abacus

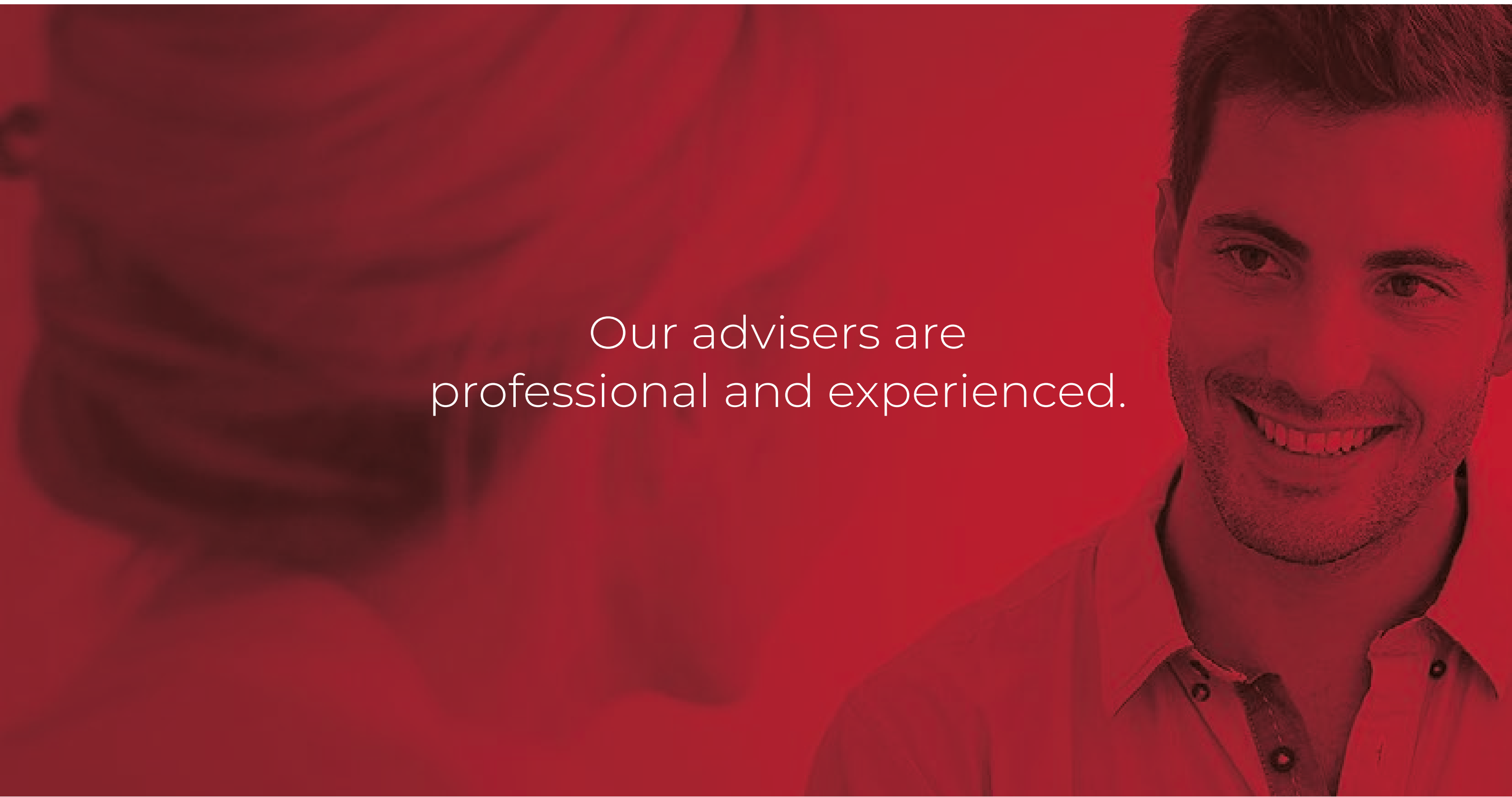
REVOLUTIONARY THINKING

ABACUS CENTRALISED INVESTMENT PROPOSITION

REVOLUTIONARY THINKING

CONTENTS:

CREATE. MANAGE. PROTECT YOUR WEALTH.



ABACUS ADVISERS

There are different types of financial advice available to you.

The type of adviser chosen will affect the advice you are given.

Because an independent adviser will consider products from all firms across the market, and will give unbiased and unrestricted advice based on a fair and comprehensive analysis of the whole of the market without restriction, we believe independent advice is the premier model of financial advice.

