

Philip J Milton
& Company Plc
Established 1985

**North Devon's Leading
Independent Wealth Managers**

PHILIP J MILTON & COMPANY PLC

**WEALTH & INVESTMENT MANAGEMENT
SERVICES**

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Important Information

This important document is a financial promotion and explains our services. It should be read carefully and in conjunction with any enclosures, our Discretionary Client Agreement (detailing the features and costs of the service), Key Fact sheets for specific investment strategies and any relevant applications.

Philip J Milton & Company Plc



Philip J Milton & Company was founded in 1985 and incorporated in 1996 as a public limited company (Plc) with an authorised share capital of £1 Million. It is owned by Managing Director Philip Milton and co-director Helen Milton.

The Company is proud to offer a fully independent financial planning and wealth management service to individuals, companies, trusts and charities from its sympathetically restored, Grade 2 listed property in beautiful North Devon. We feel the property encapsulates our qualities – solid, dependable, longstanding, practical, a flagship of sound investment value and we are proud to stand behind our name. The Company also offers a Taxation and Accountancy Department along with a Will Writing, Trusts, Estates and Probate Department. This helps ensure that should clients choose, they only must visit us, for most of their financial, tax and legal needs.

Not only boasting many decades' experience but the Company has a Team with some of the highest financial services' qualifications in the Country. Staff are encouraged and sponsored to achieve qualifications beyond the industry standard, to ensure optimum technical proficiency and customer service. In 2018, the Company was proud to be awarded the prestigious Corporate Chartered Planners' status by the Chartered Insurance Institute. This status is exclusive and only awarded to firms meeting rigorous criteria in professionalism and capability. All chartered firms commit to a code of ethics, reinforcing the highest standards of professional practice in their business dealings. A chartered title is not only recognition for qualifications but with it a number of serious obligations.



Success can be attributed largely to the Company's commitment to clients and a reputation for being caring and sympathetic to their needs. This includes ongoing assessment and management of investments, a thorough understanding of financial markets and prudent management with long-term financial stability, using some very diversified strategies to optimise risk mitigation whilst not missing opportunities too.

Philip J Milton CFPTM Chartered FCSI (Financial Planning) FPFS

Following a successful career with a leading clearing bank and working in the field of investment and personal financial planning, Philip left banking to fill a growing niche in the North Devon area by establishing Philip J Milton & Company Plc. It has since expanded rapidly and has gained an enviable reputation for integrity and professionalism, specialising in providing a high-quality investment and wealth management service. Philip has been the key investment manager for our discretionary funds since 1987 and has experienced a wide range of market conditions, both favourable and less so over the years. This provides investors with great peace of mind that their wealth is in the hands of a vastly experienced management company and a lead manager who also invests in the same strategies himself and on behalf of the Firm, reflecting his absolute confidence in what we offer.





Investment Services

Discretionary Wealth Management

Discretionary management is very different to 'buying a product' and putting your money into an investment fund where you will have no knowledge of the fund's activities beyond a simple regular statement of investment performance: discretionary management is a service, rather than a product but of course it must still 'perform' for you!

After considering your individual circumstances and objectives, we shall recommend an investment strategy to you. With our discretionary investment solutions, once invested we make all of the investment decisions for you in line with the recommended strategy. This is perfect for investors delegating the daily management, care and oversight of their investments to a competent specialist. This provides a convenient and low-maintenance solution where we use our expertise, funds and resources which are just not available to the individual investor.

Constructing, monitoring and maintaining successfully a portfolio of investments takes considerable time and resources and demands a thorough understanding of myriad market circumstances. Inevitably, opportunities change over time and by managing your funds on a discretionary basis, we are in the best possible position to react to these changes without any delay and in your best interests. Compare that to a more typical backward-looking annual review elsewhere, by which time it is usually too late to make any necessary alterations.



We take action through our ongoing review and analysis of investment markets and conditions using the extensive resources available to us. Certainly, this does not mean regular and constant change within a strategy but instead, continuing overview. Indeed, as patient investment managers with a long-term outlook, we've held certain suitably attractive investments for many years. This also limits transaction costs. Our management service addresses complex issues for you such as what type and range of investments to hold, domestically and internationally and to determine when changes may be sensible. This may include bonds, commercial property funds, large and small shares at home and overseas, private equity funds, infrastructure and loan funds, gold and silver, commodities, currencies, renewable energy funds...



