LWM

Consultants Ltd.

Investors in Values

QUARTERLY INVESTMENT COMMITTEE REVIEW REPORT

Q3 2012 - OVERVIEW

Signed off:

Chairman:	________________________	**Paul Berry, Director**
	________________________	**Date**
Members:	________________________	**Nicola McKissick, Client Services Manager**
	________________________	**Date**
	________________________	**Amy Berry, Trainee**
	________________________	**Date**
	________________________	**Shaun Weinbren, Manager**
	________________________	**Date**
	________________________	**George Ladds, Head of Operations (Marketing & Research)**
	________________________	**Date**

IMPORTANT NOTE

This is an internal discussion document, and although the contents may be disclosed to our clients, either in person or via our website, none of the comments constitute advice and should not be seen as a recommendation in anyway. Performance shown is not a reliable guide to future performance and investments can fall as well as rise. The performance shown reflects the charges of the portfolios but does not reflect the charges of the products and any fees taken by LWM Consultants which may reduce the performance figures shown. Permission must be sought by any person looking to use this data in any form.

COMMITTEE NOTES

BACKGROUND

The LWM Investment Committee meets quarterly to review portfolios, and to assess market conditions.

The discussions outlined in this document follow the investment process developed following rigorous research within the marketplace and form a strategic response to the FSA's Treating Customer Fairly Initiative.

The aim is to facilitate LWM to adopt a focused and consistent approach to investment advice, reduce regulatory risk and deliver a competitive client service proposition for investors.

This investment committee report reflects views up to the end of September 2012.

STRUCTURE

The Investment Committee is chaired by Paul Berry and members of the committee include Nicola McKissick, Amy Berry, George Ladds and Shaun Weinbren (who are nominated individuals from the business). The papers are formally approved by Sense network (of which LWM Consultants Ltd are members).

CURRENT MARKET AND ECONOMIC OVERVIEW

The last quarter saw some positive sentiment return to the markets. As we mentioned in the last briefing we remain of the view that the equity markets are the most attractively priced of the main asset markets.

Following meetings with several fund managers over the past quarter there still remains a great deal of mispriced opportunities the markets, and this will be recognised in time.

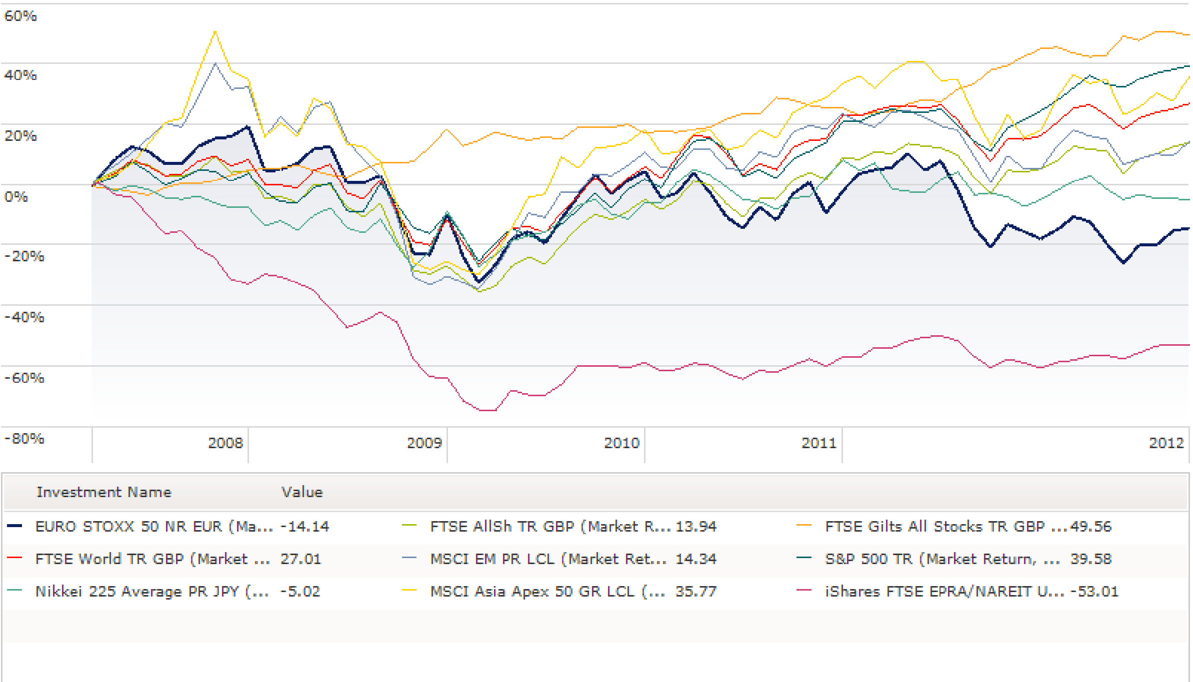
Two significant events in this quarter which helped in restoring an element of confidence in the market were the Bernanke's "Put" and Draghi's "whatever it takes".

The Bernanke "Put" effectively demonstrated the Fed's commitment to growth, and a further bout of QE was a major step to demonstrating that commitment and QE III is by fae the largest and most open ended of the trifecta.