All Abacus Advisers offer independent financial advice and can therefore advise on all products in the market place. However, for the vast majority of clients we believe their investment needs can be met by our Centralised Investment Proposition (CIP).

Within the Abacus CIP, there are a number of investment strategies an adviser can discuss with you. These range from investments which are monitored once a year to investments monitored every single day. The different investment strategies will vary in terms of their objective, their cost and their suitability for the specific needs of individual clients and their specific Attitude To Risk (ATR) profiles. The investment strategies available within the CIP are the Abacus Passive Portfolios, Abacus Active Portfolios, Abacus DFM Model Portfolios and the Protected Portfolios.

PASSIVE PORTFOLIOS

Overview

Diversified portfolios of passive tracker funds based on Dynamic Planner's risk profile asset allocations 3-8. The passive investment strategy is simple to understand, easy to implement and low cost.

Purpose:	Low cost access to global markets
Approximate cost:	< 0.25% p.a.
Diversification:	Global
Underlying assets:	Equities, Bonds, Commodities and Property
Additional influences:	Currency markets could magnify gains or losses
Management:	Reviewed annually
Benefits:	Low cost

Limitations:

- Cannot sidestep market crashes
- No changes can be made to a client's portfolio without their prior consent
- Depending on market conditions, could take more risk/suffer larger losses than client is expecting
- Cost of buying/selling passive holdings can vary from platform to platform
- Capital gains tax may be incurred when changes are made to the portfolio

With passive investing, you don't worry about what the price of gold is doing this week. Nor do you spend days buried in company reports trying to evaluate stocks. There's no need to time the market, pick winning companies, or convince yourself that you have the special powers required to beat other investors. As a passive investor, you use low-cost funds called index trackers. By accepting that successful investing is a long-term pursuit, you mentally equip yourself to cope with the losses and volatility that will occur from time to time.

WHAT DOES THE PORTFOLIO LOOK LIKE?

Who are these Portfolios suitable for?

These portfolios are suitable for:

- Clients of the following Dynamic Planner risk profiles: 3 to 8
- Clients looking to focus predominantly on low charges

What do the Portfolios invest in?

A Passive Portfolio would invest in things like the following:

- iShares Corporate Bond Tracker
- iShares 100 UK Equity Tracker
- HSBC American Index Tracker

Different Scenarios

It is always useful to see how a portfolio would behave in certain market conditions. We would expect this portfolio to perform accordingly in the following markets:

Market Condition	Portfolio Performance Expectation
Equity / Bond Markets Rising	Rising
Equity / Bond Markets Falling	Falling
Equity / Bond Markets Rising & GBP Weakening	Rising & may be positively impacted by currency
Equity / Bond Markets Rising & GBP Strengthening	Rising & may be negatively impacted by currency
Equity / Bond Markets Falling & GBP Weakening	Falling & may be positively impacted by currency
Equity / Bond Markets Falling & GBP Strengthening	Falling & may be negatively impacted by currency

