Philip J Milton
& Company Plc
Established 1985

North Devon's Leading Independent Wealth Managers

MILTON NEWS

Summer 2022 Edition

Don't miss out on money you should be making or tax you should be saving

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Find us on . . .

HIGHLIGHTS

- Markets & Investment Results
- Global food shortages & Cost of living crisis
- Inflation & Interest Rates – both on the rise
- Our New Lifetime ISA (LISA)
- What would you say to this investment…?
- It's Never Too Late – until it is too late…
- North Devon Show 2022 – great to be back!
- Charities

and much more!

Dear Client July 2022

So, just a typical few months since our Spring Newsletter then? In a word, no! Following hot on the heels of Covid (which remains with us albeit much weaker and with numbers rising again), we have the atrocities in Ukraine continuing unabated, energy prices rocketing, global food supply constraints, demand for food banks above the highest pre-pandemic levels, inflation heading towards double figures and interest rates are on the rise (also increasing the cost of borrowing don't forget, including to the Government). National rail strikes don't help anyone and there are rumours that teachers and NHS staff may soon follow (with demands for near inflation level salary increases). Political uncertainty is unsettling as the Government appears in turmoil and confidence in the PM's leadership is tested and retested.

The human cost of the Russian conflict is tragic and we must not forget that innocent Ukrainian civilians continue to be killed. Therefore, what we face today must be put into perspective. Let us hope and pray for an end to Putin's madness and that one day he will be held accountable for these criminal acts.

Inevitably, these factors are impacting economic growth and investor confidence and in due time things will slow-down and there will begin to be job losses rather than the present 'stale mate' of not enough candidates for the vacancies around (which itself is inflationary). Interestingly, a local fish and chip shop seeks recruits offering a bonus of £250 up-front! This just shows how ludicrous things are.

Sectors such as hospitality and construction could go from mega-busy today to having to lay-off overnight as consumers change their confidence on the flip of a coin (and whether they are relatively unaffected compared to their poorer neighbours or not). We are already seeing people faced with cutting back on everyday essentials such as food and utilities and that is before Winter when energy bills are likely to increase further. Mortgage costs are also escalating for those on variable or tracker deals. Could this start the long-overdue property price crash?

After last year's "Staycation", the UK holiday season will be a fair bit quieter this year too and prices may have to be reduced to attract people. More holidaymakers seem to be heading abroad with inevitable delays at airports as security checks for new airport staff take three times longer than normal, meaning many potential staff choose to seek employment elsewhere as so many jobs exist.

All in all, there have been further wobbles on the markets and recently we updated our letter to clients who need funds. This is not to say "no" to their request but does encourage people to be very careful and asks whether there are any other options to meet their needs (which might involve cash in the bank, a Cash ISA or Premium Bonds for example, where interest rates are negligible and access is cheaper and more immediate) or whether deferral for a temporary period is better. Whilst we have not been as badly affected anything like most have, now is not a sensible time to be selling market investments as inevitably the sales will occur at lower levels than we would prefer.

As ever, we are here if you need us. Whether you are an existing client needing further guidance or someone who has not engaged us meaningfully to date, please do contact us if you have any queries regarding your finances, investments, tax, death duties or Wills. Remember that planning in these areas is not something that can be looked at once and ticked off the to-do list. Conditions, allowances, regulations and personal circumstances change all of the time and therefore, reviewing your situation periodically makes sense and especially if you have access to a professional, experienced and highly skilled team of advisers like us!

Well done loyal and trusting clients as you are already part of our Elite and exclusive Club; your patience will be rewarded handsomely and special congratulations to those continuing to sit tight, reduce or suspending income withdrawals temporarily and indeed investing more cash – there is still time to avoid missing-out, so don't delay if you are thinking about it and have too much cash falling in real value. We shall not simply throw your money at markets but consider carefully how best to deploy it to achieve a balanced portfolio of holdings to deliver returns to meet your objectives over a sensible time.

On a more positive note, I cannot let June's Jubilee celebrations pass without commenting upon the Queen. Never in history has anyone been more successful in travel, communication, business and political leadership and held such a role for as long as she has, nor had her image reproduced so many times. We must be grateful and thankful for her and her stoicism and for the period of stability her reign has demonstrated to the whole world. I do hope that you all managed to get out and enjoy the extra Bank Holidays!