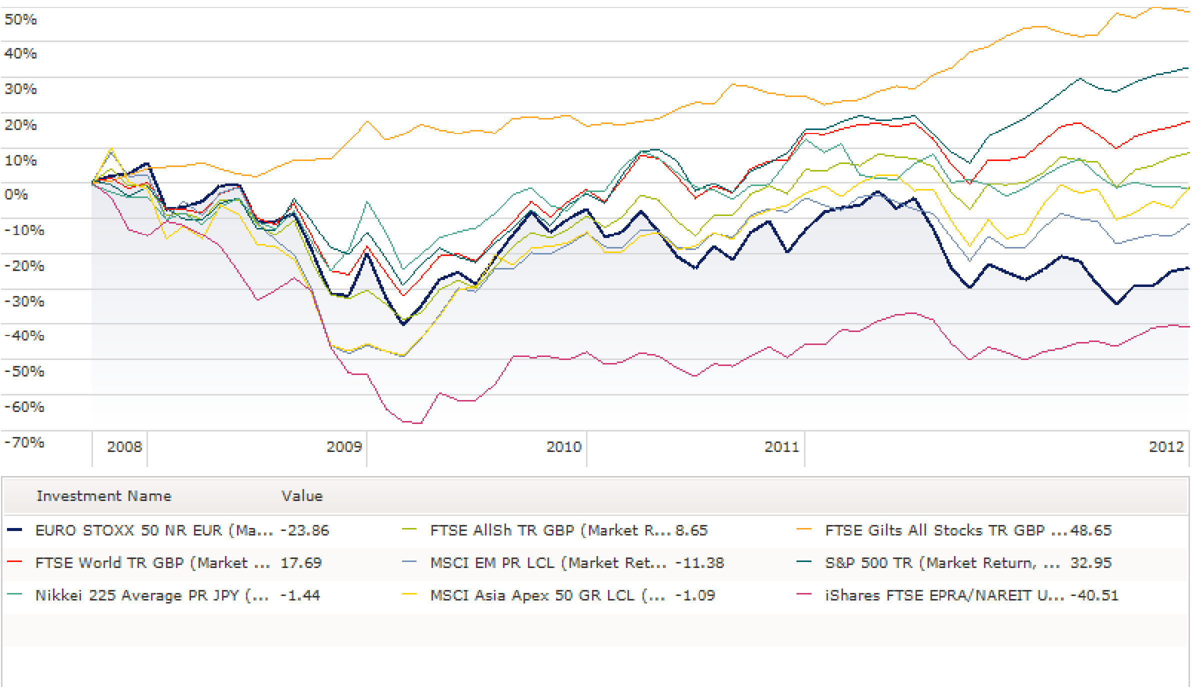
Europe as we highlighted in the last report remains with problems as we have seen with recent unrest in Greece and further cutbacks in Spain. The key change was the statement by Mario Draghi who stated that the ECB will do "whatever it takes" to save the Euro and has followed up the statement with a plan to buy bonds in unlimited amounts.

These two events don't solve the financial crisis but they are a positive step in the right direction. However, with the US elections due in November, and the potential fiscal cliff many fund managers believe the markets will continue to be volatile over the coming months.

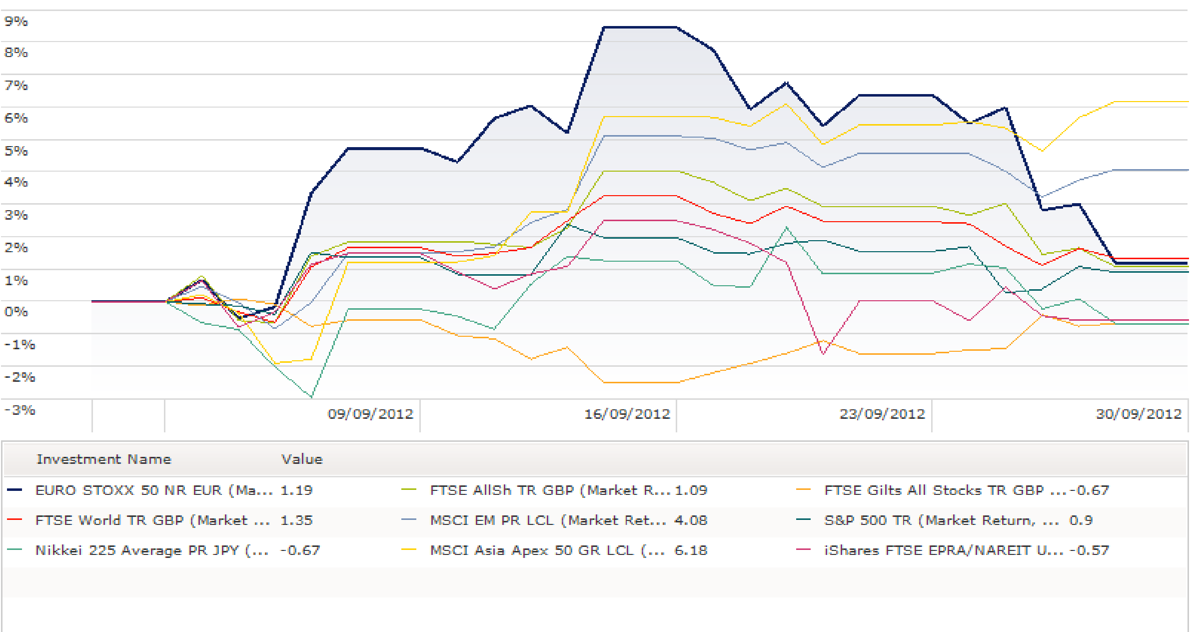
<u>Markets performance – 30 September 2002 – 30 September 2012</u>



