

# North Devon's Leading Independent Wealth Managers **MILTON NEWS** Spring 2017 Edition

## Highlights

- Our Market Update
- Special Feature: End of the Tax Year
- ISAs
- Our Discretionary Managed Investment Strategies
- Making the most of your available tax allowances
- News from the Markets
- Our Support for Local Projects and Charities

*and much more!*

Choweree House, 21 Boutport Street, Barnstaple, North Devon, EX31 1RP  
Tel. (01271) 344300    [www.miltonpj.net](http://www.miltonpj.net)    Email: [info@miltonpj.net](mailto:info@miltonpj.net)

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Dear Client

March 2017

This newsletter arrives hot on the heels of our latest highly positive performance data for clients. The Firm is now managing approaching £135 million on behalf of our clients after a busy start to the year which saw £1 million of new investments come through our doors in January alone. We could not achieve this type of success without our hard working staff and our clients' continued satisfaction in the services we provide and the outcomes we achieve for them, not least of which is our clients' trust in us during the inevitable low points and traumas we have all endured these last several years.

At the time of writing, the FTSE100 has just enjoyed its longest ever bout of new daily records being broken. The index began in 1984 incidentally and the last longest time of consecutive new highs was in 1997. I could be cynical and say the reason is because of 'bad news', being the weakness of Sterling, which has been making some international stocks appear cheaper in Dollar/Euro and Yen terms. Actually though, a couple of brighter pieces of news have helped too – like the undervalued supermarket sector reporting better Christmas sales than expected and banks feeling more positive about the future.

What does it mean? In some senses, it is meaningless. It doesn't make the market expensive in my view, primarily because those companies making the running are those which were so hard hit last year and they are just recovering their poise. It is no wonder that the majority of managers and investors did badly last year too – if you didn't have Shell and BP, can you imagine that they counted for 40% of all the market's gains over 2016? Of course, the important thing is not complacency but 'what are you doing about it for tomorrow'? That is the sort of decision we have to keep making but certainly it will be very difficult to replicate our exceptional returns in 2016 – sorry! – we'll try but they were just so good. If you are not a client, does your adviser share what his forward-looking strategy is or does he just react after the event to the trends that everyone else is already following? Maybe it's time you changed tack... We make no charges for subscriptions if you don't need 'advice' but just select the investment strategy. Then all transaction charges inside the 'pots' are percentage based so non-discriminatory with no minima. More details on how to become one of our investors is provided later in this issue. Just fill in the slip on our back cover to start and to stop missing-out!

The highs and the lows of the market represent, essentially, 'just another day'; simply the agreement of sentiment between buyer and seller – nothing more, nothing less. A year ago, the financial world was heading into a morass with predictions of 'further 20% declines' being what investors seemed to want to hear and believe. Had you believed the hype, you would have lost a lot of money even if just through missed opportunities. For us and our clients, 2016 proved to be one of the best twelve month periods we have ever had – and no, not from speculative decisions but by keeping our heads and our cool and doing the right, value based things. Yes, of course, we have been helped on the way by a currency which has slumped so almost anything held overseas is worth more Pounds now. That won't repeat itself and we have to think about what the future holds but the FTSE100 still yields almost 4% - that means an income of 4% pa from the underlying companies which make-up the index and 70% of those earnings originate overseas so it is likely dividends (your income as an investor) in Sterling terms will be increasing usefully, too.

'Today' is simply a single snapshot. The skill is making the best decision today regarding whether to be 'in' or 'out' of particular holdings and types of assets and in what amounts; you don't have to be 'all or nothing', whereas so many investors think that is the answer. Sample something first if you are not sure and see how it functions. We spread our clients' investments across a very wide range of holdings to spread the risks and pursue as many opportunities for them as possible too.

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*

## Special Feature: End of the Tax Year

The end of the tax year is fast approaching – have you made the most of your annual allowances?

### ISAs

Within our Discretionary Managed Stocks & Shares ISAs we purchase a wide range of underlying holdings, with access to the entire market. We manage strategies into the future and when we consider timing appropriate, holdings are sold and fresh opportunities acquired.

We have a range of strategies available for investors, including complementary strategies for couples, (thereby giving additional diversification and risk management as well as access to a wider range of opportunities) as well as more defensive and aggressive growth options.

All investors in our discretionary managed accounts are entitled to a complimentary review of their capital invested with us each year in order to consider its ongoing suitability and how they are progressing towards any future targets.

The equivalent additional contact and discussions with other advisory firms and salesmen will be charged separately even if deducted from your investments so this is an invaluable opportunity. Do not be deceived on what charges apply elsewhere – and of course you still pay the same underlying management fees!

### ISA allowances for 2016/17 and 2017/18

During 2016/17 you may subscribe up to £15,240 towards ISAs. These may be Stocks and Shares ISAs, Cash ISAs or a combination of the two. Savers are also able to transfer existing ISAs into a Cash or Shares ISA elsewhere without it impacting their current ISA allowance.

For the 2017/18 tax year the allowance is increasing to an even more generous £20,000 per person so if you have considerable funds, you should do this as soon as possible after 5 April for maximum tax benefit.

### Tax benefits

One of the most attractive aspects of an ISA is that interest and dividends are exempt from Income Tax and they do not need to be reported to the taxman. Any capital gains made within the ISA are also completely free from tax. This is doubly beneficial to those who otherwise will be caught by the new tax surcharge on their overall dividends and interest.



Spouses can inherit ISAs on death and continue to enjoy tax-free returns. You can also transfer cash ISAs to our market ISAs too now and it doesn't have to be all or nothing!

### Flexibility

Stocks and Shares ISAs offer a flexible means of long term saving; investors can subscribe from just £50 to our own strategies to as much as £1,666 per month for 2017/18 and there is no penalty for stopping, suspending or amending contributions according to personal circumstances. Regular subscriptions via monthly direct debit may also appeal to those investors who prefer to stagger their investment throughout the year in order to spread their market timing, hence smoothing their exposure in the face of volatility as well.

There is also no fixed term with ISAs and consequently, you may access your investment at any time although clearly, it is designed to be a more sensible-term investment plan. As you can tell, our clients have done remarkably well from their Market ISAs over the last twelve months but we remain excited about the next year so it is not too late!

