

# **RECOMMENDED PORTFOLIO CHANGES**

**CAUTIOUS PORTFOLIO  
(ISA ACCOUNTS)**

November 2011

## Recommended Change to your Portfolio – Cautious Portfolio (ISA Accounts)

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

- Remove both the Invesco Perpetual and Standard Life UK Equity funds each with 5% weightings.
- Reduce the Blackrock UK Dynamic fund from 6% to 5%.
- Introduce the Cazenove UK Growth and Income fund at 6% and AXA Framlington UK Select Opportunities fund at 5%.

### Reasons for the Changes

In an uncertain world with an unusually wide range of potential economic and market outcomes, these changes are designed to ensure that the UK equity sub-portfolio is suitably diversified while remaining positioned with appropriate mindfulness for the underlying benchmark. Thus we are seeking to ensure an allocation to a stable core, now expressed primarily by the Cazenove UK Growth & Income fund in recognition that the Standard Life fund had not delivered such an outcome.

The persistence of the Threadneedle UK Equity Income fund reflects our belief that the income component will be a significant portion of total return through the medium term, while AXA Framlington UK Select Opportunities has been introduced to give the portfolio an allocation to a higher-alpha manager.

### 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
<b>Initial</b>	0.00%	0.00%
<b>Annual</b>	0.719%	0.711%

**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](mailto:info@accordfinancial.co.uk) to confirm your agreement.**