Finally, my apology again for all those clients troubled by the Blue Planet issue. It has been disgraceful and should never have arisen. Rest assured we are doing what we can, Informing all relevant bodies. Whilst sadly it has proven to be an atrocious investment since early 2020 (and we hate losses through bad management at any time), it represents only 0.5% of our clients' total assets, £5 in every £1000. If you need to know more, please contact me personally and I'll do what I can to set the record straight for you.

Have a lovely summer and enjoy all the rest you can too. Count your blessings in the face of the latest troubles and which we assure you we shall work thorough with our best endeavours at all times, as always. Despite all of this and the latest volatility, be assured that I remain passionate about our service to clients – as do all the staff.

And, for me especially as the lead fund manager, even after 44 years in finance, about doing our absolute best with the investment strategies we manage, as we learn new things and new opportunities for you all the time.

My very best wishes

Philip J Milton DipFS CFPCM Chartered MCSI FPFS FCIB
Chartered Wealth Manager
Fellow Of The Personal Finance Society, Fellow Of The Chartered Institute Of Bankers

MARKETS AND INVESTMENT RESULTS

As we have predicted for some time, the main declines have been in areas dominated by US Tech, to which you'll know we don't have direct exposure, putting us in the minority. The Nasdaq is down over 30% since January and the same ten big companies in the global indices are in the Nasdaq too which is why the US S&P 500 is also down over 20% whereas the FTSE100 is down only 3%. It's not time to be complacent but we have fared much better than most, both by avoiding the expensive things which have fallen furthest but also having undervalued things which have retained their poise, increased marginally or simply fallen less. To show just how important the US market is for investors, it had represented 70% of the world's markets (that is the value of all companies' shares). So, investors with global or US trackers have had it extremely tough.

I have seen numbers suggesting only 5% of investment managers have even been close to the FTSE100 in 2022. Why? Because the FTSE100 only has roughly 5% in 'tech' and still has 21% in energy and materials and the former has been up 34% with chunky dividends on top. Over the last few years, pious (green) ESG investors have of course excluded themselves from the

’energy’ sector amongst others and when you add-in defence and tobacco, which have also gone up as other things have gone down, no wonder 95% have under-performed. Some of the bigger players are showing losses of 20% or more on their mainstream funds of which most of their investors have most – which is rather serious – especially when the FTSE100 is relatively neutral after income is added.

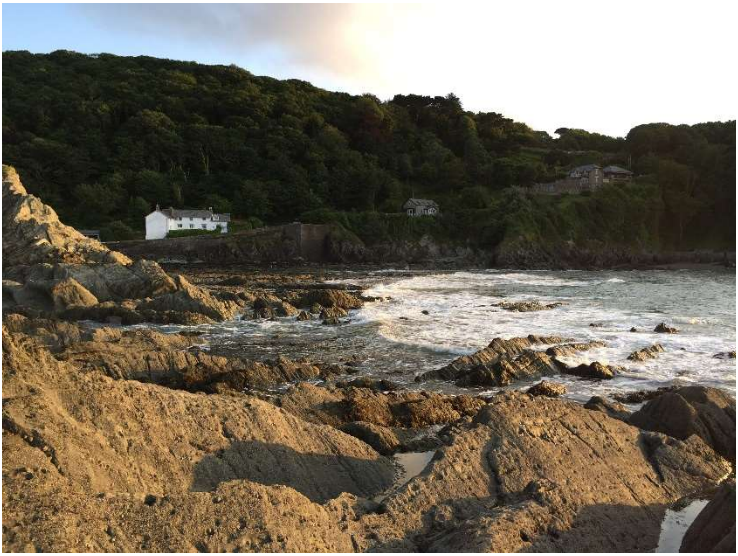
How have we fared? Well, shrewd purchases (when others were focussing on tech) in other areas leave us looking better positioned and losing much less and with a good dose of commercial property REITs, miners and staple commodities which had risen sharply so we had useful compensation for the hits afflicting sentiment. Even if we can’t match the mainstream equity index, we are carrying about a quarter of clients’ assets in defensive holdings at the same time.