### Would you like to benefit from our investment expertise & join our clients?

Whether you are a potential new investor or an existing client wishing to invest for the first time in a Managed Portfolio, Market (Stocks/Shares) ISA, High Income Defensive ISA or our Personal Pension or to add to existing investments, we are happy to help you manage your subscription at every stage.

You can contact us at any time to receive thorough financial advice. We offer an initial consultation at our cost but specific recommendations which consider your overall situation, risk strategy and capacity for loss and the appropriateness of a specific direction are likely to be subject to a charge as considerable work is involved in the assessment and to satisfy regulatory requirements to protect you.

Alternatively, if you know you want to invest for the medium to long term and you are happy instructing us to make an investment for you on an 'execution-only' basis then there is no initial investment or advice fee. Of course, we shall give you the broad details of all the various strategies to help you choose. Here is an example of how an execution-only investment might progress:-

### Stage One: Get in touch

Send us a cheque made payable to 'Philip J Milton & Company Plc – Client Trust account' (we can accept bank transfers, too) letting us know you are interested in an execution-only investment in our Portfolio, ISA or Pension strategies. We shall then write to you with all the necessary details – or you can call and see an administrator who can give these things to you and help process things for you (but not 'advise'). We've included a helpful response form as the back cover of this newsletter and if you're interested in an ISA product please also complete one of the ISA application forms from the centrefold.

### Stage Two: Choose your investment

We shall send you all the information you need to make an informed choice. For example, here is information on just one of our ISA strategies, the 'High Income' model. Do recognise that the holdings here are at a past date and are not necessarily what we may buy for you:

## An example of our Discretionary Managed Strategies High Income Defensive ISA (Model C)

31 December 2016

Our High Income ISA invests in a very wide range of fixed interest funds, alternative debt vehicles, corporate bonds, currencies, core commodities and other low risk/volatility funds to generate healthy levels of interest. This enables investors to access these markets through specialist and highly diverse funds.

Top Ten Holdings	%	Sectors
JPMorgan Global Convertibles Fund (JGCI)	7.33%	Defensive
Std Life Uk Sml Cos 3.5% Convert Loan (SLSC)	6.89%	Defensive
City Merchants High Yield (CMHY)	6.83%	Defensive
Invesco Perpetual Enhanced Income Ltd (IPE)	6.69%	Defensive
Carador Income Fund Plc USD (CIFU)	6.57%	Defensive
Acencia Debt Strategies Ltd (ACD)	6.48%	Defensive
GLI Finance Ltd NPV (GLIF)	6.46%	Defensive
P2P Global Investments Plc (P2P)	6.40%	Defensive
The SME Loan Fund Plc (SMEF)	6.17%	Defensive
Henderson Diversified Income (HDIV)	5.74%	Defensive
Total Percentage of Fund Represented	65.57%	
Cash	4.04%	

### Key Attractions

- Independent and unfettered investment management
- Very attractive dealing terms negotiated through our market presence
- No additional Income Tax to pay
- Exemption from Capital Gains Tax
- Complete flexibility with lump-sum and/or regular contributions
- Flexibility to draw income or reinvest & to change those instructions anytime
- No charges to withdraw income or lump sums of cash in part or total
- Comprehensive reporting and half-yearly valuations
- Capacity for a spouse to inherit free of tax and to retain all the tax advantages despite only having one set of tax allowances thereafter

### Key Facts

Collective Model Strategy Size	£8,378,709.94*
Annual Management Charge	1.5% + VAT
Underlying Investment Charge	0.6%*
Estimated Annual Transaction Charges	0.525%
Projected Annual Income Yield for £15,240	4.94%*
Minimum Initial Investment	£1,000
Minimum Top up	£500
Minimum Monthly	£50
Valuation and Transaction Reporting Dates	April and October
Income Options	Monthly or Quarterly
Administrator	Quai Administration Services

\*Unique to this Discretionary Managed ISA model

### Client Case Study: High Income 'Defensive' ISA

A longstanding client has a High Income, Defensive ISA as part of her diverse strategy to bolster her safer holdings without resorting to holding large sums in cash with 'no' interest. She uses the investments to provide a dependable income, so the dividends and interest are paid to her quarterly. We'd like to share the results with you over one year to show what we achieved for clients who for various reasons wish to invest in a low risk way (albeit low risk, like cash accounts or property, does not mean no risk - there is inflation, risk of low interest rates, currency risk if you buy things from abroad or go on holiday and opportunity loss).

On 5 October 2015, the ISA was valued at £36,993. Over the next year, she received a total income of £2,188 from the ISA. She chose to receive this quarterly in variable amounts but monthly, level payments or leaving the funds within the ISA to add to the capitals were available as alternatives. On 5 October 2016, the ISA was valued at £37,200 even after the income withdrawals noted above and our annual management charge was applied.

**Our client enjoyed a 5.9% return on her investment - far better than the 2016 average cash saving account interest rate of 1.23% - which she chose to enjoy as income. The value of the defensive investments within the ISA 'held their own' in a turbulent market.**

We have higher performing strategies available (they come with higher risk, of course), so if this is one of our lowest performing, what are you waiting for?



## An example of our Discretionary Managed Strategies Stocks and Shares ISA (Model A)

31 December 2016

This ISA strategy is designed to create a combination of income and capital growth over the medium-long term through investment within a wide range of Investment Trusts, Unit Trusts, defensive holdings and shares. There will be a bias towards developed and liquid capital markets.