Markets performance – 30 September 2007 – 30 September 2012



Markets performance – 30 September 2011 – 30 September 2012



Special note to graphs: *You should note that past performance is not a reliable indicator of future returns and the value of your investments can fall as well as rise. The total return reflects performance without sales charges or the effects of taxation, but is adjusted to reflect all on-going fund expenses and assumes reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the performance quoted would be reduced.*

Cash

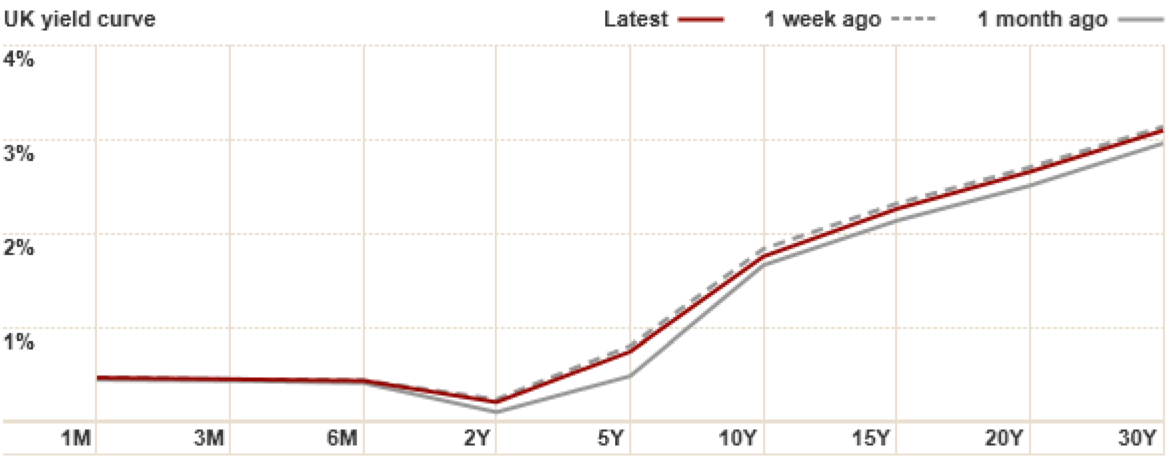
Inflation remains below 3% in the UK but cash investors are losing money in real terms. The increase in variable rates has not seen profits being passed to savers.

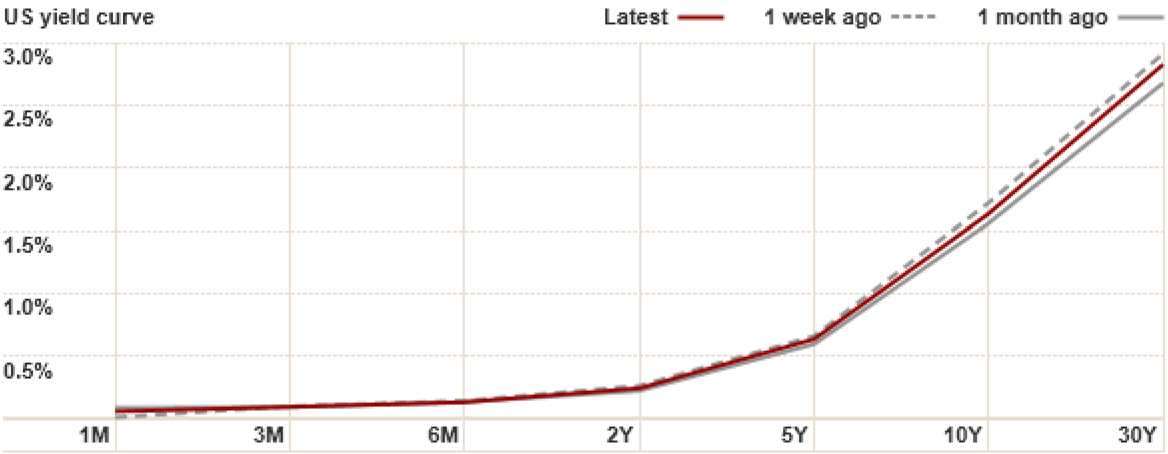
The US have committed to keeping their interest rates low until at least Mid-2015 (previously it was 2014). In the last update we stated that the general review on interest rates was that these would remain at their current level until 2016 at the earliest. This comment from the US really cements the view that interest rates are unlikely to move in an upward direction for at least the next three years.