We have now sold all the coffee, wheat and agricultural products – two of these seeing prices fuelled by the Russians’ behaviour. We also have lots in miners (especially gold) and energy which had been strong (we have trimmed some and energy positions) and commercial property which has been good too. The US Dollar has been very strong and that has hit us a bit but against the Euro, Sterling has suffered less. We have added Yen as well at a 20 year low against the Dollar. The defensives are being defensive, which is good (they don’t always react that way I should add, however much that is the intention), though silver had slipped but remains in its range. I have added ‘Livestock’ and Cocoa incidentally now too – each cheap in comparison to wheat and other soft commodities. So far, our biggest holdings (so held by most clients) are steadier against the big drops elsewhere. Indeed, our biggest, Tetragon, held by most clients, has at last been very good and moving up nicely these last few months and paying good income!

Whilst most of the sectoral hits had already arisen by 5 April, more UK focussed Smaller Company funds and FTSE250 stocks generally are impacting us a bit and against the FTSE100 it is disappointing as that is relatively steady.

We have not enjoyed any more takeovers recently to help counter the negativity. There still will be some great opportunities opening-up too for new investors and subscribers as plenty of stocks out there are compelling – and plenty we don't have as well, I should say!

Again, the vast diversity we have has and is proving to be a great protection compared to what many face, even if general sentiment has dragged down prices indiscriminately. None of our holdings represents a large portion of our clients' assets and whilst when the tide comes in it affects all boats, we are not suddenly impacted by a devastation hitting say 20% of a portfolio. Many investors out there are beginning to be very worried about their 'growth'. Previously strong and hyped funds such as Fundsmith, Lindsell Train and Scottish Mortgage have suffered a relative blood-bath in some regards – we are certainly not. Indeed, since last November the Scottish Mortgage Trust has lost over half its value – suddenly, borrowing new money and using that to buy-in its own expensive shares is not a very good idea at all (it owns over 40million of its own shares in 'treasury' which it has bought back at levels far higher than now).



Fundsmith's Global Fund (with 74% exposure to the US) is also hit hard – down 20% over six months. Its Smithson Investment Trust has hurt even more – down 40% and the shares languishing at a discount to the net asset value after too many were enthusiastically paying a toppy premium to assets since launch. The Trust is also buying-in its own stock from the market now.

All I'd say is 'why' get sucked into the hype that particular "star fund managers", (whether Woodford or Equitable Life too!) have a magic formula that whatever they touch turns to gold. The performance is often built upon too much of something which becomes good and in a very narrow range of sectors which, as we see, can very quickly turn the other way when hype inflates prices too much. Anyway, there are plenty of quieter managers delivering sound results and without the fanfare.
I hope and believe we too are great 'fund managers' but I am kept humbled – constantly – by what hasn't done as we'd hoped and not basking in the sunshine of a temporary 'lucky play', as has been the trouble with too many tech aficionados.

Still, as I repeat and as still exist in droves, if I can buy cheap 'Value' investments with chunky dividend income and yet where the assets could easily double or more in a few years (with many prospective takeover opportunities in there for free), not only are we not missing-out but we're much better protected than 'they' are, come a rout.

Let me offer an example. If Tesco drops 10% (in itself, far less likely as the stock is a true value play at these levels and just over 50% of its heady heights seen when it was the go-go growth stock of its day in 2007), that is 'only' £2billion. US Tech giant Apple has already dropped by say a trillion dollars (£800billion) and it hasn't been one of the biggest losers in the Tech space either. Apple's dividend at these levels is a mere 0.6% whereas boring ol' inflation-linked Tesco, should pay nearly 4% income. Guess which one I prefer still (and with a takeover possibility in there for nothing too)? No, this is NOT a sales' pitch for Tesco incidentally! Regulations do not allow us to do that here.

So, what should you do? Keep calm and invest in patience. Don't encash market investments if you can help it (though if you still have too much of the wrong stuff, like tech, yes, don't hold-on for a superstitious recovery which may not come).

Our one such Fund like that where the manager has done all he can to destroy value is Blue Planet Investment Trust. Its shares were trading at 30p April 2021 and some sold recently for 10p as the manager recklessly ditched the previous balanced investment portfolio to chase a US-based tech portfolio. That is one of the worst destructions of value we have seen for a long time and a reminder as to why a very diverse range of investment components is imperative, always. The latest net asset value is 13.75p versus 39.35p on April 9 last year – disgraceful and yet the Regulator has done nothing so far despite our pressed endeavours.

