

S U C C E S S I O N

Platform based Discretionary Model Portfolios

Managed by Evercore Pan Asset

3rd November 2011

Model Portfolio Update

October Performance

After further falls during the first four days of the month, October turned out to be much better for markets. Not only did investors regain some confidence but they also became more rational so that asset classes which had been sold indiscriminately during September recovered some of the more disproportionate losses. The Succession Portfolios benefited from these calmer conditions and were all showing excellent gains by the 28th, which were only partially reduced by the Greek Referendum-inspired rout on the last trading day of the month.

Markets seem to be shrugging off the Greek shenanigans somewhat with the exception of European equities –which are not included in the portfolios. Valuations are now lower and a steady stream of positive economic data from the US suggests that a recession is less likely on that side of the Atlantic, while China seems to have reached a point where it may need to selectively stimulate its own economy. Most important, the Pacific region equity and property exposures started to perform for all the portfolios, as did some of the alternative asset exposures. We hope that they may have now begun to ‘decouple’ from Western equity market trends. The Succession Portfolios are invested and managed to perform over the longer term by seeking assets with growing profits and income. We seek to avoid obvious catastrophes which are waiting to happen, such as the vertiginous build-up of Western government debt which will, in our view, lead to heavy capital losses in UK gilts at some point.

The October results are below and we look forward to further progress if the Eurozone Crisis is shown to have stabilised.

	1 month	3 months	6 months	12 months	2010	Since Inception
Defensive	1.1	-2.8	-1.9	-3.7	3.7	13.0*
Cautious	2.0	-3.8	-3.5	-3.5	7.3	9.0†
Balanced	3.4	-7.3	-8.2	-7.8	13.3	25.4*
Growth	4.4	-7.6	-8.7	-7.7	14.2	12.2†
Adventurous	5.3	-8.2	-10.1	-7.5	17.0	32.7*

Regards,
Evercore Pan-Asset Investment Committee

Note: Data to end October 2011

*Inception date April 2009

†Inception date August 2009

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