% then 1.5x after index level above 60%	3316.61	84.60	85.60	5/8/13
Topix Accelerator 220%	Japan	90%	Topix Index	CGT	GBP	220%	1711.31	87.23	88.23	25/5/11
Topix Accelerator 185%	Japan	95%	Topix Index	CGT	GBP	185%	1583.72	92.14	93.14	16/12/10
Far East Ex-Japan 14A	Asia ex Japan	90%	KOSPI, MXTW, HKX, SGY, MXCN Index	CGT	GBP	160%	**	91.61	93.92	21/3/11
MS Emerging Market Note	Emerging Markets	90%	iShares MSCI Emerging Markets Index	CGT	GBP	150% capped at 50% (I)	32.82	105.83	107.83	15/7/15
Agriinvest	Soft Commodities	100%	DCI® Agriculture BNP Paribas Enhanced Index	CGT	GBP	130%	**	97.00	101.00	22/6/13
DDQ Commodities Turbo 8	Hard Commodities	90%	Oil, Gas, Heating oil, Al, Pb, Cu, Ni, Zn	CGT	GBP	345%	**	120.00	121.00	16/5/12
Diversified Commodity Bull Bear	Commodities	100%	Al, Cu, gas oil, Brent, coal, livestock	CGT	GBP	170% upside, 85% downside	**	109.40	111.90	17/9/13

Structured Capital At Risk Products

Name	Sector		Underlying	Tax*	Ccy	Participation	Strike level	Last Bid	Last Ask	Maturity Date
MS Income Note	Income		EuroStoxx 50	Inc	GBP	11.05 p p.a.	2385.9	109.41	110.42	25/11/11
MS Income Note II	Income		EuroStoxx 50	Inc	GBP	10.14 p p.a.	2281.45	107.28	108.29	23/01/12
3yr Inflation Note	Income		RPI	Inc	GBP	RPI x 1.6	n/a	107.00	109.00	26/08/11
EuroStoxx Income Note 3	Income		EuroStoxx 50	Inc	GBP	9 p p.a.	4087.12	55.67	57.67	28/02/13
MS Highest FTSE 100 Look Back Growth Note	UK		FTSE 100	CGT	GBP	100% upside and downside but maximum profit preserved	5356	95.61	96.61	07/12/15
MJES Long Short Dynamic Emerging Market Note	Emerging Markets		iShare MSCI Emerging Markets	CGT	GBP	participation ranges from 0 to 150% both long and short. Positive performance geared by 150%	**	90.37	92.37	26/02/16
MS US and Europe Leveraged	Europe, US		DJ EuroStoxx 50, S&P 500	CGT	GBP	200% on the upside 100% on the downside	**	90.85	91.86	11/09/15

* Tax Advice should be sought for certainty ** Basket - Please call for levels

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Merchant John East
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