SUCCESSION

Platform based Discretionary Model Portfolios

Managed by Evercore Pan-Asset

Balanced

December 2011

Main objective

The objective for the **Balanced** Portfolio is to provide Moderate long-term total returns over and above sterling cash whilst exposing the investor to Moderate investment risk in accordance with their attitude to risk.

Investment Policy

The **Balanced** Model Portfolio will be invested in a range of index-tracking investments that meet the risk and return profile of the Model Portfolio. The fund may also hold other suitable transferrable securities or units in collective investment schemes. Holdings may include:

- **Sterling cash and other currencies**
- **Government bonds and government bond ETFs**
- **Investment grade corporate bonds and corporate bond ETFs**
- **Equity market ETFs**
- **Funds of hedge funds or diversified hedge fund ETFs**
- **Listed property ETFs**

An ETF is a fund that tracks an index but can be traded like a stock.

Investment breakdown is typically 50% defensive and 50% growth. Cash will be used at higher levels where market movements may adversely affect the Portfolio

Evercore Pan-Asset's Investment Approach

Getting the big decisions right determines how much clients make on their money. Evercore Pan-Asset (EPA) takes asset allocation decisions to choose whether to be in cash or property, equities or government bonds, or in a mixture. So many asset managers charge investors for trying to choose the right shares but on average stock-picking managers do less well than just buying all the shares in the Index.

EPA concentrates on the big picture and take long-term views about the likely performance of an asset. They do move more into cash if there is substantial economic and market disruption. If an asset class becomes unattractive they will sell it and if they cannot find enough attractive assets to buy because markets are difficult they will temporarily hold cash instead to avoid losses and preserve capital.

EPA's investment universe covers over 30 asset classes across all geographic regions. The asset allocation team constantly monitor each asset class to find the best investment opportunities around the world.

Each Succession Model Portfolio has a targeted level of risk and return designed to cater for standard client risk profiles. The Model Portfolios aim to exploit the continually changing opportunities offered by different asset classes around the world. The dynamic asset allocation process combines long-term investment in assets most likely to meet investor needs, with shorter-term tactical decisions which can protect their assets in times of stress.

EPA believes that index-tracking funds are the best way to access most asset classes. This is a good way to reduce investment management costs and improve returns to the investor. It removes individual stock risk and avoids underperforming active investment managers.

Market commentary from EPA

Let's hope that the New Year has brought a new and more rational mood to the markets. Markets ended 2012 becalmed in the doldrums of the Eurozone crisis and Europe looks to be as paralysed by politics as it ever was, but the detail has arguably improved somewhat.

The sharpest falls in August and September 2011 were caused by rumours that certain European banks were insolvent, leading to the collapse of their share prices and bringing the rest of the index down with them. Whether some of them are technically insolvent or not remains a moot point, but a big change has occurred in terms of their liquidity. At the end of December the ECB issued around half a billion Euros of three year debt with a 1% interest rate. This has effectively thrown the European banking system a liquidity lifebelt and acts as a proxy for the barely-functioning European interbank market. More such manoeuvres may be on the cards in coming months.

While this reinforces our conviction not to risk clients' money on Eurozone assets, it gives us hope that the markets will begin to view other, better quality asset classes more rationally. We particularly favour equities in the higher growth regions of Asia, the emerging markets and the US.

Portfolio commentary from EPA

No change was made to Balanced which currently is around a neutral 50/50 position in terms of its defensive/growth asset mix following the increase in risk asset exposure last month which was achieved by adding to exposure in both US and Asian equities. Overall few asset classes generated much in the way of positive returns during generally mixed December equity markets which were unnerved by the continuing shenanigans of the Eurozone crisis. The exposure to US equities and the corporate bond holdings appreciated a little as risk aversion subsided. In particular, the reduced risk of a European bank sector collapse helped corporate bond prices. At some point it will be appropriate to further invest further in risk assets in Balanced, but before then we need to see more evidence that the Eurozone crisis has been contained.

Risk Profile

The Balanced Model Portfolio targets a moderate risk and return.

The Portfolio is invested in a range of defensive and growth asset classes. The Portfolio is not hedged and therefore will be exposed to currency fluctuations arising from any international investments.

Top Three Holdings

AXA Sterling Credit Short Duration Bond	22%
iShares £ Corporate Bond 1-5 Years	20%
PIMCO Sterling Short Maturity Source ETF	8%

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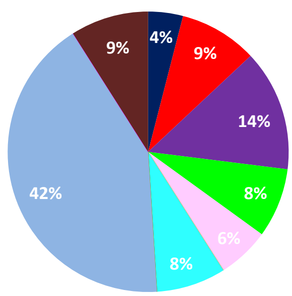
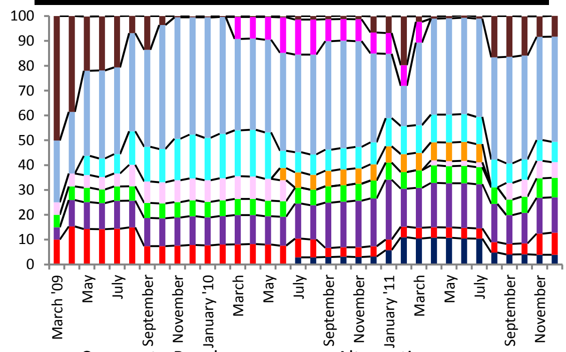
Asset Allocation as at 31/12/11



Asset Allocation Since Inception



Asset Weighting Ranges

	Increase	Decrease
Cash	-	-
Govt Bonds	-	-
Corporate Bonds	-	-
UK Equities	-	-
US Equities	-	-
Asian Equities	-	-
Emerging Market Equities	-	-
Global Equities	-	-
Commodities	-	-
Property	-	-

Performance

Note: Data to end December 2011. Inception April 2009.

