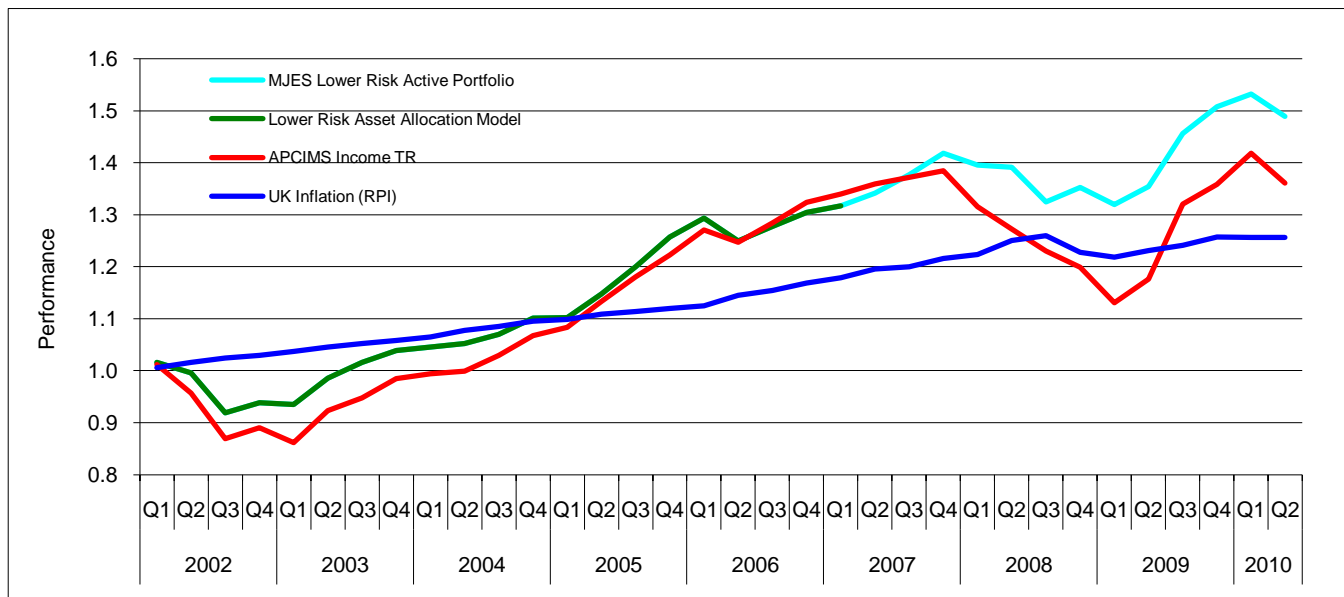




Lower Risk Portfolio



	Annualised Performance			Annual Performance		
	1 Week	MTD	YTD	2009	2008	2007
MJES Lower Risk Active Portfolio	-0.74%	0.02%	-2.00%	11.17	-4.65	8.58
APCIMS Income	-1.81%	-0.90%	-0.67%	14.22	-12.90	4.92
Inflation (UK RPI)			2.57%	1.90	0.95	4.05