Dealing & Adding Unique Value

Unusually too, we do not simply ‘throw’ a client’s money at the markets on the day of receipt. Instead, at any time of any day, our sophisticated system can be deployed to look across all of our strategies for all investors (with available cash) and identify every investment on our buying lists that we need to bulk purchase and in what quantity. We then decide which of those holdings (if any) we wish to purchase and at prices we are happy to pay, based upon numerous considerations at each point, including the bigger picture of conditions (both globally and affecting that specific investment). Equally, for sales (which may be total, partial or simply trimming profitable assets back to the appropriate weighting), by trading in bulk we often secure better prices. We may also decide to apply limit prices when appropriate and especially for stocks that are more difficult to trade and certainly, we never deal ‘blind’ on such assets. Unlike many other available investment and platform options (with constraints on dealing frequency), we can trade any time the market is open, providing optimum flexibility as opportunities arise.

Separately, often we negotiate very attractive dealing terms through our ever-growing market presence. We are also often approached by buyers of stock we hold and sellers of stock that we might be buying. We also have access to newly issued stock. Invariably, the prices we pay or receive are then superior to those available to private investors on the open market. Despite our growing influence, we remain of a size that allows dynamic management (so we can act very swiftly as opportunities arise) and where we are not prevented from holding attractive smaller entities. Most larger investment houses face constraints when it comes to investing in smaller stocks as they manage too much money and would need to buy most of the trading stock to hold a meaningful quantity! We face no such restrictions, which also reflects of how diversely we invest clients’ money.



Frequently, we can “match” transactions on many of our investments. For example, where we have to sell stock for clients (who need to raise money) but we still favour the assets in question, we shall usually buy it back for those clients still in need. We trade at a mid-price favourable to both the seller and buyer, compared to open market prices. Savings of anything up to 3-15% go to clients and all add-up in overall returns achieved and costs saved. For stocks with limited trading, this is very advantageous for both parties who may otherwise see poor prices for a modest quantity of stock.

Where we know of a need for a cash withdrawal in advance, purposefully and gradually we can accumulate the required sum through normal management of the account, rather than selling stock on one given day for example when conditions may not be favourable. This carries no extra charge. Typically, this ‘deal barring’ will be a temporary measure but it can also be used to “manage down” an account over a longer period.

Our back-office trading system is designed so that whenever new cash is introduced (from new applications, transfers-in, surplus income for reinvestment or as existing holdings are sold and the funds spent), new purchases are prioritised towards the 'best buys' at that time (at our discretion) and concentrated upon the 'gaps' in the individual client's overall portfolios on that day, constantly rebalancing the strategy by adding to holdings and sectors where we are underweight. The account structure is a skeleton in place for the "meat" to be added later, not allowing us to add more to holdings or sectors which are up to weight for that individual client in accordance with our latest desires. So, every time a purchase of anything happens, the account is purified, rebalanced, by that cash being allocated to the 'gaps' that exist on the given day. This is based on all the closing values of existing portfolio components as at the prior day's closing values. This ensures strategies are reviewed constantly and excesses in stocks or asset types are never purchased. Of course, we are in total charge of the asset allocations and do change them too, prioritising preferred areas and reducing others.

Likewise, overweight holdings (typically from outstanding performance but also if say a withdrawal has taken place) can be trimmed back to the 'ideal' weighting, both to reduce risk and releasing funds to buy the choice underweight holdings needed.

All of these attractive features occur "behind the scenes" and are just a normal part of our daily procedures. Most cannot be achieved by private investors themselves, nor by many other advisers and private client managers in the industry. Whilst the impact of these "special features" is hard to quantify, clearly there is a very real financial advantage for investors, all adding value and contributing towards covering and often exceeding annual management fees.

This is all within the price clients pay. We see this as all part of our job, our responsibility, not only to have some of the best systems to manage clients' capital but also to make sure that when undertaking transactions that we do so with the keenest of efficiencies, all adding to clients' returns. This is what membership of our 'Club' guarantees, regardless of the extensive extra work it all creates for us – if you are not with us, ask your adviser or investment manager if this is how they look after your capital!

Charges

Full details regarding the charges for this service can be found in our Discretionary Client Agreement which is also published on the website.

However, for what we provide, our costs are very competitive. There is no VAT. There are no minimum fees either, so small transactions are not disadvantaged. On top of this, we have no additional rafts of charges – no annual plan fees, performance fees, administration or drawdown charges. The primary fees are simply annual management fees and transaction charges (capped for big deals) based on actual deals done.



Complimentary Review

Unlike many financial advisers and wealth managers, for our already competitive annual management fee we are also proud to offer clients a complimentary review of all funds under our management. This is often worth thousands of pounds, because it is also financial planning advice, noting sensible tax-planning ideas and financial incentives unique to them, as well as plenty of opportunities they may not know and invariably straying into other related areas covering clients' overall financial circumstances and needs. This is for those with little to invest to multi-millionaires alike. Many other firms charge extra for that as percentage-based fees linked to the sums you hold. These can be on top of investment management costs and they are typically taken out of the capital they hold for you.