	1 month	3 months	6 months	12 months	YTD	Since Inception
Succession – Balanced	**-0.5%**	**2.6%**	**-9.8%**	**-9.6%**	**-9.6%**	**24.4%**

Disclaimer: Performance information is intended as a guide for professional advisers and potential investors in the Succession Model Portfolios. The past performance information shown above is for illustrative purposes only and should not be relied upon as an indication of future performance. The performance is based on a simulated portfolio which reflects the exact holdings of the Succession Balanced Model. Performance is shown after deduction of notional dealing costs and Evercore Pan-Asset's annual investment management fee of 0.25%, but does not take into account wrap platform costs or IFA fees.

Actual performance of client portfolios linked to the Succession Models may vary slightly due to the effect of differences in the timing of the initial investment or rebalancing on actual client portfolios and the impact of minimum transaction sizes on the wrap platform. The model portfolios used by Succession were created by Evercore Pan-Asset in April 2009 and became available on the Succession investment platform from April 2010. The risk characteristics of the Succession Balanced Model may not be suitable for all types of investor.

Investing in Exchange Traded Funds may expose the investor to a number of risks, some of which are specific to Exchange Traded Funds and some of which are general investment risks. Not all Exchange Traded Funds are suitable for all investors. The value of investments and the income from them can go down as well as up and investors may not recover the amount of their original investment. The sterling value of overseas investments, and the income from them, will fluctuate as a result of currency movements. The tax treatment of investments depends on each investor's individual circumstances and is subject to changes in tax legislation.

Model Details

Investment Manager	Evercore Pan-Asset Capital Management Limited, 27 Queen Anne's Gate, London SW1H 9BU
Date of Inception	April 2009
EPA's Annual Management Charge	0.25% including VAT
Dealing Frequency	Daily
Pricing Frequency	Daily
Base Currency	Dependent on underlying investments
Total Expense Ratio of underlying ETFs*	0.44%
Yield*	3.0%

Equivalent Typical Risk Group	3		
Typical Growth/ Defensive Split	50:50		
Current Growth/ Defensive Split	49:51		
Asset Allocation (%)	Current Weight	Typical weight	Max Weight
Cash	9	5	100
Bonds	42	45	70
Equities	41	40	70
Property	8	5	25
Other Assets	0	5	25

Weighted based on the **Balanced portfolio as at 31/12/11*

Source: Evercore Pan-Asset Capital Management Ltd/Pertrac/Thomson Reuters

Note: Data to end December 2011

Important Notices and Risk Warnings: This Succession Balanced Model Portfolio factsheet is for illustrative purposes only. Portfolios linked to this Model Portfolio may not exactly replicate the Model Portfolio due to the difference in timing of initial investment or rebalancing differences resulting from minimum transaction size limits on the Succession Investment platform. If a client wrapper includes investments ('Restricted Investments') which are not part of the Model Portfolio it will not fully replicate the chosen Succession Model Portfolio. Nor will any rebalancing carried out by Evercore Pan-Asset cause the actual holdings in the wrapper to fully replicate the chosen Model Portfolio. The Balanced Model Portfolio is not suitable for all types of investor and investor accounts on the Succession Investment platform may only be attached to it by the instruction of your professional Financial Adviser. The information in this document is for private circulation and is believed to be correct but cannot be guaranteed. No representation or warranty (express or otherwise) is given as to the accuracy or completeness of the information contained in this publication and Succession Advisory Services Limited, Evercore Pan-Asset Capital Management Limited and their employees accept no liability for the consequences of acting or not acting upon the information contained in this publication. This publication does not constitute professional advice and does not constitute an offer to sell or a solicitation of an offer to purchase any security or any other investment or product. Opinions expressed in this publication are solely the opinions of both Succession Advisory Services Limited and Evercore Pan-Asset Capital Management Limited. All expressions of opinion are subject to change without notice. This factsheet may not be reproduced or distributed in any format without the prior written consent of Succession Advisory Services Limited and Evercore Pan-Asset Capital Management Limited. Investing in Exchange Traded Funds may expose the investor to a number of risks, some of which are specific to Exchange Traded Funds and some of which are general investment risks. Not all Exchange Traded Funds are suitable for all investors. The value of investments and the income from them can go down as well as up and investors may not recover the amount of their original investment. The sterling value of overseas investments, and the income from them, will fluctuate as a result of currency movements. Past performance is not necessarily a good indication of likely future performance. The tax treatment of investments depends on each investor's individual circumstances and is subject to changes in tax legislation.