

# S U C C E S S I O N

## Platform based Discretionary Model Portfolios

Managed by Evercore Pan-Asset

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## Model Portfolio Update

### Changes to Balanced/Growth/Adventurous

We added the newly launched iShares S&P Gold Commodity Producers ETF into the above models.

Given the background of ongoing concerns about developed market sovereign debt and low or negative real interest rates we believe this ETF is attractive for several reasons:

In terms of the underlying asset, gold itself, low real rates mean the opportunity cost of owning gold is low. The gold price is also supported by longer term inflation fears as governments try to deal with large deficits by increasing the money supply.

Gold equities have been underperformed the price of physical gold substantially in 2011, but historically they have outperformed. Profit margins on existing mines have been improving and current equity valuations for gold miners are based on gold prices below current levels, therefore if gold prices remain high there is an opportunity for this performance gap to narrow.

Finally, unlike physical gold, the gold mining shares have some dividend income, scope for organic growth and potential for takeover.

This purchase was funded by reducing other growth assets such as equity and property ETFs.

No changes were made to the remaining models: **Defensive and Cautious**

Regards,

Evercore Pan-Asset Investment Committee

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