

December 2010

Dear Client

In autumn 2009, following a period of high volatility in all major investment sectors - particularly in equities - we constructed three model portfolios designed to provide exposure to appropriate markets - but with lower volatility than the relevant sector averages.

The three portfolios that we chose initially were a) UK Equities, b) Overseas (i.e. non UK) Equities and c) Bonds. For each of the relevant portfolios we selected a number of managed funds with the twin aims of providing a diversified exposure to the sector - but with a lower average volatility. The fund selection was based on our own research with a diversification among fund managers and fund type. The fund selection has been reviewed monthly and changes, where appropriate, have been made on a quarterly basis.

We selected appropriate benchmarks, against which the portfolios' performance may be compared. We stress, however, that the principal investment aim is not to outperform benchmarks. The key intention is to provide sector exposure - but with reduced volatility.

The performance of each portfolio for the period to 1 December 2010 is set out below and we are delighted that over the year the volatility in all of the portfolios has been below the sector average and that of the benchmark.

	3 Months	6 Months	12 Months	Since Inception
UK Equity	6.0%	11.4%	12.2%	17.0%
FTSE All Share	6.1%	11.3%	11.2%	20.5%
Overseas Equity	10.2%	10.1%	17.9%	26.2%
MSCI World ex UK	7.2%	8.5%	6.0%	13.7%
Bond	-0.8%	1.9%	5.0%	9.5%
IBOX Stg Corp All Mats	-2.2%	3.6%	7.4%	10.9%

These portfolios are invested in a selection of open ended unit trusts, values of which can fall as well as rise. Past performance is not a guide to the future.

We enclose charts showing the performance of the portfolios, which also gives a useful indication of the volatility of the funds compared with their benchmarks. If you would like to discuss the above in more detail - and their possible relevance to you - please contact one of our consultants.

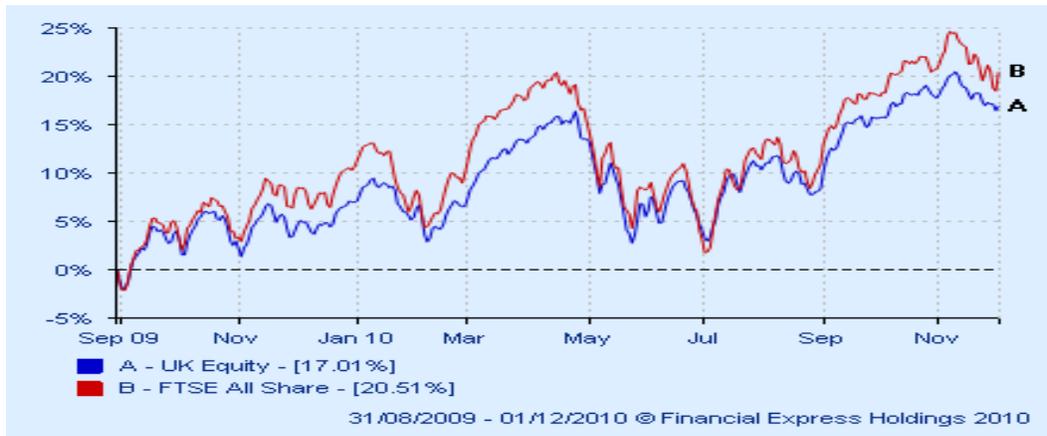
Best wishes



NIGEL SLOAM & CO

PORTFOLIO PERFORMANCE

UK EQUITY PORTFOLIO



OVERSEAS EQUITY PORTFOLIO



BOND PORTFOLIO