The future is what counts and the shake-out has afflicted the good as well as the bad and some sectors and stocks are very attractive now, from financials and insurers, investment managers and brokerages to biotech and generic pharmaceuticals, certain basic engineers and especially smaller companies. Outsourcers will gain handsomely over the next few years too, so great value there and some commercial construction entities have been neglected for too long. Banks are still good value and mainstream supermarkets and there remains plenty of value in Real Estate Investment Trusts at discounts to asset values and these things pay us a great income whilst we await a rerating too. That'll do for now but it's not exhaustive!

ACHIEVING A GOOD RETURN

This is not all about holding 'good' investments but it is avoiding more of the 'bad'. You will inevitably have some 'bad' ones and over the decades, we have found that some of the best results have come from the 'far too cheap bad' returning to more normal conditions, whereas there is a line of thought that says 'run your winners and cut your losers'. Maybe because 'most' do that, that is why there are so many bargains from assets which have fallen far more than they should have…

Sometimes (often?) you can only tell an action was good afterwards – eg buying 'agricultural products' – did you see anyone pushing that? No, but we were looking, watching, waiting… Then, early this year, in tranches we sold a long-standing holding, a Japanese Investment Trust that had been very good for us and ostensibly should have continued to be so but we took a view. It was too tech-orientated, so the lot went; quite a wrench for us after so many years. Since, it has dropped 43%. We've still been caught by a Japanese 'Value' fund which has fallen (but we don't have much of that). That shouldn't have happened but it did, so thank goodness for diversity!

Just think, some of that money made available found its way into ‘wheat’ before the recent spike but that was just circumstance! Remember too that our biggest holding is only just over 2% of our total funds we manage, protecting us against excessive risk. However, as we did with wheat, often we ‘run’ an over-weight which means that as something rises exponentially, we don’t just sell it (as most automated systems elsewhere demand) but choose to monitor and may hold ‘too much’ for some time. Does your manager do these sorts of things – indeed, if you self-manage, do you take decisions like these and have the capacity and time to act?

ENERGY PRICES

In May, the energy regulator Ofgem said the typical household energy bill was set to rise by £800 in October 2022, bringing it to £2,800 a year. Bills already rose by £700 on average in April. This may see inflation peaking at over 11%.

The oil price has been rising inexorably, exceeding $130 a barrel before dropping to $106 now versus a 5-year average of nearer $70. Visits to the petrol station have become painful but we can’t control that and it has a big bearing on imported inflation. It will fall again but it takes time to change the supply and routes for the fuel. The world still consumes vast quantities, regardless of wise green initiatives. Change can’t be overnight. Watch Venezuela and Iran coming back onstream

However, sustained high prices will impact the global economy and will affect things even like the (casual) holiday trade where people will feel it is too expensive to travel far. UK Natural gas prices have plummeted by nigh 70% since the early March peak but big suppliers forward-buy to manage risk. Falls will feed through in due time.

INTEREST RATES AND INFLATION – BEWARE!

So, the Americans and the UK are increasing interest to stave-off hyperinflation. The Bank of England imposed a fifth consecutive rate hike to 1.25%, pushing borrowing costs to the highest in 13 years. Still, three policymakers voted for a bigger 50bps increase and the central bank raised its commitment to bring inflation back to the 2% target and 'act forcefully' if needed. The markets didn’t think enough has been done.

Whilst the idea is to hit inflation, I argue that imported inflation through commodities is doing enough damage to confidence without needing rates to rise significantly.

The UK base rate has averaged 7.17% between 1971 and 2022, reaching an all-time high of 17% in November 1979. At the beginning of 2000 it was 5.75%. At 1.25% we remain at very low levels but could we return to a 5%-7% range? Potentially yes but much depends on how quickly inflation eases and when the war ends.

The UK now has the “highest” Bank Base Rate since 2009 (when it was 0.5%) – really a very long time ago and you may remember the financial crisis which created the hyper-low rates then. You may love the thought of having even some coppers of interest on your savings now but remember that the gap between interest rates and inflation (predicted to hit 10%) is the highest it has been in living memory (if not ever) so in real terms, the spending value of your cash is dropping by the most ever, if all you do is leave your money on deposit or in things like Premium Bonds, National Savings or under the bed! Look at it this way, that tenner in your pocket will buy less than £9's worth of goods in one year, so even 20p's interest (2%) doesn't cut the mustard.