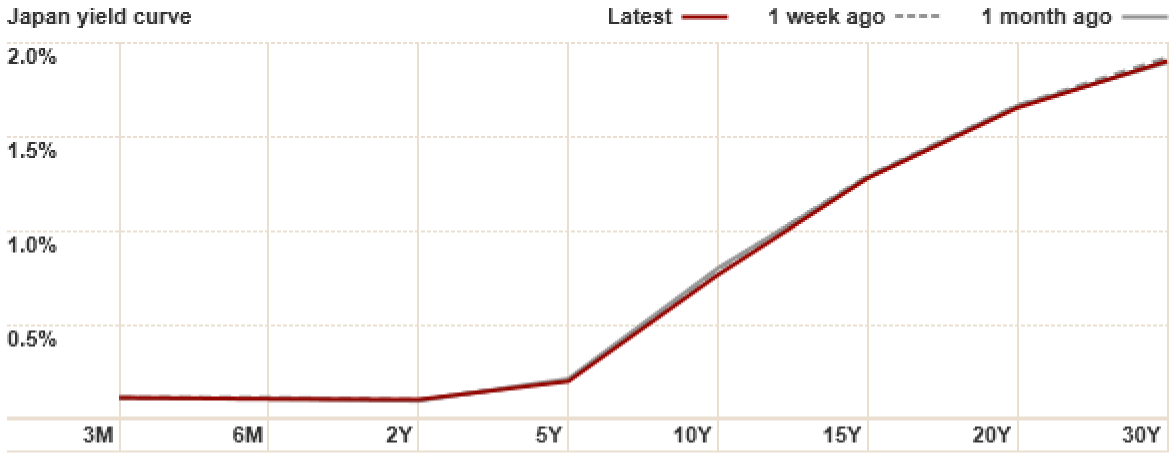
As we have mentioned before, the idea that cash is a safe haven is being dispelled partly driven by low interest rates but also life expectancy. Clearly the idea that cash is a way to provide an income in retirement has gone and other sources should be sort. Talking to fund houses we have seen an increase in income driven funds, especially global funds. The argument is that good companies delivering sustainable dividends are excellent long term investments.

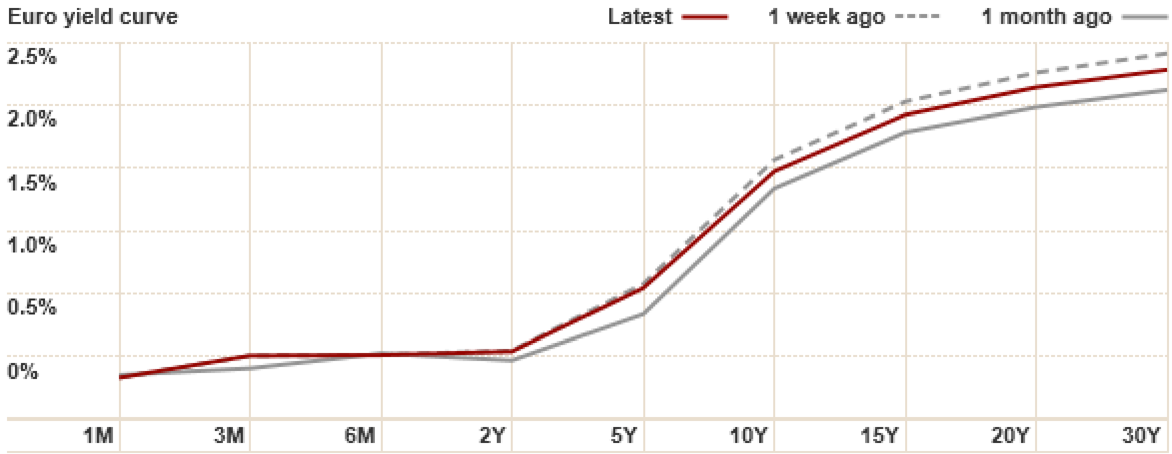
The problem is the perceived risk with equities when compared to cash. With equities you could potentially see a total loss on your investments whereas with cash, the original sum remains unless of course you start taking capital out.

Please see below current yield curves (source FT.Com):









The markets

There is little doubt that the markets are fragile but there are some positive signs. In the emerging markets there are positive stories coming out of Brazil and Columbia. In China we will see a new politburo shortly – these will be the leaders for the next ten years and we should start to see some clarity around economic policies.

In Europe we have seen the fragile state of Greece erupt into unrest and in Spain we have had a further tightening in budgets. With austerity comes a restriction on growth and many fund managers believe it will take some time before we see any form of real growth return to the markets.

In the US we have seen a good run on the markets however many believe this may hit a plateau as the election gets into full swing and then we face the fiscal cliff on 1 January 2013. Whether a new government can avert this is the question.

Europe

One of the key points from the last briefing was the need for a clear strategy - this has been delivered. However, a lot of the problems still remain.

Talking to European fund managers clearly company share valuations are very cheap by historic standards. The Euro weakness has benefited exporters and ECB and European Leaders have acted to support the banks. These are real positives for Europe.

On the negative side, as we have seen with the likes of Greece and Spain sovereign debt remains a concern. The problem is that austerity hinders recovery and growth. To this end it is expected that the Eurozone GDP will contract in 2012 and will remain weak, especially in the peripheral states for some time to come.

Emerging Markets

We believe long term growth will be driven by the emerging and Asian markets. Latin America is a fascinating region with many positive growth stories.