Top Ten Holdings	%	Sectors
RSA Insurance Group Plc (RSA) (since sold in full!)	4.28%	Equity
Morrison (WM) Supermarkets (MRW)	3.97%	Equity
Blue Planet Investment Trust Plc (BLP)	3.87%	International
Brunner Investment Trust (BUT)	3.46%	International
Balfour Beatty 10.75p Cum Red Prf (BBYB)	3.15%	Defensive
G4S plc (GFS)	3.03%	Equity
Aberdeen Small Cos High Income Trust (ASCH)	2.92%	Smaller Companies
Royal Dutch Shell Plc 'B' Shares (RDSB)	2.91%	Equity
Henderson Small Companies Investment Trust (HSL)	2.90%	Smaller Companies
Rio Tinto Plc (RIO)	2.86%	Equity
Total Percentage of Fund Represented	33.35%	
Cash	3.38%	

### Key Facts Unique to the Model

Collective Model Strategy Size	£16,788,845.70
Underlying Investment Charge	0.6%
Projected Annual Income Yield for £15,240	3.02%

## An example of our Discretionary Managed Strategies Qualifying Business Assets (AIM) ISA (Model D)

31 December 2016

Our AIM/QBA ISA is focused towards those likely to have an Inheritance Tax Liability, investing within select holdings on the Alternative Investment Market. These shares should be free from IHT if held for two years. (However, HMRC will not confirm that until the time). An AIM ISA can act as a complement to or in certain circumstances be better than other mitigation as it retains total control of the capital, all whilst offering the opportunity for capital growth and income. This means no gifting (and needing to live seven years for exemption), no complicated and expensive trusts and no loss of income for you. Furthermore, once the investments have been held two years, if sold and reinvested within a new qualifying company, the new investment would qualify immediately. These investments can also be given away at any time too with the same exemptions.

Top Ten Holdings	%	Sectors
Futura Medical (FUM)	7.02%	Equity
Petards Group Plc (PEG)	6.30%	Equity
Hargreaves Services (HSP)	4.82%	Equity
Blur Group Plc (BLUR)	4.61%	Equity
Miton Group Plc Ord (MGR)	4.39%	Equity
Renew Holdings Plc (RNWH)	4.25%	Equity
Johnson Service Group (JSG)	4.19%	Equity
Real Good Food Co (RGD)	4.09%	Equity
James Halstead Plc (JHD)	3.99%	Equity
Charlemange Cap (CCAP) (since taken-over for cash!)	3.97%	Equity
Total Percentage of Fund Represented	47.65%	
Cash	5.52%	

### Key Facts Unique to the Model

Collective Model Strategy Size	£704,996.38
Underlying Investment Charge	0.0%
Projected Annual Income Yield for £15,240	1.08%

### Stage Three: Return our paperwork

We shall provide all the paperwork for you to complete the investment process. There may be forms for you to complete if you are a new client to our discretionary managed services, with the usual identification documents to be provided, too. If you are an existing client with up-to-date documents, we may just need a letter from you to confirm you have understood the information we have provided and so we can accept your 'execution only' instructions.

### Stage Four: You're invested!

You will receive a formal acknowledgement of your investment. We shall write to you in May and November each year to provide you with detailed account valuations. You can also contact us at any time by post, telephone, email or just pop in to receive an up-to-date valuation.

#### Why not start your investment today?

Simply return the 'statement of interest' slip on our back cover with a cheque and without delay we'll write to you with the information you need to invest with  
Philip J Milton & Company Plc.



*Snow Drops*

#### I've already used my ISA allowance – can you still help me?

Of course! Whether you've used your ISA allowance elsewhere or have more than £15,240 to invest you can benefit from our investment expertise by choosing one of our market Portfolios and although you don't have all the tax free benefits of an ISA, the tax you pay on the income you receive may not be quite as high as you think. Did you know the first £5,000 of annual dividends you receive is tax free too?

#### Is a Stocks and Shares ISA suitable for me?

The purpose of this article is to give details of our ISA strategies. It is not suggesting a particular ISA type is necessarily appropriate for you.

Whilst we shall welcome your application, without advice, this will be a non-advised transaction and as such we cannot be held accountable at a later date for its suitability in light of your overall circumstances.

Past performance is not a guide to the future. The capital value of units and the income from them may fall as well as rise. Yield figures may vary and are not guaranteed. Where a fund holds investments in another currency there may be additional risks due to exchange rate fluctuations. Specific clarification, individual advice and consideration of full terms and conditions are necessary if action is being considered. An investor may not get back the amount invested.

If you want to discuss options with one of our advisers to confirm suitability before submitting an application, please write, telephone (01271 344300) or email [info@miltonpj.net](mailto:info@miltonpj.net). Naturally time may be very tight before 5 April, a very busy time of the year! And – of course as we do with most of our clients and new enquirers, we are delighted to provide you with professional and thorough advice as well if you do not know what to do but know you need to do something!

### Lifetime ISA

This year sees the introduction of Lifetime ISAs. Accounts will be available to 18 to 40 year olds who can save up to £4,000 annually before their 50th birthday. Savers receive an additional 25% top-up from the Government which can be used either to purchase the first home (for up to £450,000) or it can be withdrawn tax-free at age 60. Withdrawals for other reasons will be possible but the bonus will be lost and a penalty may apply. Savers can also contribute as usual to a cash ISA and/or stocks & shares ISA in the same tax year (up to £20,000 from 6 April 2017).

We are looking to introduce our own Lifetime ISA in due course although are watching developments before doing so later in the tax year. We shall keep you informed and if you are interested meantime, do contact us!

#### How else can we help you utilise your tax allowances?

Our highly trained and experienced advisers will be more than happy to discuss your situation with you and provide general information on the various tax allowances you might have available to use. We also offer full financial reviews which will produce a tailor made recommendation to make sure your savings, investments or business assets are held and sold in the most tax efficient manner possible and that you are pursuing the best options in your unique circumstances.

#### Make Pension Contributions

We write endlessly on this subject, so I shall not be too expansive here, I shall note merely that for anyone under aged 55 to 75, pension contributions are the most tax efficient savings vehicle around as you receive instant (in most cases) tax relief and can access the funds straight away. Pensions are of course an extremely sensible place for long terms savings for those under age 55, too! Speak to us to make sure pension saving is the right choice for you and to find out more about our unrivalled, seriously cost effective and fully flexible discretionary managed pension strategies but some of the key attractions are as follows:

- Currently, for every £1 contributed to a pension by an individual (under age 75), the pension automatically receives a total of £1.25 whether you pay tax or not.
- For someone paying Income Tax at 40% or 45% they may claim a further 25p or 31.25p (per £1 invested) up to the top tax rate via their Tax Return. You can also benefit from other tax savings and things like Child Allowance and Grant funding for example, if you contribute to a pension as this 'cuts' your income.
- You are allowed to contribute the higher of £2,880 net (which receives tax relief making the overall contribution £3,600 gross) or 100% of your UK earnings (up to a maximum of £40,000) to your pension each tax year. If you've been in a scheme previously and not maximised your allowance, you can backdate contributions for up to three tax years.
- Pension benefits can be taken flexibly at any time from age 55.
- 25% of your pension will be available to you as a tax free lump sum (according to current legislation). The rest can be withdrawn flexibly as part of your annual taxable income or used to traditional pension annuities which guarantee you with an income for life.
- If you die before touching your pension, up to 100% of the whole pot can pass down a generation with not a penny of Inheritance Tax!