I can fully understand that market conditions "spooked" many investors in 2020 but markets recovered strongly afterwards and yet many investors still sat (and continue sitting) on their hands with far too much cash idly in the bank losing money in real terms. Even drip-feeding money monthly into markets by way of our ISA or Pension (which may be a more palatable proposition than committing bigger lump-sums all at once, whilst conditions remain volatile) can be an excellent option to accumulate a useful sum over the sensible term for your future. With overall tax burdens on the UK taxpayer their highest in peace time (including higher National Insurance and tax on investment income and not easing for the foreseeable future) it is increasingly important that we identify all available tax-saving opportunities. With that in mind, funds allowing, then using your tax-free Personal Allowances, ISA investment limits and Pension allowances are the priority and for us all. Who knows how long these will continue to last and when a future government may decide that they are too expensive?

BANK OF ENGLAND

I do not believe that the present Governor is doing much of a job to be frank and he wasn't effective at the FCA either. There – said it. He and his team were asleep at the wheel when it was obvious external inflationary influences were building. He uses silly language, enflaming the situation and yes, there are things he could have done and can still do to address the present high inflation. He is not the steady hand on the tiller to work with the Government to address present issues to lessen their sting.

The funny thing too – usually with an explosion of created money, inflation will follow. However, the measures of 'money supply' globally haven't reflected that but it is almost inevitable that it will with such increases in government debt so watch-out – unless Quantitative Easing falls gently at the 'same time' to counter that…

I also think that the Chancellor's packages to help with energy bills could be better targeted – they mainly don't cut inflation by cutting costs and are simply handouts..

NEW LIFETIME ISA (LISA)

We are delighted to announce that we shall very soon launch our new LISA, designed for those wishing to raise a deposit to buy their first home or to save for retirement. Accounts are available for those between 18 and 39 but it may still interest our older clients who wish to gift to relatives. See below for some of the main features:

- a LISA allows yearly contributions of up to £4,000 to age 50 (the Government will then add a 25% bonus to these contributions, making a maximum annual total of £5,000). For an individual contributing from 18 years to 50, including the Government bonuses, the total invested is £165,000. Obviously, a first-time property purchase may occur meantime.
- you can choose how the money is invested, whether in the market, cash or a combination of the two. All returns are tax-free.
- the accumulated funds can be used to help buy a first home worth up to £450,000 at any time from 12 months after first saving into the account.
- Alternatively, you can withdraw funds any time in the case of terminal illness, or after 60 tax-free for anything. This could help for retirement for example.
- For older relatives assisting younger family members, individual gifts of up to £3,000pa in total, each, are exempt from Inheritance Tax.
- Our full range of incredibly diverse ISA model strategies will be available for LISAs too and again, no initial contribution charge will apply whatsoever.
- Investors may choose to seek advice from one of our highly qualified advisers (for which a modest time-related charge may apply) or make their own decision without charge and simply issue instructions to us. We are happy to supply investment details in advance regardless.

If you would like to register your interest in advance (or to transfer an existing account for free), please do email info@miltonpj.net. Thank you.

WHAT WOULD YOU SAY TO THIS INVESTMENT?

An immediate 25% tax relief boost to every pound invested, so £1 becomes £1.25.

No tax to pay on the income and growth in your investment.

No need to include details on a Tax Return (other than to claim more tax back for those paying higher tax rates).

Invest the money in whatever you wish, including cash (not my recommendation)!

Access the money at any time from age 55 (57 from 6 April 2028).

A quarter of the plan can be taken as a tax-free lump-sum to spend as you wish.

The remainder may be left to grow tax-free, give a taxable income or lump-sums.

Any money left on death can go straight to your beneficiaries free of all tax.

Beneficiaries can then enjoy the same benefits during their lifetime, which may be tax-free, if death occurs before 75.

With so many generous features and so little tax to pay, why are so many seduced by speculative online promotions (or scams) to chase a "quick buck" when these benefits are available to virtually everyone? To what do I refer? Simple, a 'pension'.
With our pension investment plans, did you know that you do not need to be working, you do not even need earnings, you just need to be under 75? The Government will top up your contribution by at least 25% and then, if you do ever need to access the money you can take at least a quarter without paying tax (from age 55). If you do not need it, you can nominate your beneficiaries to receive the entire pot on your death, or they may choose a pension for themselves. This is protected from Inheritance Tax too. It really is an excellent investment opportunity all round really and yet, so few take advantage. Maybe as it is too good, so people don't think it is true! Where else can you receive a 25% return on day one?
Possibly the word "pension" is a problem as past mis-selling by insurance salesmen resurface in people's memories and I can understand why that is a worry. However, regulations today are much more stringent with great safeguards in place. Also, options at retirement are now

so much better and flexible when compared to the past when poor value lifetime annuities were obligatory and the fear of premature death resulting in the remaining pension fund value being lost. Perhaps instead we should call them "flexible retirement accounts" to see if the public's reaction changes as certainly it should in our view! For more information, visit: https://www.miltonpj.net/services/retirement-planning/