In the last 12 months economic data from Brazil has been weak, recent indicators have shown a reacceleration in the Brazilian economy especially with a focus on infrastructure ahead of the World Cup in 2014 and the Olympics in 2016.

Peru and Columbia are two of the fastest growing South American economies; Columbian GDP is growing at 5% and Peru by over 7%. The growth has primarily been driven by infrastructure.

A positive to this is that many of the economies in the region are benefiting from low unemployment and strong wage growth. This has seen an emergence of both the lower and middle class with greater levels of disposable income. The trend with this is to search out branded goods.

In China we have seen the property market feel the impact of changes in Government policy which started two years ago with the aim to slow the economy. The property sector has adjusted quickly with real estate companies changing their attitudes and business models to focus on cash flow and balance sheet restructuring.

Korea has benefited from Chinese growth as many consumers turn away from their markets to the likes of Korea. About 30% of Korea's growth comes from China so any slowdown will impact on them. China is likely to shift from an export led economy towards a consumer fuelled economy and growth is expected to settle around 6%, with a new economic policy this is likely to filter benefits out into the surrounding regions.

In summary digging beneath the surface we can see positive noises coming out of China which will filter into other regions and certainly areas of Latin America are seeing positive growth.

Global

Globally, the US is dogged by the presidential election and 2013 fiscal cliff which is likely to weigh on market sentiment for the next quarter. The uncertainty means that businesses are likely to delay investment and recruitment, and households are holding back on discretionary spending whilst they wait until the impact of the tax codes are known.

However, in the US, corporate earnings, cash flows and balance sheets are strong and therefore valuations look attractive relative to history. An interesting aspect of the US economy is the increased energy self-reliance which is expected to play out over the next ten years and an industrial renaissance. All of these are now seen as long term drivers for the economy.

On the downside other factors include austerity on the public sector which is likely to weigh on growth as well as deleveraging.

In the UK the economy remains flat with little prospect of any growth in 2012. The lack of any real wage growth is not supporting consumption. The key problem for the UK is austerity which is hindering growth.

However, valuations remain attractive in the UK in historical terms, especially in selected cyclical stocks. As we have highlighted before there a number of companies which are well exposed to international markets and therefore what is happening in the UK is having less of an impact on them. And finally we are seeing the corporates benefiting from very healthy balance sheets, whilst continuing to provide strong and growing dividends.

In Japan again we are seeing good equity values and there is a general feeling that corporate profits are set to rebound after the events of 2011. There is also a feeling that Japan will benefit from any resurgence in China and the US. But two things hang like a dark cloud over Japan. Their debt is still very high and their remains political uncertainty especially with voters on unpopular tax moves.

In summary Globally the US is showing positive signs however a lot depends on the election and how quickly they deal with the fiscal cliff. As we have seen emerging markets especially in Latin America and Asian markets have the potential to drive global growth.

Conclusion

As we commented in the last review there are positive signs in the developed market especially in the US. Debt remains a ball and chain around the neck of the Eurozone (as it does for most developed economies) but strong central bank commitments is what that the markets wanted and these has been delivered.

We are seeing emerging markets and Asian markets drive growth despite what is happening around them and we believe this will be where future long term growth will come from.

Any turn around in the developed markets will take time but as we highlighted in the last review we need to accept a greater degree of volatility to achieve long term returns (loss of capital is only truly suffered when its permanent).

Source: Charts have been sourced from Morningstar. Other data has been sourced from Schroders, GAM, and Threadneedle.

FUND MANAGEMENT GROUP OVERVIEW

We continue to meet fund managers and provide updates via the website. We do not restrict fund manager meetings to the funds we hold. This enables us to identify any potential new funds we may consider.

In the last quarter we completed 13 meetings and the full list of meetings are detailed below. The notes from these meetings are on the website.

TR Property Trust	Marcus Phayre-Mudge
Invesco Perpetual Global Equity Income Fund	Luke Stellini
AXA Framlington Global Technology Fund	Jeremy Gleeson
Liontrust Special Situations Fund	Anthony Frost
Standard Life Global Funds	Harry Nimmo
Schroder Secure Distribution 2032 Fund	John McLaughlin
Standard Life GARS Fund	Representative of SLI
Premier Asset Managers Income Funds	Chris White
JPM US Equity Income Fund	Representative of JPM
Premier Asset Managers Global Equity Funds	Jake Robbins
AXA Framlington American Growth Fund	Representative of AXA
Standard Life UK Equity Unconstrained Fund	Ed Leggett
JPM Natural Resources Fund	Representative of JPM

In total we have completed 39 fund manager meetings this year.

Coming from the meetings this quarter we have added the Liontrust Special Situations Fund, Premier UK Alpha Income Fund, Premier Global Strategic Growth Fund, JPM US Equity Income Fund and IP Global Equity Income Fund to our watch list. The watch list is effectively a list of funds we may consider adding in the future, or conversely where there is a fundamental change in policy or fund management of a fund we may consider removing.

The interesting discussion point from this quarter was the importance of both dividends and growth to total return and hence the inclusion of three income funds.

A key review was the Standard Life GARS Fund where a couple of the key managers left the team. Our review with the fund management team did not raise any undue concerns which would have a negative impact on the fund. Further details are available under “changes to portfolios”.