ACTIVE PORTFOLIOS

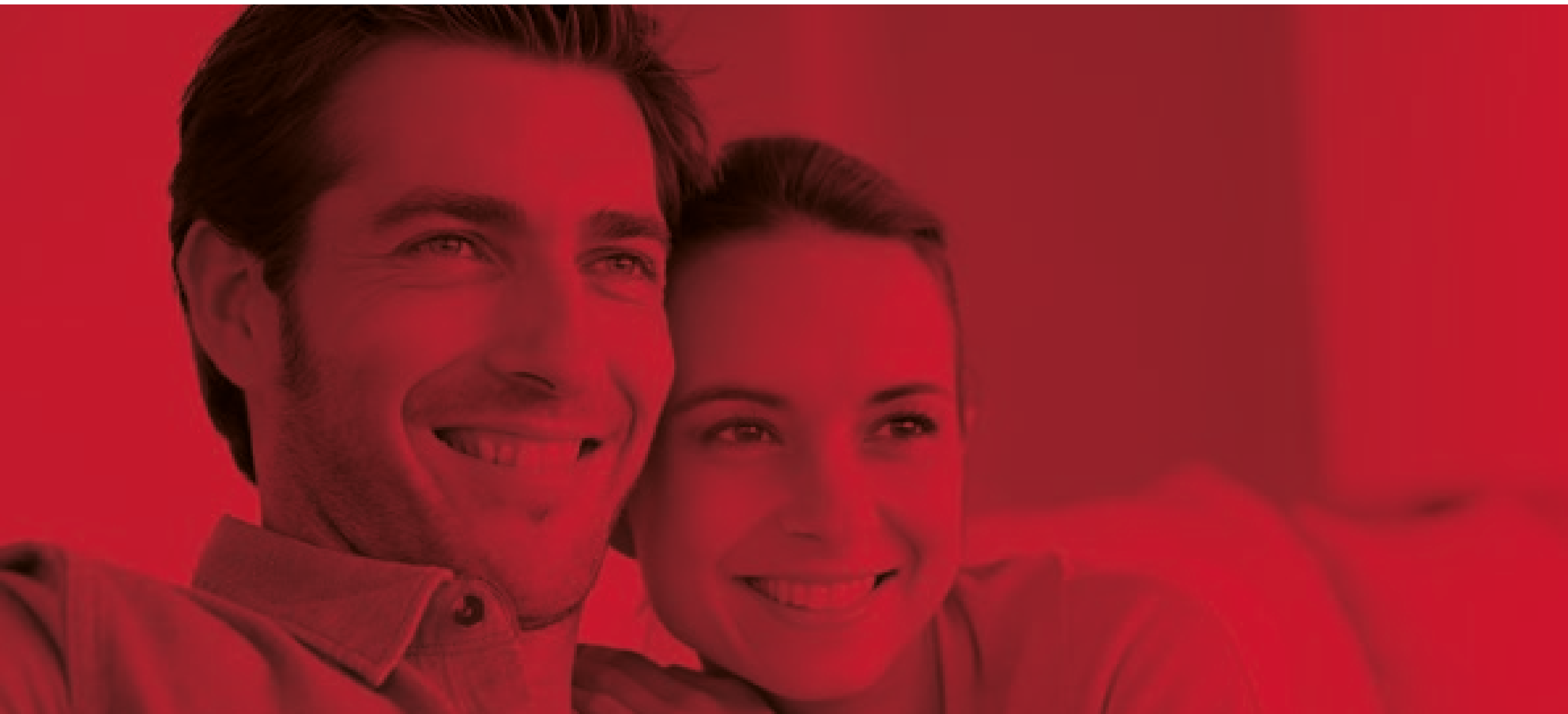
Overview

Diversified portfolios of active funds based on Dynamic Planner's risk profile asset allocations 3-8. We also have Socially Responsible portfolios of active funds based on Dynamic Planner's risk profile asset allocations 3-7. The active investment strategy seeks to produce better returns than those of a passive investment strategy. This strategy typically has a higher cost.

Purpose:	Try to outperform the index
Approximate cost:	0.70% - 1.20%
Diversification:	Global
Underlying assets:	Equities, Bonds, Commodities and Property
Additional influences:	Currency markets could magnify gains or losses
Management:	Annually
Benefits:	Can navigate market crashes if the manager can correctly predict them

Limitations:

- No changes can be made to a client's portfolio without their prior consent
- Depending on market conditions, could take more risk/suffer larger losses than client is expecting
- Cost of trading an active fund can vary year on year. As such the cost above may increase
- Capital gains tax may be incurred when changes are made to the portfolio



WHAT DOES THE PORTFOLIO LOOK LIKE?

Who are these Portfolios suitable for?

These portfolios are suitable for:

- Clients of the following Dynamic Planner risk profiles: 3 to 8
- Clients looking for household names with a level of active management

What do the Portfolios invest in?

An Active Portfolio would invest in things like the following:

- Baillie Gifford Emerging Markets Growth Fund
- UBS US Growth Fund
- M&G Optimal Income Fund

Different Scenarios

It is always useful to see how a portfolio would behave in certain market conditions.

We would expect this portfolio to perform accordingly in the following markets:

Market Condition	Portfolio Performance Expectation
Equity / Bond Markets Rising	Rising*
Equity / Bond Markets Falling	Falling*
Equity / Bond Markets Rising & GBP Weakening	Rising & may be positively impacted by currency*
Equity / Bond Markets Rising & GBP Strengthening	Rising & may be negatively impacted by currency*
Equity / Bond Markets Falling & GBP Weakening	Falling & may be positively impacted by currency*
Equity / Bond Markets Falling & GBP Strengthening	Falling & may be negatively impacted by currency*

*It is possible for some active managers to make positive returns in falling markets. Equally some active managers may not perform as well as others in rising markets.

DISCRETIONARY FUND MANAGER (DFM) MODEL PORTFOLIOS

Overview

Abacus is a member of the Tavistock Group. The Group has a specialist investment management arm called Tavistock Asset Management, who operate with the sole objective of managing portfolios to defined risk targets. This is done to make sure that all returns are only ever generated by taking the appropriate level of risk for the client. Tavistock Asset Management also works closely with giants of the industry (such as BlackRock and Morgan Stanley) to provide the best possible risk-adjusted returns to clients.