OUR INVESTMENT AND WEALTH MANAGEMENT SERVICE

For clients, we are their investment manager. We manage their funds in line with their unique needs and risk profiling. We have so many different assets, spreading risks and in different proportions. This totals at most 200 different ones, the majority being 'funds'. This is wise as it protects against excessive exposure to any one investment house, star fund manager or fund. This has protected us with the Blue Planet issue. That is the job we have done very successfully since 1985. We now manage £235million for almost 4,000 client accounts. That said, our overall results for clients since the Pandemic lows have taken Blue Planet in their stride and with the best performance period since the Firm started.

We are continuing to do our best job for our clients.

DID YOU REMEMBER?

- The 1.25% Health and Social Care Levy was introduced on 6 April 2022 as an increase to National Insurance, before becoming a new levy on 6 April 2023.
- From 6 April 2022, dividend tax rates also rose by 1.25%. The basic rate dividend tax is now 8.75%, the higher rate dividend tax 33.75% and the additional rate dividend tax 39.35%. No increases or changes have been applied to the main or savings' income tax rates.
- However, do remember that you can protect your capital by sheltering investments within an ISA and Pension and taking other evasive action. UK residents have an ISA annual allowance of £20,000, so £40,000 a couple. That is a sizeable, protected sum each year. ISAs also protect you from tax on gains from investments too and the value can be inherited by a surviving spouse without affecting that year's allowance. Pensions offer the same protection and with tax relief on your contributions too. Your gross annual allowance is more complicated but for most is either £3,600 or 100% of your earnings, subject to a maximum of £40,000 (and some backdating is possible).

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ELON MUSK AND TWITTER

This is history's biggest ever hostile, private takeover… and Twitter, a social media company which could still not have a viable future generating revenues by selling 'stuff' like advertising. Will it be like Bebo I wonder? Sold for $850million by its founder and then bought back by him from bankruptcy for $10million two years later (and now being rebuilt slowly and comfortably I understand).

As you know, we haven't held Tesla anyway – far too dear and Tesla still would be dear at a tenth of the price now – but why would we, when there are so many 'normal' and 'boring' companies out there, with great dividends and at such give-away prices and when corporate predation is very likely, so bonuses thrown-in for nothing? And please don't laugh but on the announcement, Tesla's absurd market value fell by almost three times what Elon Musk offered for Twitter… (partly as Elon sold $8.5billion's worth of shares too).

If you lose 25% on your tech stuff and other 'value' things which you don't hold go up even 'just' 10%, you have underperformed 35% and in a very short time, losing all the 'out-performance' you may have enjoyed for many years – and not knowing what to do 'now' either. If that is you, do call us for a no obligation chat as I am confident that we can point you in the right direction.

ST JAMES'S PLACE

A client with a small exposure to the firm from prior to our involvement has had a letter noting changes of investment management. He raised it as the actual 'repositioning' is expected to cost 2.2% (and why aren't even one of the components acceptable to the new managers I wonder!). I assume too this doesn't include the bid:offer spreads on the stocks sold and then acquired either. The client holds this in an ISA and the annual charge is a swingeing 1.75%pa and of course there are early withdrawal charges too (deferred 'commission' for the original sale or switch).

The company also notes extra annual charges for 'managing and maintaining the fund' for pensions and life insurance (bond) investments and offshore bonds of another 0.53% or 0.54%, all rather dear… investors can take alternative action if they have had a similar letter...transferring to ourselves instead, for no subscription cost!

LIFE INSURANCE

So, the industry met 98% of all claims for death, ill health and income protection in 2021. That totalled £6.8billion, or £18.6million every day. As ever, I'd say, if you have dependants or personal liabilities which need covering if something happened to you, then consider the consequences of a nasty/terminal event happening and see what resources you'd have and if not enough, consider insuring the gap.