Going into the next quarter we expect the fund management meetings to slow down and then increase as we go into quarter 1 of 2013. We have however booked a meeting with Dave Dudding who is the fund manager of the Threadneedle European Smaller Companies Fund and have potential fund management meetings organised with Investec and JPMorgan.

These meetings are an important part of the service proposition and enables us to gain insight not only to how the manager manages the fund but also their view of the markets.

CORE PORTFOLIO PERFORMANCE ANALYSIS

To provide an independent reporting mechanism, all the portfolios are recorded and monitored using Morningstar. The current portfolios were tested using the data below (provided by Sense Network) and reviewed on 30 June 2012.

Risk Level	1 Cash	2 Cash	3 Defensive	4 Cautious	5 Cautious	6 Balanced	7 Mod Adv	8 Adv	9 Adv	10 Adv
Lower limit	-0.64%	-4.65%	-8.81%	-11.93%	-14.91%	-18.03%	-21.16%	-24.35%	-27.53%	-30.95%
Average of all returns	3.36%	4.35%	5.19%	5.64%	6.23%	6.69%	7.12%	7.51%	7.90%	8.05%
Upper return	7.36%	13.35%	19.19%	23.21%	27.37%	31.40%	35.41%	39.37%	43.33%	47.05%
Volatility	4.00%	9.00%	14.00%	17.57%	21.00%	24.71%	28.29%	31.86%	35.43%	39.00%
			LWM Def	**LWM Caut**		**LWM Bal**	**LWM Mod Adv**		**LWM Adv**	

Using these benchmarks we have back tested the portfolios and the key information is detailed below:

<u>LWM Portfolios – Standard Life</u>

	LWM Defensive	LWM Cautious Income	LWM Cautious Growth	LWM Balanced	LWM Mod Adventurous	LWM Adventurous
Volatility	7.32%	8.42%	9.35%	12.31%	14.61%	15.66%
Benchmark Volatility	6.90%	6.90%	6.90%	10.72%	12.36%	12.36%
Alpha	3.53%	4.14%	3.71%	4.72%	5.29%	5.08%
Beta	0.95%	1.03%	1.08%	1.06%	1.09%	1.16%

	LWM Defensive	LWM Cautious Income	LWM Cautious Growth	LWM Balanced	LWM Mod Adventurous	LWM Adventurous
Equity	45.85%	55.11%	58.29%	74.15%	81.35%	87.71%
Fixed Income	33.03%	23.93%	24.82%	16.84%	12.08%	2.22%
Property	4.59%	3.61%	4.04%	0.34%	0.34%	0.17%
Cash	13.79%	12.38%	10.54%	6.28%	3.95%	4.02%
Other	2.74%	4.97%	2.32%	2.38%	2.29%	3.87%
Not Classified	0.00%	0.00%	0.00%	0.00%	0.00%	2.00%

LWM Portfolios – Skandia

	LWM Defensive	LWM Cautious Income	LWM Cautious Growth	LWM Balanced	LWM Mod Adventurous	LWM Adventurous
Volatility	7.37%	9.03%	9.32%	11.62%	13.93%	15.70%
Benchmark Volatility	6.90%	6.90%	6.90%	10.72%	12.36%	12.36%
Alpha	3.54%	3.67%	3.66%	3.85%	4.29%	3.91%
Beta	0.94%	1.05%	1.06%	1.01%	1.05%	1.15%

	LWM Defensive	LWM Cautious Income	LWM Cautious Growth	LWM Balanced	LWM Mod Adventurous	LWM Adventurous
Equity	46.60%	59.29%	59.31%	71.92%	78.48%	89.99%
Fixed Income	32.59%	23.35%	24.28%	16.38%	11.49%	1.89%
Property	4.33%	3.61%	3.61%	2.89%	2.89%	1.45%
Cash	13.60%	11.18%	10.30%	6.95%	5.12%	4.40%
Other	2.88%	2.56%	2.40%	1.89%	2.01%	2.27%
Not Classified	0.00%	0.00%0	0.00%	0.00%	0.00%	0.00%

The portfolios fall within the parameters set and the committee agreed that no action was required.

Going forward we will analysis the volatility and benchmark in real terms on a quarterly basis and provide charts on the volatility swing between the portfolios.

Performance

We have recently produced updates on our portfolios. The key measure for us is to outperform a fund that tracks an index over a medium to long term period. Within each sector we will have funds that perform differently, so for example we may have a UK income fund as well as UK smaller companies fund within the UK sector.

So we have set a benchmark which accurately and fairly reflects what we are aiming to do. The benchmarks we have used are:

Fixed Interest	FTSE Gilts All Stocks Index
Property	iShares EPRA / NARETI UK Property
UK	FTSE All Share
Europe	Euro Stoxx 50
US	S&P 500
Japan	Nikkei 225
Asia	MSCI Asia Apex 50
Emerging Markets	MSCI EM
Global	FTSE World

Since their launch on 1 January 2009 the portfolios have outperformed their index as the tables below demonstrates.