Purpose:	Target level of risk that matches client ATR
Approximate cost:	1.00% - 1.35%
Diversification:	Global
Underlying assets:	Equities, Bonds, Commodities and Property
Additional influences:	Currency markets could magnify gains or losses
Management:	Daily

Benefits:

- Can navigate market crashes and draw upon industry expertise
- Regularly analysed with improvements made when necessary
- Having discretion means changes to portfolio can be made without prior client consent
- Volatility/losses are likely to remain aligned with client's attitude to risk profile during the investment

WHAT DOES THE PORTFOLIO LOOK LIKE?

Limitations:

• Capital gains tax may be incurred when changes are made to the portfolio

Who are these Portfolios suitable for?

These portfolios are suitable for clients of the following Dynamic Planner risk profiles: 3 to 8.

What do the Portfolios invest in?

A DFM Model Portfolio would invest in things like the following:

• ACUMEN Portfolio 4
• ACUMEN Income Portfolio
• ACUMEN Portfolio 6

Different Scenarios

It is always useful to see how a portfolio would behave in certain market conditions. We would expect this portfolio to perform accordingly in the following markets:

Market Condition	Portfolio Performance Expectation
Equity / Bond Markets Rising	Rising (whilst taking appropriate level of risk)
Equity / Bond Markets Falling	Losses Minimised (whilst taking appropriate level of risk)
Equity / Bond Markets Rising & GBP Weakening	Rising (whilst taking appropriate level of risk)
Equity / Bond Markets Rising & GBP Strengthening	Rising (whilst taking appropriate level of risk)
Equity / Bond Markets Falling & GBP Weakening	Losses Minimised (whilst taking appropriate level of risk)
Equity / Bond Markets Falling & GBP Strengthening	Losses Minimised (whilst taking appropriate level of risk)

PROTECTION PORTFOLIOS

Overview

Tavistock Asset Management, in partnership with Titan Asset Management and Morgan Stanley, have access to three protection portfolios. These protection portfolios are the ACUMEN Capital Protection Portfolio (ACPP), ACUMEN ESG Protection Portfolio (AEPP), and ACUMEN Megatrends Protection Portfolio (AMPP), all offering 90% protection. The protection component means a client will always get back at least 90% of the highest value ever achieved by the portfolio. This is a contractual guarantee provided by Morgan Stanley, one of the largest firms in our industry. The guarantee does not apply to the value of an initial investment, rather on the live value of the portfolio, as it rises over time.

Purpose: Level of volatility that matches client ATR combined with protection guarantee

Approximate cost: 1.19% - 1.25%

Diversification: Global

Underlying assets: Equities, Bonds, Commodities, Property and a Put Option (used to provide protection)

Additional influences: Currency markets could magnify gains or losses on portfolio returns

Management: Daily

Benefits:
- 90% protection level applied to highest ever portfolio value
- Client can limit downside and lock-in upside
- Can navigate market crashes and draw upon industry expertise
- Regularly analysed & improved
- Volatility is likely to remain aligned with client's attitude to risk profile over time
- Maximum loss on day-1 of -10%. Over time this could reduce to 0%
- As the portfolio continues to make gains, the protection level will continue to rise, thus enabling clients to lock-in future profits
- Cost and tax efficiencies of the underlying holdings within the portfolio (CGT and stamp duty)

WHAT DOES THE PORTFOLIO LOOK LIKE?

Limitations:

- Protection comes at a small additional cost and in a rising market the portfolio would lag an unprotected equivalent

Who are these Portfolios suitable for?

These portfolios are suitable for any of the following clients:

- Clients who have a low capacity for loss
- Clients who are approaching retirement
- Clients who have made good gains elsewhere and want to lock them in
- Clients who want capital protection and liquidity

What do the Portfolios invest in?

A Protected Portfolio would invest in things like the following:

- ACUMEN Portfolio 4
- ACUMEN Portfolio 6

Different Scenarios

It is always useful to see how a portfolio would behave in certain market conditions. We would expect this portfolio to perform accordingly in the following markets:

Market Condition	Portfolio Performance Expectation
Equity / Bond Markets Rising	Rising
Equity / Bond Markets Falling	Maximum -10% Fall on Day -1
Equity / Bond Markets Rising & GBP Weakening	Rising
Equity / Bond Markets Rising & GBP Strengthening	Rising
Equity / Bond Markets Falling & GBP Weakening	Maximum -10% Fall on Day -1
Equity / Bond Markets Falling & GBP Strengthening	Maximum -10% Fall on Day -1

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