The personal portfolio (usually, but not always, a combination of separate baskets of tax-allowance-related 'products') that we create for you will reflect your specific and individual needs. That investment strategy will evolve over time, as we look after clients and their wealth over long periods, often across multiple generations. Therefore, as part of our service we invite clients to update us as their circumstances change as this may require alterations to their investments. This is an integral part of the service and ensures that the investments continue to represent what clients need as circumstances change and we welcome enquiries and queries about their personal finances at any time. This is another considerable advantage of using our services and which is likely to grow in significance over time as your capital values increase or circumstances change for example.

Your investment strategies and underlying portfolio will be managed with the care and professionalism they deserve and you expect, allowing you the time to concentrate on your personal and business interests and we trust with the all-important peace of mind you need.



Execution Services

Typically, an investment into a discretionary managed solution will follow a rigorous financial review with one of our advisers to determine the most appropriate strategy for your individual needs. However, for the more experienced investor who wishes to invest with us without advice, this too is possible. Indeed, we are more than happy to accept your execution-only instructions into any of our discretionary managed solutions.



Managing Risk

Definition of risk: “The possibility that something unpleasant or unwelcome will happen.”

We have always believed in two basic tenets. The first is to accept that risk exists everywhere. There is no such thing as risk-free. Gold can fall in value; inflation can ravage your cash on deposit and a thief can come in the night and steal your possessions. The value of stocks and shares can fall, just like property prices and whilst we cannot eliminate risk altogether, we are able to manage it to limit its potential impact on you. Actually, there are countless tools with which to do this. We also believe in a vast diversification of different investment components (with varying security profiles too) and asset classes as a great way to ensure you are not over-exposed to any one risk, which otherwise you may only realise when it is too late and after a catastrophic event. Another is to invest only a sum that you will not need to access for a sensible period, as historically, the longer the time invested, the more likely it is for a positive outcome. Therefore, we always encourage investors to hold a suitable sum in more easily accessible accounts.

Acting as an independent wealth manager, we select from all available investments within the market, without restriction. Believe it or not, this is actually very unusual today (see below for more information). We are also independently owned and therefore, clients do not suffer from only being invested in funds offered by an associated parent company. This offers complete flexibility and allows us to acquire whatever we consider to be suitable in fulfilling your objectives as well as the best product type for value for example. With immediate access to market information and the flexibility to act decisively through our unrivalled administration systems as a consequence, clients’ investments can be adjusted without delay, as necessary.



We also offer complementary market ISA and Pension strategies for couples (with different stock ranges in each), providing even more diversity and opportunity-seeking. Not every client will have everything either – more risk mitigation by us!

We believe that our ability to select holdings without constraint or obligation is the most effective means of managing clients’ capital. A brief look at the performance of any one company’s fund over the years illustrates that whilst certain companies perform consistently better than others as a whole, no group is superior in all or even most markets, asset classes and sectors forever. In addition, no company maintains its superiority forever. Therefore, the ability to make changes is essential.



Effectively, our discretionary managed strategies are “wrappers” within which we provide ongoing management to a wide spread of underlying investment holdings, including Unit Trusts, OEICs, Investment Trusts, defensive stock, direct shares, commercial property funds, commodities, currencies and cash. We have no bias and can buy, hold and sell anything according to what we believe is best for a client – not with compromised interest. We spread clients’ money very widely and typically no single holding exceeds 2% of our total client funds managed.



Risk and Emotions

Investing is difficult. It is very difficult in fact! Being human, with emotions, actually makes it harder still. Why, you may ask? Well, it is because even the cleverest individuals are affected by cognitive biases driven by our personal life experiences and memories.

Consequently, we all react differently to events and that is just human nature. When it comes to investing, typically this will impact what you do with your spare money, do you save it, do you invest it or do you hide it all under the mattress? Inevitably, it will also affect how you react to market and financial volatility, whether it be fear and anxiety to losses, or confidence and elation to gains. Some will see markets fall and immediately panic and extract cash, others will take a sensible long-term view and allow heightened volatility to subside and then there will be those that take the opportunity to invest more. On reflection, despite the volatility that markets have endured over the past century, as a result of world wars, depressions, recessions, financial crisis, pandemics and international upsets, markets have remained extremely resilient, delivering generally wonderful results (far above cash interest rates) to patient investors over the years.

Of course, it is investors' reactions to events which makes markets and creates opportunities with a combination of buyers and sellers. When markets learn of potentially bad news, sellers often over-react and dominate (driving down prices) whereas more favourable news is when buyers may increase activity (pushing up prices, sometimes excessively). So what, you may say, you know all of that. Yes, you may do but the key is to understand how your cognitive biases affect your investment decision-making as this may save you from potentially expensive and disastrous mistakes or alternatively, generate handsome profits for you!