Source: Bloomberg, Merchant John East Securities

Recent Changes

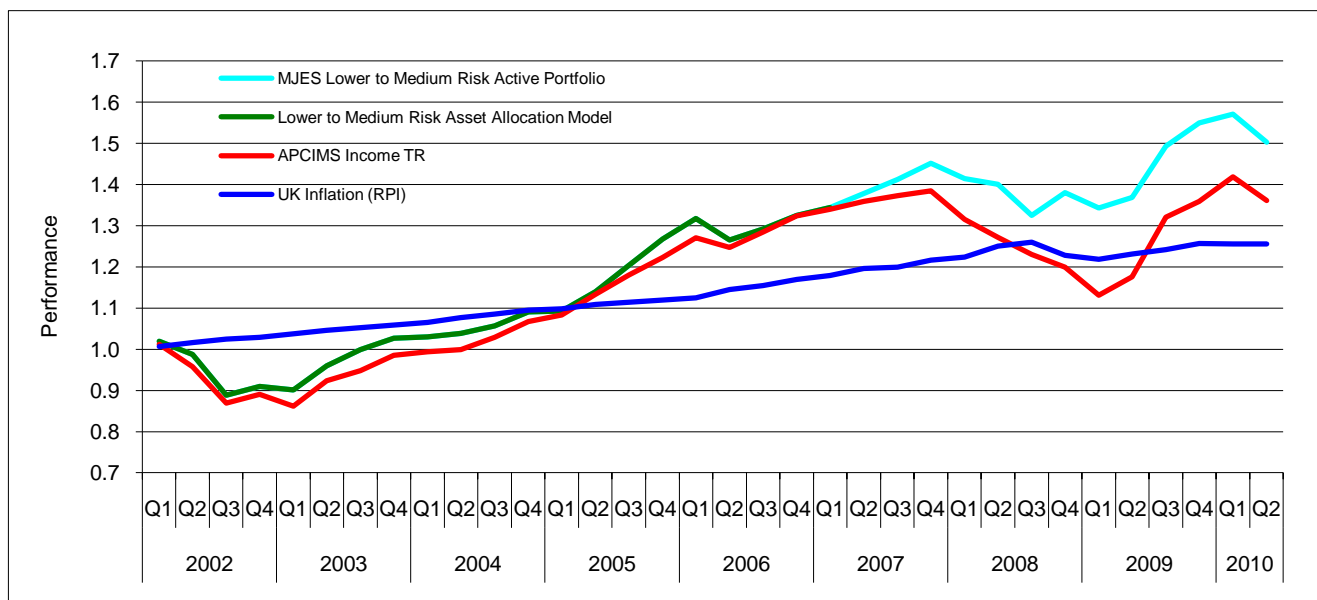
Last week investors sought capital preservation and as a result equity markets fell globally. Our portfolios performed well despite the significant equity weighting. Our two recent alternative investments performed well whilst our exposure to index linked gilts also proved to be useful. The week itself was mixed with disappointing US housing numbers, a "harsh but fair" UK emergency budget and positive steps with the Chinese making signs of de-pegging the Renmimbi. The latter should be positive for our Emerging Market sovereign debt position.

Portfolio Asset Allocation

Fixed Income	45%
Equities	35%
Other	20%



Lower to Medium Risk Portfolio



	Annualised Performance			Annual Performance		
	1 Week	MTD	YTD	2009	2008	2007
MJES Lower to Medium Risk Active Portfolio	-1.03%	-0.02%	-3.90%	11.91	-4.86	9.33
APCIMS Income	-1.81%	-0.90%	-0.67%	14.22	-12.9	4.92
Inflation (UK RPI)			2.57%	1.90	0.95	4.05

