

RECOMMENDED PORTFOLIO CHANGES

ACTIVE PORTFOLIO
(ALL ACCOUNTS)

November 2011

Recommended Change to your Portfolio – Active Portfolio

After being briefed by Old Broad Street Research, our city based Fund Research Company; this report details the recommended changes to your Active portfolio.

This is an amendment to the recommendation that we outlined in our original report introducing you to the Nucleus Wrap Account. **Please read this letter in conjunction with the original recommendation.**

We recommend the following asset allocation changes:

- Remove the Standard Life UK Equity Growth fund with a 6% weighting.
- Replace with the Threadneedle UK Equity Income fund at 6%.

Reasons for the Changes

We suggest altering the portfolio's UK equity allocation by introducing the Threadneedle UK Equity Income fund in place of Standard Life Investments UK Equity Growth. This proposal in part reflects the desire to reduce the aggregate relative risk of the UK equity blend; the Standard Life fund has not behaved as we expected and the outcome has not been consistent with that of a relatively core offering.

An income-oriented fund has been recommended as a replacement because we believe that the income component will form a significant proportion of the performance from equity markets over the medium term. The fund also provides a balance against the other, higher-alpha funds that already feature in the blend.

Rebalance

At the same time, we recommend that you rebalance other funds of your portfolio back to that originally recommended.

Costs and Fees

The new weighted cost of the funds within your portfolio is:

	Old Charges	New Charges
Initial	0.00%	0.00%
Annual	0.825%	0.823%

Please note - The 'annual' fund cost is varied from the original recommendation and is not an additional cost. The 'annual' cost above is the new charge that will be levied on your portfolio. There is no charge levied on the switching of funds.

Risk

Whilst writing, we are required to remind you that some of the investments we have recommended can go down in value as well as up, and that past performance is no guarantee of future results. The risk element of these recommendations is, however, relatively low and well diversified.

What next?

In order for you to ensure that you are invested in the most up to date portfolio that meets your stated attitude towards investment risk, please email us at info@accordfinancial.co.uk to confirm your agreement.