Don't over insure either and remember that on death other things such as pension values and ill-health benefits through work can apply too. I am afraid there are plenty of keen salesmen out there still selling too much insurance for big commission… when you can keep the premia all for yourself to enjoy the benefit instead.

IT'S NEVER TOO LATE – UNTIL IT IS TOO LATE….

Sadly, we all die. Some leave their financial affairs in an organised state but most don't and some are in an atrocious condition.

This causes awful troubles and stresses for their nearest and dearest and if the wrong sort of professional executor is engaged, it can cost an arm and a leg to resolve what may be simple things which aren't worth much either. You may wish to review their charging terms too where, as well as big time-related fees, an extra percentage fee on all your assets including your home is added on top!

I am sure you have read plenty of our advice in this regard on many occasions and the underlying message is always 'don't leave it too late'. Ensure your Will is in order and up to date. Keep anything related to your estate, pension pots or savings and investment in one easily accessible place, ie a folder, and ensure your loved ones know where that is.

We are seeing more enquiries about deceased people's share holdings. They can be odd certificates which the beneficiaries or executors want to sell but what a minefield that can be! Yes, we can sell shares but the person instructing us must make sure the certificate is valid, that they have all of them and that the right death reregistration (if necessary) is done. Otherwise, if you issue an instruction when the paperwork is wrong, the market demands delivery and if you can't, it will buy-back your faulty disposal and charge the earth for the privilege! If certificates are missing, indemnities can also cost a fortune too.

As financial advisers, with clients and new enquirers, we are thorough and note that you'd be best tidying up random holdings, not only to make your life easier but to avoid the sorts of problems which can arise on death. (Too many advisers only want to deal with the chunky things which pay them lots in fees).

Our clients' families only need tell us of a death and that's it – all holdings are with an independent, secure nominee and we help with everything – and sale is easy.

We'd like to think that is always our approach – that our clients are our extended family and we do our best to ensure every aspect of their financial investment with us is looked after and dealt with smoothly and sensitively.

CRYPTO – RUBBISH

So, remember, these things are not regulated. That means there are no enforceable rules or protections and as I have said many times, there is still 'nothing' behind them if things go wrong. However, 'crypto currency' has been perhaps the most successful marketing exercise of all time, a pyramid scheme reliant upon collective human emotion and enthusiasm which demand greater confidence in the concept 'tomorrow' to propel prices ever upwards. Yes, they can have a purpose (sometimes too often shady and illicit ones – hence the 'appeal' to certain inappropriate quarters).

However, there is nothing 'now' or in the future that cannot be provided by the good ol' Dollar, Euro, Sterling, Yen, etc but guess what – these are real and backed by governments which have tax-raising powers to bail them out of trouble, even if on the never-never. And do we know what's even worse? Of investors up to 45, an alarming number has also borrowed money to buy Crypto currency, their first ever 'investment' foray – how sad. If that happens to be the below, it's all gone and you still have the debt to repay and service – please don't.

There has been another rout and so many of the promoted promises of 'currency', 'stable', 'inflation hedge' or whatever have crumbled, tearing-off a Trillion with it. Binance's founder Changpeng Zhao (you may have seen a film about his 'success' and how he was 'going to convert' Thailand into the world crypto centre). His fortune was estimated to be $96billion on January 9 and it is now suggested that is 'nothing'.

Terra's Luna, a 'stable coin' backed by a US Dollar for everyone, collapsed, wiping-off $55billion in one week. Where have all those 'dollars' gone… As for 'stable', that horse had bolted long before confidence evaporated. Please don't be duped and avoid them all, Bitcoin included. It is not an 'investment' it is not an 'asset'. There is nothing there at the end of the day and nothing you need in speculation or investment terms that cannot be provided by regulated alternatives which have existed for centuries.

NORTH DEVON SHOW RETURNS!

After Covid-related cancellations in 2020 and 2021, we are delighted the North Devon Show returns to Umberleigh on 3 August. As many readers will know, the traditional one-day show celebrates all things rural with attractions for all the family to enjoy. We shall be there with our Stand so do come along and say hello and for a chat.

UNSOLICITED CLIENT TESTIMONIALS – THANK YOU!