Source: Bloomberg, Merchant John East Securities

Recent Changes

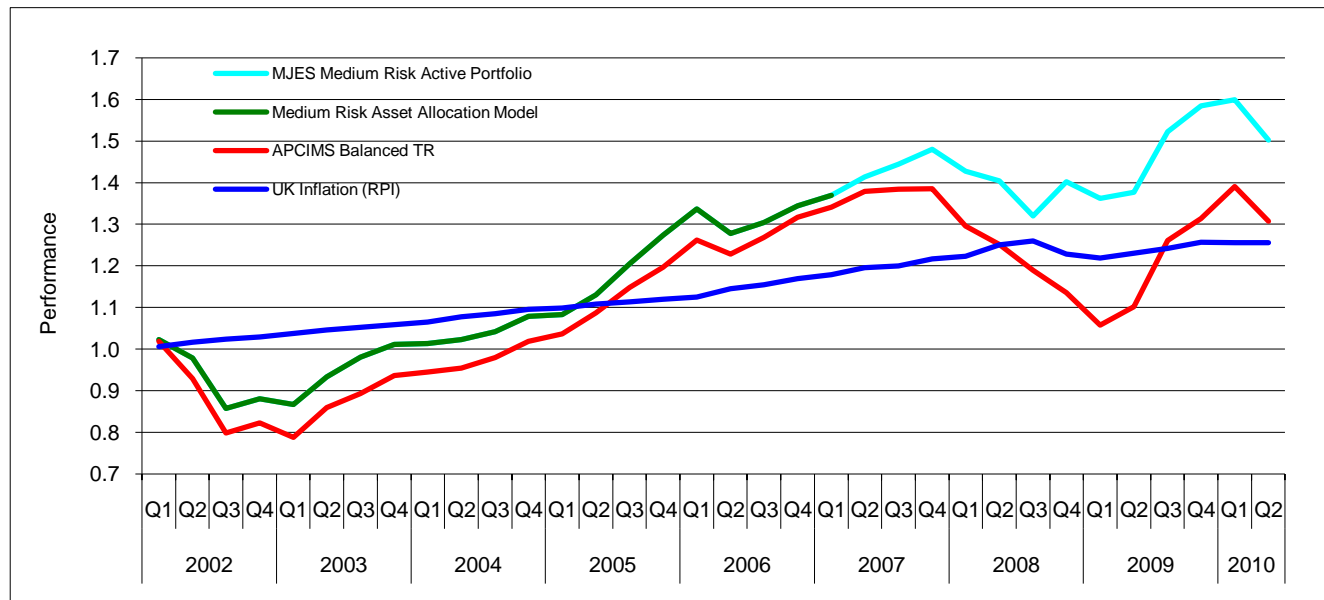
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Portfolio Asset Allocation

Fixed Income	34%
Equities	46%
Other	20%



Medium Risk Portfolio



	Annualised Performance			Annual Performance		
	1 Week	MTD	YTD	2009	2008	2007
MJES Medium Risk Active Portfolio	-1.45%	-0.20%	-6.32%	12.66	-5.29	9.94
APCIMS Balanced	-2.49%	-1.48%	-1.48%	16.62	-17.3	5.66
Inflation (UK RPI)			2.57%	1.90	0.95	4.05

Source: Bloomberg, Merchant John East Securities

Recent Changes

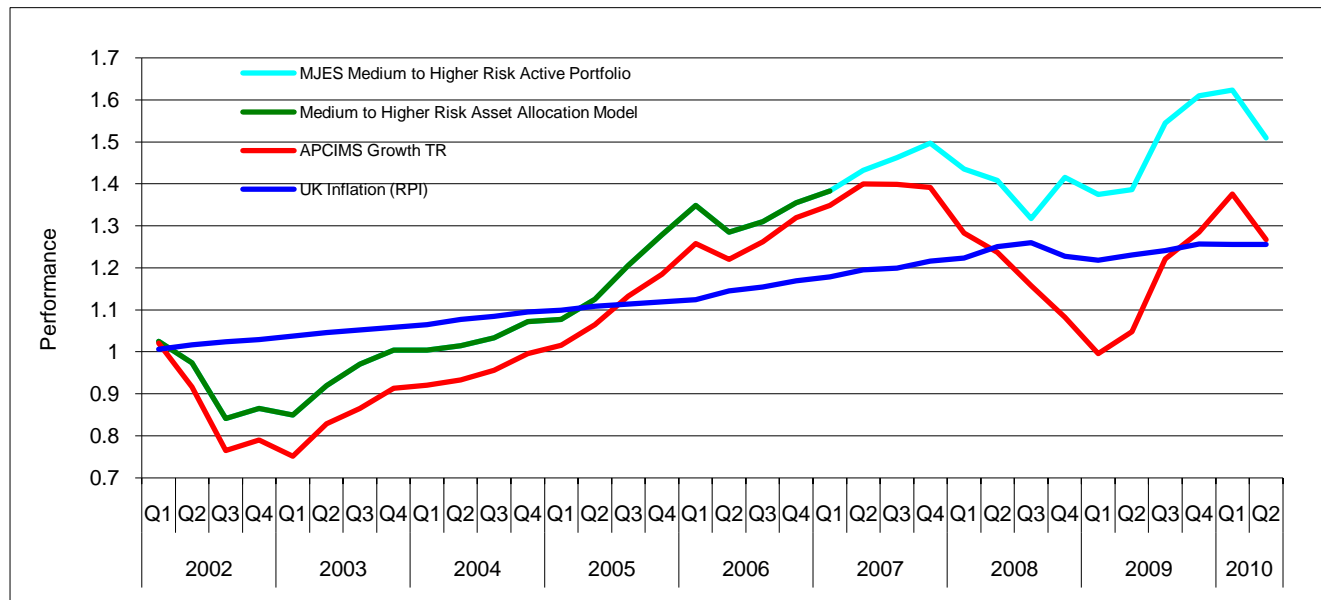
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Portfolio Asset Allocation

