



Platform Based Discretionary Model Portfolios

Managed by Quilter

Succession Income June 2011

Quilter

Succession has appointed Quilter, a leading investment house, as one of the investment managers for its Platform Based Discretionary Model Portfolios.

Contact

Succession Advisory Services
42 Brook Street
London
W1K 5DB

Tel: 020 3178 8140

>> Succession Income

The Platform Based Discretionary Model Portfolios invest solely in collective securities (unit trusts and OEICs). The models are managed by Quilter, a leading investment house.

The objective is to secure the return from a rising stream of income together with the prospect of future capital and income growth.

The benchmark is an index compiled by FTSE International and APCIMS (the Association of Private Client Investment Managers and Stockbrokers), the FTSE APCIMS Stock Market Income Portfolio Index.

The annual investment management fee is 0.30% plus VAT.

A typical client in this strategy is investing for a minimum of 3 years aiming for a combination of immediate income and some future capital growth. These clients are prepared to invest in a wide range of asset types/regions with the aim of increasing diversification but there will be a significant allocation to fixed income investments to help provide the immediate income requirements.

Risk category for this strategy is considered medium risk.

Important Information

On 1 July 2011, the Association of Private Client Investment Managers and Stockbrokers (APCIMS) will add two new benchmarks to its range of Private Investor Indices. As a result, we have decided to make a change to the Succession Income Strategy. With effect from 1 July 2011:

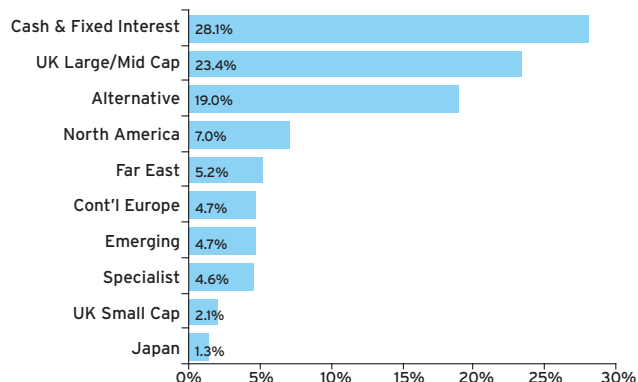
- We have previously recommended that this strategy is suitable for investors with a minimum time horizon of 3 years but, as a result of events in recent years and the increased volatility of risk assets, we now recommend that this strategy is suitable for investors with a **minimum time horizon of 5 years**.

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Performance from Inception - May 2011

Regulatory restrictions mean that performance data cannot be shown until the strategy has a one year track record.

Asset Class/Geographic Allocation



Source: Quilter, Lipper

Fund

1	Threadneedle Absolute Return Bond Ret Net Acc	9.80%
2	Allianz Pimco Gilt Yield A Inc	9.19%
3	M&G Corporate Bond A Inc	9.08%
4	Invesco Perpetual Income Acc	8.16%
5	Artemis Income R Acc	8.06%
6	Henderson UK Equity Income A Net Inc	7.16%
7	Standard Life Inv Glo Abs Ret Strategies Ret Acc	7.06%
8	SWIP Property Trust Acc	7.05%
9	Investec American A Acc Net	7.02%
10	Aberdeen Asia Pacific A Acc	5.17%
11	BlackRock UK Absolute Alpha P Acc	4.84%
12	Cazenove European A Acc	4.73%
13	JPM Emerging Markets A Acc	4.66%
14	BlackRock Gold & General Acc	2.43%
15	JPM Natural Resources A Acc	2.20%
16	Old Mutual UK Select Smaller Companies A Acc	2.05%
17	Schroder Tokyo A Acc	1.34%

Source: Quilter, Lipper

Adventurous Performance 1 Year	n/a
Benchmark Performance 1 Year	12.64%
1 Year relative performance	n/a
Adventurous Performance 3 Years	n/a
Benchmark Performance 3 Years	16.89%
3 Years relative performance	n/a
Adventurous Performance 5 Years	n/a
Benchmark Performance 5 Years	27.95%
5 Years relative performance	n/a
Inception	May 2011
Positive Months %	n/a
Correlation with benchmark returns	n/a
Alpha (annualised since inception)	n/a
Beta (annualised since inception)	n/a
Tracking Error (annualised since inception)	n/a
Volatility of returns (annualised since inception)	n/a

Investors should remember that the value of investments and the income from them can go down as well as up and that past performance is no guarantee of future returns. Performance for a full year is not yet available as the strategy was launched in May 2011.

Portfolio Yield (Net)

1.83%

Performance and fund constituent data up to end May 2011

Notes

Alpha: The excess return after adjusting for market/benchmark risk. The intercept of the regression line of returns between the benchmark and the strategy.

Beta: Ratio of a market move that is captured by the strategy. The slope of the regression line of returns between the benchmark and the strategy.

Tracking Error: The standard deviation of the performance differentials between the strategy and the benchmark.

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