## Capital Gains Tax (CGT) Planning

Where applicable and possible, you may wish to consider the following before 5 April:

- The individual tax-exempt allowance for 2016/17 is £11,100 (which is the amount of gain you may realise before tax applies). The CGT rate is 20% for taxable capital gains in excess of the available basic rate tax band. Otherwise the tax charge is 10%. Tax on gains on Buy-to-lets is higher however.
- If you plan to dispose of an asset, is there merit in doing so before 5 April to utilise your CGT allowance(s) for 2016/17? After 5 April the allowance is lost. Is partial disposal possible both before and after 5 April to use both years' CGT allowances? Do you have losses to offset?
- Married couples could consider transferring assets into joint names or the other's (before disposal) to use both CGT allowances. Alternatively, an asset could be transferred to the other spouse outright to use allowances. Neither of these asset transfers themselves would involve realising a gain/loss. Time is imperative!
- Transferring an asset to anyone other than a spouse or civil partner (whether or not there is any financial consideration involved) is deemed a disposal for CGT at market value. Therefore, a simple transfer of ownership of an asset to children for example may have unexpected tax consequences.
- Realised losses are offset automatically against gains in that tax year, regardless of whether the exempt allowance has first been utilised. Therefore, the timing of disposals requires careful consideration to make best use of valuable losses. CGT losses may otherwise be carried forward indefinitely but must normally be claimed within four years.
- If CGT is unavoidable, is there merit in applying funds (from the disposal or otherwise) towards a tax-relieved investment (pension, Venture Capital Trust or Enterprise Investment Scheme) to reduce that tax charge?

Naturally, if you have a query regarding any of these points, please do contact us.

## Taxation and Accountancy Department

We have our own Taxation and Accountancy Department which can 'take the strain' out of all your taxation and book keeping procedures. We can offer you the full range of services, including:

Self-Assessment	VAT Returns/Calculations
Capital Gains Tax	Claims for Tax Repayment
Trust & Estate Tax Returns	Book-keeping
Company/Partnership Accounts	Payroll

## Client Case Study: Tax Reclaim

Our client's income while working was in excess of his Age Allowance and his tax coding notice reflected this. When he retired his P45 was issued, however HM Revenue and Customs (HMRC) incorrectly assumed he would still exceed his Age Allowance so issued Self-Assessment Tax Returns thereafter. Our client didn't complete the Returns but paid each tax liability as calculated

by HMRC each year. These included additional tax from the deemed restriction plus penalties for non-completion of a Tax Return.

By the time he approached us for assistance five years into his retirement, he was paying annual fines for non-submission and had not reclaimed any of the tax they had overpaid to date.

We appealed the fines on his behalf, arguing that HMRC had incorrectly assessed the client's situation on retirement. We were able to secure all but one of the fines repealed (which, it transpired, had been correctly charged) and claimed back the overpaid tax, leading to our client receiving a repayment of approximately £3,000.

Please contact us if you would like us to help you make the most of your available tax allowances.

## News from the Markets

### The Pound and the Dollar

After hitting a fourteen year high on a trade-weighted basis, it then hit a thirty-one year high against the Pound. Sterling is struggling but fundamentally is now seriously under-valued. The Pound has now fallen even more than 'Black Wednesday' which is remarkable when we think of the mess in which the Country was then and we came out of the European Exchange Rate Mechanism (ERM). The current reaction is excessive and is based purely on the ongoing 'uncertainty' and regardless of the future with Brexit, it will not be as bad as present levels are suggesting.

Then there is the Dollar – frankly, we expect Dollar wobbles as President Trump's time in office starts to unfurl (and I'd say that about any new President) .... So this shows how excessive the confidence or pessimism can be. Yes, the US is likely to notch-up interest rates but underlying confidence is the core reason for currency moves. In a year or two you may well look back and wonder why you did not sell Dollars (and Euros) and buy Pounds.... We are beginning to reflect this in strategies for clients.

Think about it too – the currency moves against the Euro mean that we have already imposed 'tariffs' against European goods and our goods are significantly cheaper to European buyers...

### Calls For 2017

Well, last year we took a call on Russia at the depths of its despair. We didn't buy much of it sadly (only holding £250,000's worth) as it was deemed 'speculative' so not suitable for many clients but was that the wrong thing to do? No. The currency was bombed-out and the market sold-off dramatically and of course it was dominated by oil too, which was in despair itself. Sterling's decline and President Trump's ascendancy have helped us too. Doubling our money in twelve months is an attractive return for the risk and even if you only have £500 of it, that's a big payment from just the one, small investment. We're still there for now. We also did very well with a Latin American investment or two and have more of that for more clients.

What similarly deeply undervalued position are we considering now? Turkey – for similar reasons. Political uncertainty and terrorism are rife but despite that, the country is vast and its manufacturing and natural resource base significant. Too many are writing it off and yet, if you can find a suitable

investment vehicle, this could be the punt for the next few years. As before, only a little will be enough for us even if the quantum will be greater than any Russian exposure. There is an attractive Indian Investment Trust we may nibble away at soon as well – we’re still watching...

Always remember that tomorrow is more important than yesterday where investment performance is concerned. Think too that if we invest even as little as £200 in a speculative venture, not that we ever want to see something disappearing in total, but if the worst happened that is all you stand to lose, whereas the upside is unlimited. When playing with percentages too, if an investment falls by half, it has lost 50% but when it then regains its poise and returns to levels perhaps from which it should never have fallen, it increases 100%. Think about it – and sometimes, ignore the adage of ‘don’t catch a falling knife’ but instead average down the cheaper the investment becomes – if the prospects remain as good. Too many institutional investors sell as soon as some bad news hits rather than considering that it may already be reflected in the price and they are giving something away at the wrong time. Cynically it is so the holding disappears from their reports to investors so they are not quizzed on it....