There have been studies where the emotional reaction to events is measured. In theory, a £1,000 loss on an investment should be equal to a £1,000 gain on an investment in terms of the emotional impact of the event. After all, it would have the 'same' proportionate financial impact on you. However, in reality, something called "negativity bias" causes investors to place more weight on bad news/losses than on good news/profits. You may tolerate a profit, feel chuffed perhaps at your clearly shrewd judgement but with the loss, often look to blame someone else for the crass stupidity of allowing you to make that decision. You also panic - and fear you need to exit to avoid losing even more. In reality, the studies show that we are five-time less likely to 'like' a loss in emotional terms than the exact same gain.

As investors, we need to harness this and recognise how the masses react and whether that reaction is justified. The "bandwagon effect" or herd mentality is something that people do purely because others are, regardless of their own beliefs. This often means most of the potential has gone and the risks have rocketed. We often do well for our clients from previously fallen stars which simply recover to more suitable levels at which they once traded too. By understanding this in an investment environment (and perhaps acting contrary to the masses) will allow us potentially to benefit from the over-reaction to such an event perhaps – suggesting that a bad situation can be over-played and positive news taken too complacently. Additionally, as traditional 'value' investors too, frequently we are buying something with very tangible underlying value so we are not chasing a trend for its sake alone, hoping that others will continue to push the price of an asset higher still.

Whilst it is easy to say and difficult to apply, as investors we must do our very best to ignore short-term "noise" and sometimes our natural human tendencies and remember our original longer-term reasoning for investing in the first place.



Investment Opportunities

We face no restrictions upon what we can buy within accounts and we take full advantage of that freedom by spreading clients' money across a huge number of carefully selected holdings, within different sectors and across various locations. Many portfolios elsewhere that we review for non-clients hoping to join us contain just a handful of Unit Trusts reviewed annually at best, something we consider to be wholly inadequate.

One area where we consider that we do things very differently from the majority of the industry is our involvement within the collective Investment Trust sector and this has been a major benefit to investors to date. Like Unit Trusts, Investment Trusts are managed and involve many underlying holdings. However, unlike Unit Trusts where, to invest, you pay the value of the underlying investments plus any initial charges, Investment Trusts are themselves traded on the market, like an ordinary company's shares. Thus, the price you pay can often become detached from the value of the underlying investments, so presenting great opportunities if the trading price of the shares is discounted. We have enjoyed wonderful results from this sector, often buying a stock at an excessive discount to the underlying value, either because the market is small and difficult to trade, investors have fallen out of love with the sector or perhaps because the sector is not well understood. We are very happy accumulating a position in such Trusts where we identify recovery opportunity and often are rewarded with healthy income meantime. Occasionally, this may take some time but we are happy being patient and will never trade just for the sake of it.



Investment Trusts also offer opportunity for positive returns when the market is flat, through the narrowing of the discount. One example involved us buying the equivalent of £1's worth of assets for 75p. The market did nothing but the share price rose to 90p (as the shares became popular), so we made 20% (15p/75p) for nothing – a technical correction. Some Trusts we can buy at discounts contain a range of Investment Trusts trading at discounts too!

Many investment and pension platforms on the market don't offer access to Investment Trusts (or certainly not all of them either) which we think is unacceptable, as without, those platforms are 'restricted' and not a "whole of market" (independent) offering. Potentially, their investors could miss great opportunities for market-beating returns. Of course, we are very happy to fill that void for our clients!

Our universe of opportunities is expanding as our competitors grow even bigger and thus restricted in terms of what they can trade easily, inflating the prices of all the same big things. When the exuberance bubble bursts and investors rush for the door, they will all fall in tandem as they all have the same things! We don't.

Most of our assets are these types of mainstream quoted vehicles but we have added uncorrelated assets to provide extra security for clients too, so that should a calamity arise, then some things should advance in value whilst others fall. Yes, we do buy some direct stocks too and then there are no extra management fees – we see these as icing on the cake of a good basket of general collective funds. We also look across the Globe and consider things such as currency strengths or weaknesses and other special opportunities.

In addition, we have always been “value” investors, seeking undervalued opportunities which may have appeared for a variety of reasons, often unjustified. We are also advocates of a good dividend paying policy; a reward to investors if you like for having faith to hold a particular investment. This has served us very well to date and we expect it will continue to do so. Of course, dividends aren’t only useful for investors seeking income, they can also be reinvested for those seeking growth and the compounding effect over time can be incredible.