Summary of performance – 1 January 2009 – 30 September 2012
(Please read special note to tables at the end of the tables)

	Cautious Income	Cautious Growth	Balanced Growth	Moderately Adventurous Growth	Adventurous Growth
Performance	67.59%	63.29%	62.03%	59.17%	57.37%
Benchmark	33.66%	32.44%	32.75%	33.40%	30.72%
Outperformance	100.80%	95.10%	89.40%	77.16%	86.75%

Detailed breakdown of performance
(Please read special note to tables at the end of the tables)

Cautious Income

	2009	2010	2011	2012	Since launch
Cautious Income	32.63%	18.16%	-2.04%	9.17%	14.77% p.a.
Benchmark	11.25%	9.21%	1.70%	8.18%	8.04% p.a.

	30th Sept 2009 – 30th Sept 2010	30th Sept 2010 – 30th Sept 2011	30th Sept 2011 – 30th Sept 2012
Cautious Income	15.87%	-0.60%	13.24%
Benchmark	6.59%	-0.76%	13.48%

Cautious Growth

	2009	2010	2011	2012	Since launch
Cautious Growth	32.63%	18.16%	-4.52%	9.12%	13.98% p.a.
Benchmark	11.25%	9.21%	1.11%	7.82%	7.78% p.a.

	30th Sept 2009 – 30th Sept 2010	30th Sept 2010 – 30th Sept 2011	30th Sept 2011 – 30th Sept 2012
Cautious Growth	15.87%	-1.88%	11.74%
Benchmark	6.59%	-1.02%	12.72%

Balanced Growth

	2009	2010	2011	2012	Since launch
Balanced Growth	34.17%	19.30%	-8.29%	10.37%	13.74% p.a.
Benchmark	14.54%	9.57%	-2.73%	8.75%	7.84% p.a.

	30th Sept 2009 – 30th Sept 2010	30th Sept 2010 – 30th Sept 2011	30th Sept 2011 – 30th Sept 2012
Balanced Growth	15.85%	-4.56%	12.52%
Benchmark	6.60%	-3.96%	13.47%

Moderately Adventurous Growth

	2009	2010	2011	2012	Since launch
Moderately Adventurous Growth	35.34%	20.13%	-10.51%	9.40%	13.20% p.a.
Benchmark	17.17%	9.49%	-4.43%	8.80%	7.99% p.a.

	30th Sept 2009 – 30th Sept 2010	30th Sept 2010 – 30th Sept 2011	30th Sept 2011 – 30th Sept 2012
Moderately Adventurous Growth	15.50%	-5.59%	10.83%
Benchmark	6.26%	-5.21%	13.74%

Adventurous Growth

	2009	2010	2011	2012	Since launch
Adventurous Growth	35.34%	20.13%	-11.59%	9.49%	12.86%
Benchmark	17.17%	9.49%	-6.43%	8.89%	7.40% p.a.

	30th Sept 2009 – 30th Sept 2010	30th Sept 2010 – 30th Sept 2011	30th Sept 2011 – 30th Sept 2012
Adventurous Growth	15.50%	-7.19%	11.28%
Benchmark	6.26%	-7.56%	13.98%

Special note to tables: *You should note that past performance is not a reliable indicator of future returns and the value of your investments can fall as well as rise. The total return reflects performance without sales charges or the effects of taxation, but is adjusted to reflect all on-going fund expenses and assumes reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the performance quoted would be reduced.*

However, as we recently highlighted we did underperform in the portfolio year 2011. In 2011 the extreme volatility and tensions in Europe caused huge levels of funds to flee to safe havens such as sovereign debt, this investment class was poor value going into 2011, by the end of 2011 with German Bunds being issued at 0% interest they were into bubble territory.

As we did not hold these investments we did not perform well in fixed interest but to do so was to invest in a highly overvalued asset class which will suffer a significant loss of value at some point, this is therefore a greater fool and market timing type of investment which we do not want to be part of.

The same reasons contributed to some equity fund underperformance with high dividend national and international stocks doing well although their valuations (such as utilities) are historically high.

The performance in 2012 has however been strong with valuations starting to more accurately reflect value in some of 2011's unloved sectors and markets.

Summary

We constantly review how the portfolios perform to ensure that we are delivering long term outperformance. Since launch we have been able to do this during significantly volatile periods. In addition to the outperformance we have not undertaken any additional risk and in fact kept this to a minimum. This doesn't mean your capital is not at risk but we are mindful of this and therefore we are looking to provide downside protection as well as providing upside benefits.

Source: The lower and upper return limits and average returns are sourced from the Old Mutual Group. They show the implied volatility and mean expected return on the risk levels between 1 and 10 to two standard deviations (i.e. all returns are expected to be between these extremes in 95 years out of 100; this is described as a 95% confidence level).

So the upper and lower limit at what should be expected given the level of risk – there is a 2.5% chance that returns could fall outside the limit in any one year. The average is the average of all possible returns within a risk level on one year.

The volatility is the difference between the average return and the prescribed limits. In practical terms the maximum swing or volatility is 24.71% on the Balanced Portfolio; we have back tested the current holdings in all the portfolios and using the Balanced Portfolio as an example our holdings indicates an actual volatility of about 12.31% which is below the maximum rate.