### Top Performers

Neil Woodford had a dark year last year with his flagship Equity Income Fund returning a meagre 3.6% - that being way below its own benchmark. He is a very capable man but last year was not his year. We didn’t and don’t support the funds – why? No disrespect but we are fearful that when you manage so much, you can’t be as agile as you want (or that which has made you so successful...) and nor can you have the diversity to protect against big shocks on your inevitably big calls which go wrong. We vastly outperformed him last year for comparable funds and we have a very wide diversity as well. None of our clients will have suffered and sadly, so many advisers have his funds in clients’ accounts because of his past and his popularity. It does show the need to be more broadly spread in regard even to the one sector as when your core manager makes a mistake (or even some of his esoteric holdings in technology or biotech fail), then all your eggs would be in the wrong basket. The present yield on the fund is 3.26% and our own Balanced Portfolio is better and with infinitely superior diversity across many, many fund managers as well..... We have two of his biggest stocks though – Glaxo and Capita (the latter bought after they halved for Neil). It’s still not too late to change – sorry Neil!

What’s odd – despite one swallow not making a summer – is that Neil’s funds have continued to be at the top of most investors (and advisers’) lists for clients for 2016 (according to the Share Centre) despite those couple of serious miss-calls both on Sterling and overseas’ earners. So having no oils and mining despite their ludicrously cheap positions a year ago also hurt very hard – as well as no supermarkets or banks either. Tobacco, pharmaceutical stocks and start-up/innovative bio-chem and technology won’t always come up trumps. Sadly it was not good news for the Woodford Patient Capital Investment Trust – the tenth worst performing fund of all Investment Trusts losing 10% for investors over the year. All that said, the parent company managed to grow its profits in the year to March by 212%, giving Neil a pay-out of £7.2 million and Craig Newman, the SE, £3.9 million so that’s all alright then.

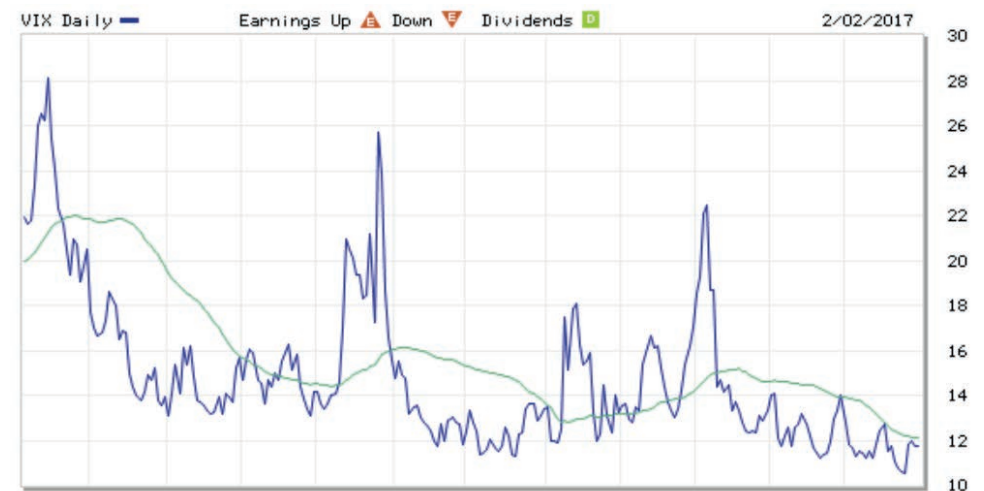
Just as factual information, I’d like to share with you our biggest holdings in order at the end of 2016 on the understanding that this is not a recommendation, endorsement or confirmation that we are going to keep holding the stock or have not already sold them (and some of them are ‘only’ there because they had such a stellar year as well!!):-

- Blue Planet Investment Trust
- City Natural Resources High Yield Trust
- Black Rock World Mining Trust
- Manchester and London Investment Trust
- Aberdeen Smaller Companies High Income Trust
- Value and Income Trust
- Alternative Asset Opportunities Fund (since taken-over at a good premium)
- Miton Global Opportunities Trust
- Premier Energy and Water Trust
- UIL Investments Trust

Go and have a look at the performance from these and then look at Neil’s 3.26% but even now, not one of them is more than 2% of the total assets we manage, these eleven only counting for 19.26% of the total – that shows how diversified we are and how we don’t take those big risks which once-star performers feel obliged to take. The Black Rock Trust was the second of all Investment Trusts – doubling in the year. City Natural Resources was tenth of all Trusts. We do put our money where our mouth is too – the Company bought an investment in the Black Rock Trust on 16 January 2016 just before it bottomed on 20 January at £1.57 and it is now £3.92 and has paid an income too. The Trust is no minnow either – now worth £700 million but only a few years ago it was billions (but we weren’t touching it then and told people to leave it as it was too dear).

### Volatility

Have you noticed that the volatility (fear?) index is very low again, nudging below 10. It hit 60 after the 2008 banking crisis. I am not saying it heralds a worrying time but just be wary – and things are remarkably quiet and positive at the same time yet all the sailing is not going to be easy out there ahead. Clients can rest easy though that we are taking the action we believe it prudent to take and we don’t have money in the sectors we believe are very over-valued. We’re wary of bonds, mortgage debt, US technology and so on and residential property to start.



Volatility Index from 2 Feb 2016 – 2 Feb 2017



## Stamps as an Investment

I believe stamps can make an excellent investment. However, you need to be careful about what you buy and when. Recently I had the misfortune to value a 'portfolio' sold by Stanley Gibbons, the self-acclaimed 'bastion' of the stamp dealing trade. Sadly, Gibbons was selling such things as 'investments' to all and sundry, based I believe on some bogus claims. It sets the price, sets the catalogue 'value' and was making a colossal mark-up on the stamps it was buying-in and then selling-out to unsuspecting investors who didn't realise they could buy similar material elsewhere much cheaper.