Discretionary Managed Portfolios

These provide a discretionary wealth management and comprehensive administration service for individual investors, companies, charities and trusts wishing to delegate the responsibility to qualified, long-standing and financially secure professionals. Portfolios have no defined term although better results tend to be achieved over longer periods.

Our choice of managed Portfolio strategies (Defensive, High Income, Balanced, Capital Growth and Aggressive Growth) has been designed to cater for varying levels of wealth, security preferences and investment objectives, ranging from those requiring extra income to those who seek more aggressive growth strategies. There is also a ‘Qualifying Business Assets’ strategy, investing within select holdings on the Alternative Investment Market* (typically for Inheritance Tax planning purposes).

*These shares should qualify for relief against Inheritance Tax (IHT) if held for two years although HM Revenue and Customs will not confirm that until the time. (A Qualifying Business Assets’ Portfolio is potentially better than some other mitigation as investors retain total control of the capital). This carries a higher level of risk. Please refer to the Risk Warning at the end of this brochure.

The main five strategies spread capital amongst carefully selected stocks within defensive, income, growth, uncorrelated alternatives, smaller company, UK and international sectors in variable proportions based upon our thoughts about prevailing market conditions. Cash levels can also be raised when appropriate. Clients can also instruct us to switch their Portfolio strategy rating to an alternative option without cost.

Contributions

To achieve the maximum spread of holdings in any of our models, a sum of £50,000 is required. However, smaller sums are welcomed and can be accommodated easily. The strategy can be employed successfully from as little as £10,000. Accounts may be topped up at any time and there is no upper limit on contributions. For investors looking to add to their account subsequently and preferring to invest gradually, monthly contributions via direct debit can also be facilitated at no extra cost. Investors can increase, decrease, suspend and reinstate these regular contributions with complete flexibility. There is no subscription fee.

Tax Treatment

Portfolios allow investors to utilise valuable Capital Gains Tax (CGT) allowances, effectively meaning annual gains are tax-exempt. These tax-free returns are lost to investors with insurance company investments for example, who suffer the tax regardless. Even if the tax is payable, presently rates are below higher Income Tax rates. Another popular “investment”, residential property, also presents major problems when it comes to CGT as invariably disposals cannot be staggered and instead, a gain on sale is fully taxable during the year in question.

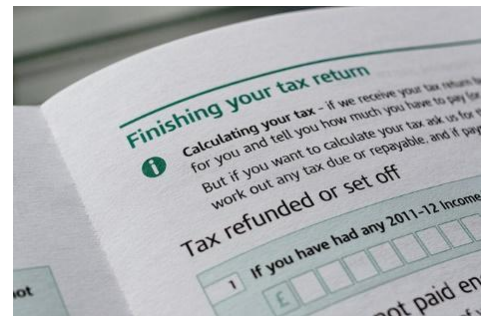
Where we know of a need, regularly we check the CGT position on a Portfolio to use more of a tax-exempt CGT allowance or reduce a liability on the sale of other assets you held.

Income is typically interest, dividends or property income and subject to tax according to tax legislation applying at the time though there are some tax-free allowances too.

When asked, we can transfer funds from a client’s Portfolio to an ISA or pension (under our management) to help avoid tax.

Reporting

Investors are kept informed of their Portfolio’s progress through efficient administration and reporting. They receive more than a bottom-line simple valuation. Quarterly reports (January, April, July and October) summarise the basics such as “money in and out”, income received, profit/loss and value but more detail follows for those wishing to take more interest! This includes dates and times of all individual transactions, prices at purchase and sale, transaction costs and Stamp Duty and a running balance of cash held. They provide individual values for each holding and you can see how much of your money we have invested in different market sub-sectors (from UK to international to more defensive), each of which has a desired percentage allocation. Stocks and sub-sectors are prioritised according to our interpretation of best value opportunities and these change over time.



The 5 April report provides concise tax summaries for Self-Assessment returns, which hopefully should enable you to save on professional fees. In addition, ad-hoc valuations can be provided upon request.

We do offer our own in-house Taxation and Accountancy service, so should be delighted to assist investors with any queries or submissions in that regard.



Individual Savings Accounts (ISAs)

Every UK resident adult has an annual ISA allowance. This may be invested in a cash ISA, a stocks and shares ISA or a combination of the two and in whatever proportions you wish. Savers can also transfer money saved in historic years' cash ISAs into stocks and shares ISAs and vice versa, without affecting that year's allowance.

We offer a variety of stocks and shares ISA strategies to cater for multiple investor preferences; a more defensive strategy for the lower risk investor, two complementary strategies (for couples) for those seeking both income and growth and finally an AIM ISA designed for those likely to have an Inheritance Tax (IHT) liability, investing within select holdings on the Alternative Investment Market (see above).

