

S U C C E S S I O N

Platform based Discretionary Model Portfolios

Managed by Evercore Pan-Asset

April 2011

Model Portfolio Update

Model portfolio Update

We anticipate rising interest rates in 2011, once the authorities on both sides of the Atlantic start to normalise money markets after a long period of very low official interest rates and public purchasing of government bonds to keep yields down. As interest rates rise longer dated bonds usually fall in price so we prefer shorter duration bonds to limit these risks.

Defensive

We completed the process of switching the longer dated corporate bonds into a new shorter duration bond ETF. We also sold the holding in emerging market bonds which although it produced a good income had been a disappointing investment.

Cautious

We completed the process of switching the longer dated corporate bonds into a new shorter duration bond ETF. We also sold the holding in emerging market bonds which although it produced a good income had been a disappointing investment.

We also purchased an MSCI World ETF to increase exposure to advanced economies which are benefitting from continued US easy money policies and are set for further growth in the period ahead.

Balanced

We completed the process of switching the longer dated corporate bonds into a new shorter duration bond ETF. We also sold the holding in emerging market bonds which although it produced a good income had been a disappointing investment.

We bought into Japan after the sharp fall in prices which followed the earthquake and tsunami disasters. We have not in the past liked Japan as an investment location, given the ageing population, slow growth and the high levels of state debt. However, we anticipate a stimulus to activity from the need to rebuild parts of the country after the tragedy.

We also purchased an MSCI World ETF to increase exposure to advanced economies which are benefitting from continued US easy money policies and are set for further growth in the period ahead.

Growth

We completed the process of switching the longer dated corporate bonds into a new shorter duration bond ETF. We also sold the holding in emerging market bonds which although it produced a good income had been a disappointing investment.

We reduced Asian equities and used the proceeds to buy into Japan after the sharp fall in prices which followed the earthquake and tsunami disasters. We have not in the past liked Japan as an investment location, given the ageing population, slow growth and the high levels of state debt. However, we anticipate a stimulus to activity from the need to rebuild parts of the country after the tragedy.

We also purchased an MSCI World ETF to increase exposure to advanced economies which are benefitting from continued US easy money policies and are set for further growth in the period ahead.

Adventurous

We reduced Asian equities and used the proceeds to buy into Japan after the sharp fall in prices which followed the earthquake and tsunami disasters. We have not in the past liked Japan as an investment location, given the ageing population, slow growth and the high levels of state debt. However, we anticipate a stimulus to activity from the need to rebuild parts of the country after the tragedy.

We purchased an MSCI World ETF to increase exposure to advanced economies which are benefitting from continued US easy money policies and are set for further growth in the period ahead. We also sold the holding in emerging market bonds and reinvested in a new shorter duration sterling corporate bond ETF.

Regards,

Evercore Pan-Asset Investment Committee

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