*Flowering Gorse – it flowers for nine months of the year!*

The portfolio I reviewed was bought for £15,000 on 15 August 2014 and I estimated that it would now be worth possibly £7,500 and that is if they could sell all the items (not assured at the moment) and before any costs like auction commissions (up to 25% plus VAT and a similar cost for the buyer to find, too). It is a big disappointment as the concept is great but when a marketer gets hold of the idea, people can be duped and misled and that makes me angry. We have seen this in Timeshare, sales of Hotel bedrooms, holiday lodges, off-plan property ventures overseas.... You name it. Sadly, what is so disappointing is that there are plenty of legitimate quoted investments out there with regulatory frameworks to protect them against unscrupulous claims – and salesmen who get rich by selling you stuff for a fat commission or excessive profit. Invest sensibly and use the profits and income to fulfil your dreams not the other way around.

I am pleased to say Stanley Gibbons Plc is now a new beast as the old management has gone and it has had its wings sorely pared (and its share price decimated) but that is not the point. If you buy an 'antique' from a High Street retailer, whether that is a specialist stamp or a piece of special jewellery, if you could sell it immediately you could lose as much as half what you have paid – or more. Do you realise that? VAT is an issue too! You also have holding costs – insurance and so on and some items can deteriorate if not stored correctly. I am a collector and my collection has advanced significantly in value (stored securely away as well...) – though that is incidental to my first interest but very welcome all the same.

As for Stanley Gibbons, it was a sad affair and I tried to encourage them to change their approach, even by having two complaints with the Advertising Standards Authority upheld against them as I didn't want the 'trade' to be so damaged by their actions. So far it is not though. Things may hit the fan as 'investors' all start to want to sell; that may be the point of problem as Gibbons can't afford to buy them all in at artificial prices just to protect the market... Please seek guidance from a reputable financial adviser or dealer if you are thinking of 'alternative investments' but I suggest you need to see some enjoyment from them as well.



*Spring Lamb at Countisbury*

## Warnings on Binary Dealing

The Regulator is clamping-down on so called 'binary options', typically through certain online trading platforms. They are pure 'bets' and not investment or hedging. For example, a simple position could be whether the FTSE100 finishes the day up or down. Do you remember the stories of those people who gave up jobs to do 'day trading', as of course it is so easy to buy stocks and sell them during the same day and make your fortune? Well, guess where they are today – all pretty much gone. The success of a first few trades gives them confidence and the few who endure then continue till all their money has gone....

The FT ran an article in the first weekend of February and it is so worrying how really clever people can be duped into believing the get-rich opportunities and go for it. Some part of their logical normal self 'switches off' and even highly qualified individuals – engineers, professionals or entrepreneurs – seem to fall for the scams (which is what they are really) of the 'desperate'. It reminds me of the budding actresses in the weekend papers who have a small sum of money and are thinking of borrowing to hold a Buy-To-Let portfolio to enable them to concentrate on their acting and its paltry earnings but of course educate little Tommy in the private school of their choice, purchase the bigger home they need and deserve (of course) or the dream overseas' holiday property they will hardly ever visit (especially if they have to let it at peak times to fund its mortgage) or even the plush hotel room on the latest timeshare 'scam', and so on. It's all very disturbing and one can see the dreams burnt quickly – where do people get these ideas sometimes? With such high risks, very occasionally come high rewards. At the end of the day, this is pure speculation and the vast majority will come sorely unstuck, in many instances destroying their overall financial security in the process. People have cashed in their employer pensions to try to correct their mistakes – and one was even encouraged to think about selling a kidney to help repair the financial holes – can you imagine it?

## Gold

So how much gold do you think is traded every day in London? According to the London Bullion Market Association (LBMA), the Competent Authority for the world's Bullion Market, the estimates of daily trading volumes are \$26billion. However, there are no accurate records of the quantities of gold either traded or indeed stored in London. Apparently, some proper work is now being done to check! The estimated sum of gold owned by Governments and others around the world is \$400billion.

## In Other News

### TOP 100 FOR SECOND YEAR RUNNING

We were delighted to end the year by receiving a 'Top 100 of 2016' award from New Model Adviser for the second year in a row. The competitive award is given to recognise 'prominent leaders and outstanding achievements in the UK financial advice community.' It is based upon 'things such as profitability, the proportion of re-investment into the business that you make, along with qualifications, commitment to the profession, and more emphasis this year on development of best practice'.

It is humbling and gratifying to again be applauded as one of the industry's best Firms, particularly at such a turbulent time in the political and financial landscape. Our main aim is always to keep our clients' needs firmly at the heart of everything we do, and we'll keep on doing that this year, too!

The Award could also laud our exceptional financial returns for clients in 2016 from the most cautious to the more aggressive and to the majority who sit in the nicely sensibly responsible balanced section as they recognise risk exists (with life) and that they do something to mitigate that with prudent financial planning! In New Model Adviser's words, the Firm is working 'in a competitive market place where staying ahead of the curve is key'.

The Firm underwent some major changes in 2016, with a move to new premises and with two further staff members fully qualifying as Financial Advisers. We're so pleased that our commitment to reinvestment within the business, development and best practice has been recognised by the award.

### The Cost of Advice

Morningstar, an independent ratings' agency, shared statistics which apparently show that 2016 was the worst year for UK asset management in terms of performance since 2007, with just 21% of the funds invested in UK companies outperforming the markets. This is worse than 2007 when 32% of funds outperformed the markets. Whilst it is important to remember the indices show no costs whereas of course these do apply, if you are invested in the mainstream investments alongside everyone else, this is what you have 'enjoyed'. If you'd like to see me in print commenting, search on the internet for 'FT Adviser UK funds have worst year since 2007' and the article should appear as the top result.

If you are a client, as you will have read previously, we have some good news for you – instead, you have bucked the trend and done exceptionally well this year!