Junior ISAs (JISAs)

We also offer Junior ISAs (JISAs) for minors. These operate in the same way as our mainstream stocks and shares ISAs with an identical charging structure and access to all models noted above.

Contributions

We accept monthly contributions from just £50 and lump-sums from £1,000. Contributions cannot exceed the annual subscription limit. There is no fixed term with ISAs and consequently, you may access your investment at any time although clearly, it is designed to be a sensible-term investment plan.

Tax Treatment

ISAs are completely exempt from Capital Gains Tax and investors incur no UK Income Tax on dividends or property income, irrespective of their tax status. All interest distributions from interest-bearing holdings are completely tax-exempt. Neither profit made nor income earned (whether reinvested or withdrawn) from ISAs needs to be reported for Self-Assessment.



Reporting

Again and as with our Portfolios, investors receive quarterly reports with a full valuation of holdings as at 5 January, April, July and October. In addition, ad-hoc valuations can be provided upon request.



Portfolio & ISA Income Options

Income from a Portfolio and ISA can be arranged as follows:

- Reinvested, to enhance your returns. This allows new holdings to be acquired over time, which will evolve (from original acquisitions) according to our interpretation of optimum market opportunities.
- Regulated monthly basis. We shall confirm a likely ‘sustainable’ amount (and tend to suggest no more than the account is expected to generate via income received) to lower the risk of capital being eroded. Of course, for a limited time you may need larger amounts and some capital erosion may be acceptable to you, to boost depleted cash reserves or to meet expenditure needs until a pension starts for example.
- Variable monthly/quarterly basis. This involves receiving only the dividends and interest that accumulate over the one/three-month period. This will fluctuate depending upon when component holdings pay income but capital should not be compromised. This option could be deployed to gift “surplus income” to reduce the threat of Inheritance Tax upon death for example.

Healthy income flows into all of our strategies (including those with a greater growth focus) from dividends and interest mean that good levels of income are sustainable long-term.

Monthly income is payable on the 15th of the month (or the next working day). Quarterly income is payable on 15th January, April, July and October (or the next working day). If you have both a Portfolio and ISA in the same single name under the same account number and need income from both, this is payable on the same basis. In those circumstances, you receive just one consolidated valuation report every three months, thereby simplifying the administration of your investments. Any pension managed by us and held by that same individual also shares the same account number and features within the one consolidated valuation.

DIVIDENDS			
Announced	Date Ex-date	To those registered By	To paid
	Jun 13	Jun 15	Jul
		May 16	Jun
			Jul



Continuity Options

Because of risk issues, many companies have chosen to refuse to advise and manage assets for investors above a certain age (and even that age is low considering increased longevity!), who are instead forced to make alternative arrangements. In our view this is absolutely ludicrous and we do not take a similar approach. We help and advise **ANY** client, regardless of age. However, our advice always accounts for their personal circumstances, so age, health, resources, requirements and potentially their family situation too. Of course, we cannot advise minors directly but we are happy to advise their parents or guardians on their behalf until they come of age.

Our managed strategies intentionally allow the looking-after of older adults with some very useful continuation options. Therefore, when investing, clients know that their investments with us may be inherited eventually (thereby extending the investment term and avoiding restructuring costs) to look after their beneficiaries. This can be very reassuring, whilst not compromising clients' own personal financial security meantime.

Some clients wonder what happens to their investments we manage for them after they pass away. Naturally, most assume that investments are converted to cash at the earliest opportunity and given to beneficiaries of their estate (and some firms do that automatically despite the time delay before distribution). However, market timing may not be opportune to simply "sell"; this may incur unnecessary costs and losses and indeed, doing so may not be what is best for the beneficiaries either. We should add that if we are the Executors, clearly, we have an even closer relationship with the family and the process itself in that respect. Whilst that is not imperative, we are very happy acting in that role, one which you may wish to consider, especially if your estate covers investments more than anything else!



On death, our more helpful process usually involves:

- We supply the necessary probate valuations to Executors after we see a death certificate (and usually the Will gives evidence to that appointment).
- We continue to manage investments meantime although no further buying will occur until Executors provide their instructions.
- We invite the appointed Executors to refer the named beneficiaries to us for advice before any decisions are made. Regardless, we shall also write to Executors with all of the options and terms available.
- Ultimately, beneficiaries may inherit investment accounts as they are (at no extra charge), in full or in part or convert the investments fully to cash. If beneficiaries are comfortable with market-based investments, it is usually far cheaper to inherit the existing investments here (not to mention the unrivalled diversity and return opportunities we offer). To sell all estate investments and then reinvest elsewhere for example, could cost up to 7%-10% all round, as well as any lost opportunity whilst the money is not invested (that could be a considerable time in some instances). We work with Executors as the circumstances may become clearer as perhaps different beneficiaries may require different outcomes.
- Of course, if the estate has debts and no other means to cover them, cash may need to be withdrawn.