Fixed Income	23%
Equities	57%
Other	20%



Medium to Higher Risk Portfolio



	Annualised Performance			Annual Performance		
	1 Week	MTD	YTD	2009	2008	2007
MJES Medium to Higher Risk Active Portfolio	-1.61%	-0.24%	-7.45%	13.36	-5.40	10.31
APCIMS Growth	-3.12%	-1.97%	-2.64%	19.76	-21.23	6.01
Inflation (UK RPI)			2.57%	1.90	0.95	4.05

Source: Bloomberg, Merchant John East Securities

Recent Changes

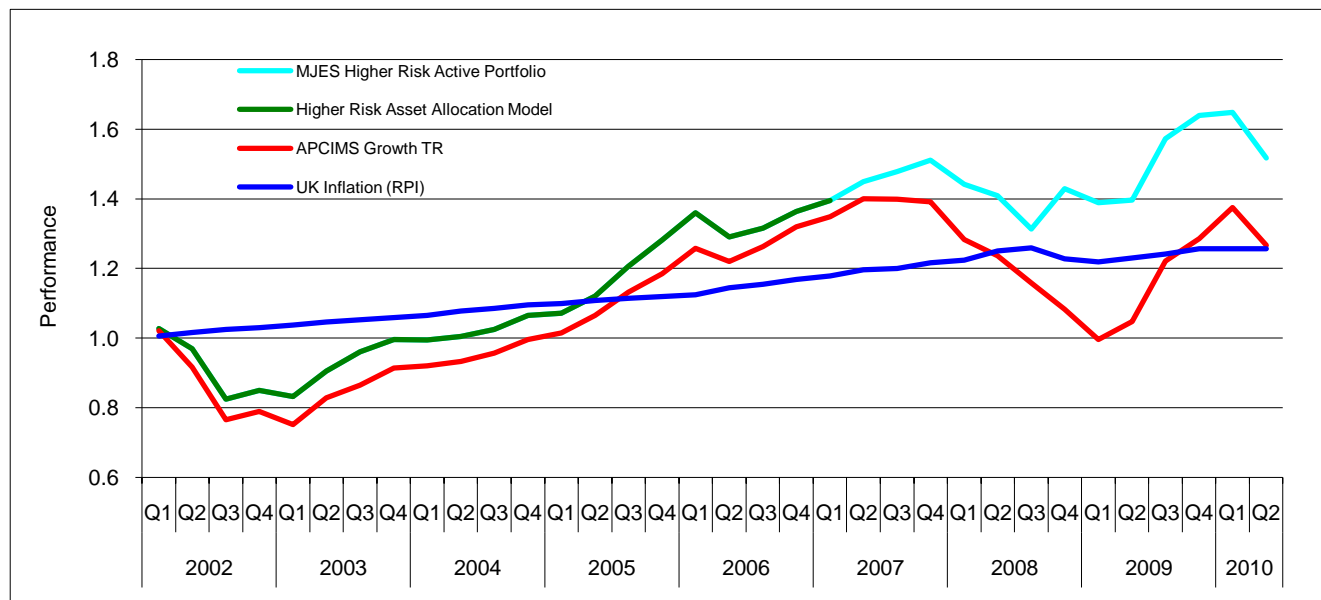
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Portfolio Asset Allocation