I also said about this news:

1. Management groups believed their own spin about the fears for 2016 as suggested would be evident at the beginning – predictions of a further 20% drop in markets after the \$2.5 trillion wiped-off in the first few months of the year, so they held too much in cash and secure assets.
2. They believed their own diatribe about the collapse of the metals and mining supercycle (and the advent of the 'disruptors' which of course made all the old stocks redundant, didn't it?), so much so that they were prepared to offload and have zero exposure to the sectors – which is still amongst the biggest sectors in global markets.
3. When oil prices collapsed on over-supply fears many were happy to sell the sector and have zero exposure despite the likes of Royal Dutch Shell giving a nigh 10% income yield at one stage and again, being a major chunk of the developed UK market (and dividends declared in US Dollars so guess how much they have risen in Sterling?).
4. They frightened themselves over the Brexit Vote uncertainty and were sitting in cash and Gilts as opposed to having overseas' diversity (and UK major stocks with overseas' earnings)
5. They hated the banking sector as they also saw that as expecting further descent in view of all the uncertainty and the fear peddled by the 'Remain' camp.
6. They fell foul of exposures to growth darlings like Capita and EasyJet and so on which have taken a pummeling, so little respite there either.

So, when metals, mining and oils have rocketed, they were underweight or devoid of exposure with no way they could keep up despite a generally buoyant market. Adding in the impressive performance gained from financials sealed their fate.

As good old-fashioned, fundamental, value-based investors, we bought more and more of the cheap sectors as the prices fell and have added support services to the bag - as well as supermarkets and as our clients and the clients of other advisers who entrust their money to us on a white-labelled basis have experienced, they have done exceptionally well as a result. Our generous overweighting in non-Sterling assets gave us a dramatic boost too as the values have rocketed as a simple consequence of the Pound falling and so many value plays (like metals, mining and oils) are effectively Dollar plays as well.

It is disturbing that some of the leading groups did so poorly too, such as Jupiter's UK Growth Trust falling 22% apparently – how could they go so wrong when we've almost been the exact opposite - in positive terms?

We are not just a manager of equities of course but myriad different asset types concentrating on collectives. Our view is that Sterling is too cheap and the Dollar and Euro too dear so we are tweaking currency exposures. We have even added pure currency 'cash' to our Defensive sectors – and an odd commodity (like oil) for uncorrelated diversity as investment grade bonds are still far too dear. Smaller companies at home (as represented especially by Investment Trusts) are now also too cheap despite the uncertainties ahead.



*Ponies on Exmoor*



We entered 2017 with a great boost to clients' outcomes under the belt already but no rest for the conscientious manager of course! And – I can't give away all of our secrets can I? If you want to benefit, send us some money to manage for you!

Sometimes I think we, as a Firm, hide our light under a bushel; we are only a small, back-water investment management firm in Barnstaple after all.... A client may try to pick faults and say that we have under-performed some star fund he has picked-out elsewhere but actually, the statistics belie the truth – most people out there have the good ol' average. Now go and reread the first sentence on this subject again – that is what most investors have! If you are not our client, this is what you have!

No, we didn't take any rash decisions in the spring of 2016. In fact, we increased our risk management and diversity and we skewed our clients' capital in anticipation of the uncertainties of the Brexit vote and bought value investments when everyone else was selling them in the face of their predictions of further carnage on the global investment markets. Our direct stocks have been dominated by metals, miners, banks and financial stocks which have all done extremely well, as have supermarkets and support services like Stobart, G4S and Serco etc of which we have had plenty. Our exposure to overseas' investments has netted a tremendous currency gain as well and it is likely to be time to reverse this even more but you know that, as we have been telling you. If you don't believe me, reread our newsletters and e-shots for the time – we did say so and why. However, the good news is that it is not too late – there remain opportunities as we see them – even if not as good as they were in January and February 2016.

### And then - what are you paying for?



*Woods above Watersmeet*

A survey by consultancy 'Threesixty' found that nine out of ten IFAs outsource investment work! So you pay the adviser an annual fee for his oversight then you pay the manager to manage the money and perhaps the underlying fund manager to manage the separate pots too. Hmmmm. Remember that with our systems, you pay us to manage the pot and at the same time secure a complimentary ongoing annual bespoke review of those investments at no extra charge. The FT headline (17 December) says 'handling portfolios to wealth managers increases clients' fees' but in our instance, not if you are the staunchly independent adviser and wealth manager in one.

In 2016, the overall worst performing funds were some 'clever' ones too – those designed to create a comfortably easy and not lights-shooting-out return by being sophisticated around the edges. However, instead of meeting their benchmarks (as if say it is as easy as just select say '5% above interest rates') - the worst 'absolute return fund' lost 26% according to Hargreaves Lansdown's research (excluding Investment Trusts and ETFs), the next down 18% and the third worst down 14.6%, those four holding-up the performance stats of all 'funds'. I should not be surprised to see some of the other sophisticated funds down there too – it's all very well taking the risks and things going in your favour but when they don't... our motto is it's best to keep simple with your investment strategy, simply diversify and buy value. In most years it does just fine and in some

years, like 2016, it does phenomenally when all the ducks seem to fall in a row. You might like the comment shared by respected Peter Elston of Seneca (one of our investee funds) on this very same subject - as if it is easy to just come up with a strategy which just backs the clear winners... but what is disturbing is that people are naïve enough to buy just such a 'promise'. Maybe it's called the 'smart alpha-beta-omega' strategy! Search for 'Seneca Peter Elston's Investment Letter Issue 21 January 2017' online.

### What is dear and what is cheap?

In life generally not just finance, just because you want something to happen, or don't want something to happen, because it would impact you financially, doesn't mean that your wish or thought is rational. For example, many people are continuing to bank on house prices rising exponentially but that cannot be sustainable. I have been wary of residential house prices for almost too long now (especially in places like London) but according to a recent article in the Telegraph it appears that fears are growing generally: search for 'Telegraph Fears of a 'massive' global property price fall' online. Regular readers will know that all I have been saying is that there are so many other forms of investment which offer better value than property and so I feel it is an easy call to make. Try to keep in mind what else is too dear and so should be avoided and, more importantly for our clients, what is significantly undervalued and therefore the place to put some funds.

### Wimbledon 2017

For the latest successive year I am pleased to say that we have been awarded a pair of Wimbledon tickets from one of our investee companies. We shall be undertaking a draw amongst all our participating clients and one lucky winner will enjoy a day's tennis for themselves and a guest as a result! This opportunity arises as one of the discretionary investments has a Wimbledon Debenture Loan and this is one of the perks of the investment, which we are delighted to be able to pass on to our clients!