There are no charges for any of this care and attention incidentally – we believe it is the imperative service necessary. For ISAs, please note that the tax-free status ends on death (unless the ISA is to be inherited by a spouse under the one-off Additional ISA Allowance). However, ISA investment holdings may be transferred into a Portfolio. Once again, no additional cost is incurred. Many companies simply have terms which mean they encash everything as soon as a death is notified – we do not think that is right at all.

Often, we suggest meeting with beneficiaries to consult with us in advance of death too. This will ensure that in the future, we should be more familiar with their wider circumstances and also hopefully we shall have built a relationship of trust. Consequently, discussing their options may be easier and less stressful at a naturally difficult time. Of course, our absolute responsibility for the individual's investments is always to them first and foremost. However, we believe it is important that we consider our responsibility to them after death too.



Discretionary Managed Pension

We manage a wide range of pension strategies to cater for clients' differing requirements, security preferences and the probable timing until they might need to access part or all of their pension. Clients can switch between strategies without charge (following our advice), as their circumstances change, for example approaching or entering retirement and the need to then draw an income and/or lump-sum. Options also include complementary strategies for couples, to create extra diversity for risk reduction purposes and better return prospects, from more opportunities. The pension can transition seamlessly from accruing value to paying you an income and full flexible drawdown options are also available at no extra charge, which seems uncommon.

As with Portfolios and ISAs, pension strategies spread investors' money amongst carefully selected stocks within defensive, income, growth, smaller company, uncorrelated alternatives, commercial property funds, UK and international sectors in variable proportions based upon our thoughts concerning prevailing market conditions. Cash levels can also be raised when appropriate.

Contributions

UK resident investors under age 75 can contribute to the Pension tax efficiently. Monthly contributions are possible from just £50 or initial lump-sums from £1,000. Maximum permitted contributions for tax relief purposes are dependent on the circumstances of the investor at the time of application (and of course we can advise further on the full extent of this opportunity for investors as required).

Tax Treatment

All growth and income in Pensions is completely tax free and contributions qualify for tax relief at your highest marginal rate of Income Tax, subject to certain limits. No growth or income is reportable for Self Assessment. Pension contributions can also be used to lower assessable income for higher earners who may otherwise lose their entire Personal Allowances. The same applies for parents under threat of losing Child Benefit support.

Reporting

Once again, investors receive quarterly reports with a full valuation of holdings as at 5 January, April, July and October. Ad-hoc valuations can also be provided upon request. If an investor holds a pension, ISA and a Portfolio in their sole name, the three components will have a single account number and are reported together. This simplifies your ongoing administration requirements dramatically.



Transact Accounts

Through Transact we offer an Investment Bond strategy (with both offshore and onshore options) which investors can monitor online. As with all of our managed strategies, our Bonds are highly diverse and comprise a wide range of carefully selected holdings, (typically by way of collective investments) across defensive, income, growth, smaller company, UK, uncorrelated alternatives, commercial property funds and

international sectors in variable proportions based upon our thoughts concerning prevailing market conditions. Cash levels can also be raised when appropriate.

Contributions

Offshore Bonds can be established from £20,000 initially, with subsequent top-ups from £1,000. There is no upper limit. Onshore Bonds can be established from £5,000 initially, again with subsequent top-ups from £1,000.

Tax Treatment

As well as the excellent investment return prospects, one of the major attractions of the Offshore Bond is the fact that all income and growth generated is tax-deferred until funds are withdrawn from the investment and repatriated to the UK. Therefore, income and gains can accumulate in value without tax deduction and no details of the investment will need to be included for Self Assessment.

Due to the favourable tax treatment of offshore bonds especially, they can be appealing to Trusts, higher rate taxpayers seeking longer term capital growth and investors who use their full CGT allowance annually and who already use their tax-friendly ISA and Pension allowances to the maximum.

When capital is withdrawn, (under current rules) any gains may trigger a chargeable event, for which a certificate is generated. This may need to be declared to HM Revenue & Customs and Income Tax may then be payable.

Onshore Bonds have an alternative tax treatment, with the Investment Bond incurring tax on all income and gains at basic rate automatically. Additional tax may be payable by the investor at the point of extracting capital from the Bond albeit this can be managed to mitigate it. Typically, the Onshore Bond will be recommended only when all available tax-friendly allowances and investments elsewhere have been fully utilised.