Fixed Income	17%
Equities	63%
Other	20%



Higher Risk Portfolio



	Annualised Performance			Annual Performance		
	1 Week	MTD	YTD	2009	2008	2007
MJES Higher Risk Active Portfolio	-1.81%	-0.33%	-8.72%	14.31	-5.43	10.64
APCIMS Growth	-3.12%	-1.97%	-2.64%	19.76	-21.23	6.01
Inflation (UK RPI)			2.57%	1.90	0.95	4.05

Source: Bloomberg, Merchant John East Securities

Recent Changes

Last week investors sought capital preservation and as a result equity markets fell globally. Our portfolios performed well despite the significant equity weighting. Our two recent alternative investments performed well whilst our exposure to index linked gilts also proved to be useful. The week itself was mixed with disappointing US housing numbers, a "harsh but fair" UK emergency budget and positive steps with the Chinese making signs of de-pegging the Renmimbi. The latter should be positive for our Emerging Market sovereign debt position.

Portfolio Asset Allocation

Fixed Income	11%
Equities	70%
Other	20%



Merchant John East
Securities

Monday 28 June 2010

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	114.14	115.15	24/7/14
MS FTSE Hindsight Note II	UK	90%	FTSE 100	CGT	GBP	140% capped at 50% index growth	4243.22	97.11	98.12	30/4/15
EuroStoxx Accelerator 2	Europe	95%	DJ EuroStoxx 50	CGT	GBP	175%	3870.89	91.54	93.04	24/3/11
EuroStoxx Accelerator 4	Europe	100%	DJ EuroStoxx 50	CGT	GBP	160%	4463.52	93.4	95.4	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	82.60	83.60	5/8/13
Topix Accelerator 220%	Japan	90%	Topix Index	CGT	GBP	220%	1711.31	87.72	88.72	25/5/11
Topix Accelerator 185%	Japan	95%	Topix Index	CGT	GBP	185%	1583.72	92.4581	93.4581	16/12/10
Far East Ex-Japan 14A	Asia ex Japan	90%	KOSPI, MXTW, HKX, SGY, MXCN Index	CGT	GBP	160%	**	90.82	93.13	21/3/11
MS Emerging Market Note	Emerging Markets	90%	iShares MSCI Emerging Markets Index	CGT	GBP	150% capped at 50% (I)	32.82	109.89	111.89	15/7/15
Agrinvest	Soft Commodities	100%	DCI® Agriculture BNP Paribas Enhanced Index	CGT	GBP	130%	**	97.50	101.00	22/6/13
DDQ Commodities Turbo 8	Hard Commodities	90%	Oil, Gas, Heating oil, Al, Pb, Cu, Ni, Zn	CGT	GBP	345%	**	105.40	106.40	16/5/12
Diversified Commodity Bull Bear	Commodities	100%	Al, Cu, gas oil, Brent, coal, livestock	CGT	GBP	170% upside, 85% downside	**	112.60	115.10	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	104.52	104.52	25/11/11
MS Income Note II	Income		EuroStoxx 50	Inc	GBP	10.14 p p.a.	2281.45	107.58	107.58	23/01/12
3yr Inflation Note	Income		RPI	Inc	GBP	RPI x 1.6	n/a	107.75	107.75	26/08/11
EuroStoxx Income Note 3	Income		EuroStoxx 50	Inc	GBP	9 p p.a.	4087.12	54.09	54.09	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	82.45	82.45	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%	**	95.04	95.04	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	**	81.21	81.21	11/09/15

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

Important disclosures and disclaimer is at the end of this report



Merchant John East
Securities

Contacts

Wayne Ellis	0207 375 9034	wayne.ellis@merchantsecurities.co.uk
Robert Clough	0207 375 9013	robert.clough@merchantsecurities.co.uk
Mike Porter	0207 375 9035	mike.porter@merchantsecurities.co.uk
James Peters	0161 233 0004	james.peters@merchantsecurities.co.uk





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