"We know you went above and beyond [….] and again want to thank you for your help." **IB, Torrington, May 2022**

"I have no doubts about the effectiveness of your company as fund managers… as you have done such a brilliant job with my pension." **JRC, Reading, May 2022**

"We're impressed with how our investments are standing up to tough times! Thanks for your good work and for keeping in touch." **JA, Yorkshire, April 2022**

PHILIP J MILTON & COMPANY PLC CHARITABLE FOUNDATION

We were pleased to "bee" able to support a local project for the Bumblebee Conservation Trust recently which is doing sterling work on world-renowned Braunton Burrows. The West Country Buzz Project is working to raise awareness, funds and recruit volunteers to help create habitat and protect all bumblebees but especially the rare, Brown-banded carder bee and the Moss carder bee.
They were once widespread in Devon but are now only found on fragments of the North Devon coastline, which is the area the project focuses, in particular Braunton Burrows and its surrounds.

AMIGOS

We are proud to continue our sponsorship of one of fifty students at Kira Farm in Uganda. Kira Farm Development Centre occupies 22 acres of lush land in southern Uganda. Every year, 50 young people come to Kira Farm, where their lives are transformed. These precious young people have experienced violence, trauma and unimaginable suffering. In their year at Kira Farm they learn to heal and to believe in themselves. They also learn the skills to transform their own lives and the lives of their families and broader communities.

This year we are delighted to be sponsoring nineteen-year-old Loyce Alum. She is loving making lots of new friends at Kira and is surprised how well everyone is treated and respected. Loyce is keen to learn as much as possible - tailoring, hairdressing, computers and conservation agriculture. She is even considering doing building! Although Loyce knows her parents will miss her, she also knows they are very keen for her to learn new skills to secure a better future for herself and the whole family.

In future she hopes to open a tailoring centre where she can teach others in her community. She wants to inspire others to benefit from practising conservation agriculture, as she knows how important food security is in the north of Uganda.

We very much look forward to keeping up-to-date with Loyce's progress!

We also plan to provide two wells for villages through Amigos.

Loyce looking very happy during her computer class.

CLIENT AGREEMENT UPDATES

P6. We are pleased to offer a Flexible ISA allowing you to replace, in whole or part, cash withdrawn from the ISA in the same tax year without the replacement using your annual subscription limit. Further details are available upon request.

To satisfy HMRC, we have had to update Discretionary Client Agreements. These minor changes cover our due diligence of third parties and voting shareholdings: https://www.miltonpj.net/documents/Discretionary%20Client%20Agreement.pdf ref D2, D3 and D3(d).
We have also been obliged to review our time-costed charges from 1 August for ancillary services and very occasional, specifically-quoted financial advisory work. These have not changed for years! Some are the same but most must cover higher costs. The increases include minimum charge services, like Will updates and Trust reviews. Hourly cost rises mainly affect Tax, Trust and Probate services. However, we have also scrapped ALL unit charges for 'activity' for a client. All these charges do not affect the majority of our clients, whose industry-beating terms for the management of their investments and complimentary suitability advice accessible alongside that are unchanged! If you need any more details, do contact us. Please do be assured that we always do our utmost to contain costs we have to levy to our clients, naturally.

AFTER HOURS

Little Johnny is always teased by the other boys at school for being stupid. Whenever they make fun of Johnny, the other boys will offer him a nickel or a dime, and Johnny always takes the nickel. One day, after Johnny takes a nickel, Johnny's friend, Billy, pulls him aside and asks, "Johnny, don't you know by now that a dime is worth more than a nickel, even though the nickel is bigger?" A smile slowly comes over Johnny's face. "Well," he says, "they'd stop doing it if I took the dime, and so far I've made 20 bucks!"

A man who needs legal help goes to a lawyer's office. After being escorted inside, he sits across the desk from the lawyer. The man needs legal help, but he wants to make sure he can afford it first. "Can you tell me how much you charge?" he asks.
"Of course," the lawyer replies, "I charge $800 to answer three questions."
"Don't you think that's an awful lot of money to answer three questions?"
"Yes it is", answers the lawyer, "What's your third question?"

Why didn't the skeleton rob the bank? He didn't have the guts.

What did the comedian say when he walked into a bank? This is a stand-up.

Why do goalkeepers have so much money in the bank? Because they are really good at saving.

I went into the Jungle the other day and saw a colour-changing lizard on its hind legs telling jokes. I was amazed and asked 'what's that?' and my friend told me – 'Oh he's a stand-up chameleon'.