Reporting

Statements from Transact are provided quarterly with valuations as at 5 January, 5 April, 5 July and 5 October. Investors may also use the secure Transact website for personal transaction, investment and tax information.



Custody & Reporting

Whilst Philip J Milton & Company Plc is solely responsible for the management of your investments, all administration and reporting responsibilities are delegated to carefully selected expert firms in their fields which are independent of the Firm and as necessary, they are also regulated by the Financial Conduct Authority (FCA). Our main provider, Quai Administration Services Limited, uses the dealing and custody services of Winterflood Business Services (WBS) and for numerous dealing advantages, cost savings and the extra client security associated with a large global custodian.

WBS is part of Marex Group Plc, a financial services company. The company's clients are predominantly commodity producers and consumers, banks, hedge funds, asset managers, broking houses, commodity trading advisors and professional traders. By July 2025, Marex had over 2,300 employees and over 40 offices across Europe, USA and the Asia Pacific region. It has principal executive offices in London and New York.

As well as administering the investment holdings we select for clients, our agents collect and distribute or reinvest dividends and interest, as clients need. Quai has a commitment to excellence with highly advanced systems and some were designed exclusively for us. The underlying assets we manage for clients are held either on separate Client Trust Bank accounts or in the nominee names of our custodian. The assets still belong to clients, never forming part of Philip J Milton & Company Plc's assets, nor the assets of the administrators or the custodians' parent companies. This means that absolute protections apply. As the Company has grown and with increasing funds under management, this invaluable and highly efficient support has allowed us to continue focussing on the imperative and unrivalled investment selection and management process.

On top of this, full indemnity insurance is maintained as demanded by the regulations. This means you have the protection of giant nominees to hold your assets and the deft-footed activities of one of the most dynamic and responsive financial advisory firms and wealth management houses in the whole Country.

Security

Philip J Milton & Company Plc is authorised and regulated by the Financial Conduct Authority (FCA) and is one of the largest and longest established Independent Financial Advisers and Wealth Managers in the South West. We are regulated in one of the strictest available categories, being one of a very few authorised to undertake discretionary investment management and to hold client money. Consequently, the regulations demand that we maintain sizeable and very strict financial resources at all times. The Company maintains a very healthy balance sheet, with assets far in excess of the required level. Accounts are subject to thorough independent audit annually. Full accounts are published and submitted to the FCA regularly.



Also, the Financial Services' Compensation Scheme (FSCS) enhances investor protection against financial loss caused by default. Professional Indemnity Insurance also protects clients against Company negligence.

In addition to considerable financial resources, investor protection is enhanced further by our highly qualified and experienced staff. As Chartered Financial Planners with some of the highest qualifications in the industry, we have the added advantage of combining expertise of tax saving measures and allowances with our investment management service, thereby ensuring customers enjoy every possible advantage.

We do not believe that minimum regulatory qualification requirements are not enough to provide thorough and comprehensive advice and advanced qualifications have always been demanded from career staff.



Risk Warning

Predominantly our discretionary managed strategies involve exposure to the markets. These offer income through the payment of dividends and interest (which may be reinvested) and opportunities for capital values to grow over the longer term. By this, generally we mean periods in excess of five years and preferably much longer. However, we can never promise you particular returns, especially in the short-term. At any point in time but especially in the short term, your capital could be worth less than the original amount invested as some of the selected holdings may fall in value, regardless of our best expectation at the time of acquisition. We may also invest in funds that invest in overseas' securities. The value of these investments may increase or decrease as a result of changes in exchange rates between the currencies. Returns that have been achieved in the past also cannot be relied upon in terms of what the future may deliver.

With investments in AIM, the potential volatility may increase the risk to your investment. Shares quoted on AIM carry a higher degree of risk than those on mainstream markets. The requirements imposed by the index are less stringent and there is usually a wider spread between the buying and selling price. The shares can be difficult to sell quickly due to a lack of liquidity. Some companies may delist from the index and become extremely difficult to sell and others may fail completely.

The information contained within is based upon our understanding of current investment and tax legislation and we cannot be held accountable for any changes to guidelines in the future.



How To Proceed

Regardless of the nature of your enquiry and the sum that may be available for investment, we are happy to spend time with you to explain what we offer and to provide as much detail about the Company, our services and charging structures as you require. Meetings can be arranged at our Office/online at a time to suit you or a telephone/video meeting can be arranged, if that is more convenient.

To invest with the Company, we shall require:

- Relevant completed application form(s)
- Your cheque or a Bank transfer (our details can be provided on request)
- Signed Discretionary Client Agreement
- Any share certificates or other investments (for sale)
- Proof of identity for anti-Money Laundering requirements

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