On the performance this is based on all the holdings of the portfolio since launch, although it reflects the charges of the fund it doesn't reflect any rebates or the product charges and fees.

As an example of how this will impact on the performance, assuming the total gross cost of the portfolio is 1.5% p.a. (this is reflected in the performance figures shown), then after rebates and reflecting any fees payable to LWM Consultants the actual cost of this portfolio could be 2.13% p.a. (on a fund of £100,000 this would be £2,130 p.a.) This means that the drag on performance is around 0.63% p.a. (on a fund of £100,000 this would be £630 p.a.) So in 2011 the return on the Balanced Growth Portfolio was -8.28%, the net return after rebates and fees would have been -8.91%. This is an indication of costs as the assets and costs will move.

CHANGES TO PORTFOLIOS

During the last quarter, the following changes occurred to the funds (sourced from Morningstar):

Alert type	Date	Security	Direction	Previous Value	New Value
Fund Manager Change	11/09/2012	SVM Global Opportunities	-	Donald Robertson,Colin McLean	Colin McLean,Neil Veitch
Morningstar Rating Change	08/09/2012	Threadneedle Amer Sel Ret Net GBP Acc	Up	3	4
Fund Manager Change	22/08/2012	Investec Global Special Sits A Net Acc	-	Mark Jones	Alastair Mundy,Mark Jones
Morningstar Rating Change	07/07/2012	Schroder Japan Alpha Plus Acc	Down	5	4

In addition to these Standard Life changed some members of the GARS team. The briefing note issued to clients is detailed below:

Standard Life Global Absolute Return Strategies (GARS) Fund

The Standard Life GARS Fund is a key element of the portfolios we deliver. This is because it provides equity style returns with bond like volatility providing stability particularly in the more cautious portfolios. Over the period we have held this fund it has continued to deliver as the chart below demonstrates.

Special note to graph: *You should note that past performance is not a reliable indicator of future returns and the value of your investments can fall as well as rise. The total return reflects performance without sales charges or the effects of taxation, but is adjusted to reflect all on-going fund expenses and assumes reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the performance quoted would be reduced.*

The fund is managed on a team basis consisting of the wider team of investment specialists and four key holders. These key holders are effectively the people authorised to make trades. The key individual and head of this strategy is Euan Munro. In February we met with one of the key holders David Millar, the notes from this meeting are on the website. It is interesting because one of the key discussions was what would happen if one or more of the key members of the team left.

The message at the time was that they already had in place a “what if” strategy in place should someone leave. One of these people was Neil Richardson who recently joined the team, and the other two individuals (who have been with the team for a number of years) are Ian Pizer and Roger Sadewsky.

We have been advised that the “what if” scenario has taken place and two of the key holders have left – these are David Millar and David Jubb. Clearly the main team with the strong leadership of Euan Munro remains in place and following discussions we remain confident that the fund will continue to deliver for our portfolios.

The other point that provides reassurance to us is the speed to move Neil, Ian and Roger into team to replace the leaving individuals. They have depth of experience which will add value and we see this as a positive step. At this stage we are waiting confirmation as to whether the key holders will be restricted to two – Euan Munro and Guy Stern, or whether any of these individuals will move into this role.

As with all the funds we use for our portfolios we constantly monitor their performance, and the management team to ensure that if something happens we are in a position to respond.

Clearly in this scenario although some of the faces have changed fundamentally the strategy remains and will continue to deliver into the future. A key point to consider (not that I am a football man) a manager often leaves to a bigger club following a period of success but then fails partly because they don’t have the same structure and team in place at the new club. This is true in fund management. It is easier for a strong team to deliver whatever the changes at the top than it is for a manager to deliver in a new environment without that team.

Conclusion

The note about Standard Life GARS confirms our position on this fund, there is no change to this position. The change at SVM creates some concerns and we have placed this fund on a watch list to see if there will be any adverse impact on the fund.

With the exception of the point above there were no fundamental changes to the funds so the committee agreed no changes were required.

REGULATORY ISSUES

The main focus for all financial planners is to be ready for 1 January 2013. As a business we believe that we are now fully compliant and ready for 2013. The key updates in the last quarter:

1. We have issued clients with addendums to the fee agreements outlining the changes from commission / fees to adviser charging
2. We have the correct qualifications to practice from 1 January 2013 – these qualifications are now detailed on the website
3. We have stated out intent to become independent from 1 January 2013, however this will be reviewed in March / April as we do not believe that there is much difference between the two routes open because fundamentally it is about the service and proposition you offer. Our final decision will be on what is best for our clients
4. We have produced a service guide which is now available to all clients and will be included on the website. We have also produced a presentation which clients can view

Other work we will doing to help clients is the launch of a financial education part of our website. This will be aimed at our clients but also their family as well. The public site will be updated to focus on our core proposition. This is important due to the articles appearing in the press around RDR and fees.

We will also be updating the site with the latest investment data shortly.

CONCLUSION TO REVIEW

The last quarter has been positive in terms of portfolio performance. We have adopted a new structure for monitoring the portfolios which will ensure we can monitor the portfolios more closely and provide this information to clients.

We have also issued clients with our first quarterly update bulletin and we will be looking to carry these through into 2013 and beyond.