Whilst we cannot guarantee that we will be allocated tickets every year, if you are not yet a discretionary client but have perhaps been thinking of investing funds with our Firm, why delay? You could be enjoying a glass of Pimms from Centre Court in summer 2018! Please do not hesitate to contact the Office to discuss your investment needs. Good luck to all our eligible discretionary clients and we shall keep you posted on the result of the draw.

### Final Salary Pension Transfers

Apparently transfers are happening like hot cakes. Even Baroness Ros Altmann (the Government's last pensions' guru) and the FT's Chief Economics' commentator Martin Wolf have all taken theirs away from their companies as they believe the transfer values are far too high and a once-in-a-lifetime opportunity to take such a colossal sum and reinvest it in their own pot instead of simply being a 'liability' to their old scheme and priced accordingly. Should you do the same? You can at least ask for a transfer value to begin to assess the value involved. Contact us if you want guidance but be prepared to pay a fair sum for the actual analysis which can be complicated even if the principle is very sound.

## Life Insurance

It is wise to have life insurance – that is a sum of money which would plug the hole left by your demise. However, be wary that salesmen (including all these online quotation sites) are still paid hefty commissions to arrange policies for you. One of our clients has just ‘earned’ the agent £1,700 for arranging a £140,000 pure life policy and a £50,000 Critical Illness (and Life) policy. What clearly the agent did not say is that the client’s pension fund is also a form of life insurance and that the Critical Illness policy duplicated part of the cover; his investments need to be considered as ‘free’ insurance, too. It is always better to save your money for yourself (perhaps put the premia into a pension and the Taxman will bolster it by your highest rate of Income Tax) – but the best thing to do would be to see an independent financial adviser with integrity who may, we concede, charge some hundreds of pounds to review everything and the market but you’d be receiving a much broader service for your money and would still save the excess commission which would be refunded to you (which could have been as much as £1,200 in this case).

## Investor Day

We enjoyed a very successful Investor day at Trimstone Manor Country House Hotel Monday 9 January. I think it has been our biggest yet and it seemed to go down very well and no, we were not ‘selling’ anything. However, I started by reflecting upon what we said at the previous one in June 2014 and it is interesting to look back and see what ‘was’ then and what we were saying and predicting. Remember though, today is the day and despite what the media may tell us, news drifts from our attention as it loses its impetus but as your investment manager, we have to keep a watching brief on everything and we’ll do what we believe is the best and right thing for you. That’s what you receive when you become a client and entrust funds to us. Most other advisers don’t have that – they have spasmodic contact at best and usually it is reacting after the event – not in any form of anticipation and indeed, the firms don’t have the capacity to act on that or collectively for their clients to achieve economies of scale either. We do - and our promise to all our clients is our best endeavours at all times though please don’t expect perfection as that is not possible...!

## How much cash sloshing around?

Well, according to the CIA, the amount of notes and coin and simple bank accounts across the Globe amounted to \$82 trillion at the end of 2014. I bet that is more than you imagined! Did you know too that globally, corporations are still stockpiling the stuff and paying down debts so there are colossal corporate cash reserves which should help buoy share prices too.

To counter the hard left’s anti-capitalist dogma too, believe it or not but the numbers now living below the international poverty line in the world are the lowest ever. 1.1 billion people have escaped that measure since 1990 of whom 100 million alone did so in 2012/13. The total remaining is still 767 million but an assailable target now and technology and international trade will all play their part to target those remaining, aided by less corruption (especially in the Third World), better healthcare programmes and democratic political systems.

## Simon Purchas

We were sorry to hear of the passing of Simon Purchas – he worked for the Firm for many years before retiring at sixty. He suffered a stroke and sadly never recovered from it, passing-away in Heanton Nursing Home at the age of sixty-six. Our thoughts and prayers are with his friends and family.

## After Hours

### Rock of Ages to be Staged in Bideford

Rock of Ages smashed its way onto Broadway back in 2009 and now, (at least!) one of our staff is going to appear in Atlantic Coast Theatre’s (ACT) performance of the smash hit musical!

Having found new premises following the closure of Barnstaple’s Queen’s Theatre, ACT is going to rock Bideford College’s Devon Hall from Wednesday 29th March to Saturday 1 April at 7:30pm and 2:30pm on Saturday as well. Come along to enjoy some classic rock favourites such as ‘Don’t Stop Believin’ and ‘The Final Countdown’!

Tickets available from

[www.atlanticcoasttheatre.co.uk](http://www.atlanticcoasttheatre.co.uk)

or by calling the Devon Hall Box Office on 01237 429501.

### Overheard in the office (not OUR office, we might add)

By way of a little light relief, we hope you enjoy these quotes!

---

Assistant: *Is this poster going to be mandatory?*

Manager: *We’re going to treat this as being required, but not mandatory.*

---

Manager: *Can you find these three files in our system?*

Assistant: *Sure. It’ll either take me five minutes, or longer than five minutes.*

---

Customer: *I need to send an international bank transfer for 1,000 Euros please.*

Assistant: *Okay, let me check ... yes, we can do that. How much is that in money?*

Customer: *Excuse me?*

Assistant: *How much is that in money?*

Customer: *Do you mean how much it is in Pounds Sterling?*

Assistant: *Yeah, how much is it in money?*





# Our Support for Charities and Local Projects

## AMIGOS - BARNSTAPLE

Our corporate sponsorship is currently being used to sponsor a student of Kira Farm in Uganda, where young people can enrol in a one year programme focusing on three main areas: conservation farming, vocational training and holistic life skills.



*Geoffrey, our sponsored  
Kira Farm student for 2016*

Amigos hopes to play its part in helping people to change their lives. Whilst only 17% of young people are employed in Uganda, 100% of Kira graduates are in employment.

We are delighted that our 2016 student, Geoffrey, has now graduated from Kira Farm.

In his last email to us, Geoffrey wrote,

*"Thanks a lot for supporting my journey of transformation. I came into the gates of Kira confused and hopeless. As I leave for home, I am going back full of hope and abilities to have a better life.*

He has graduated from Kira Farm with the dream and indeed the practical knowledge to set up his own carpentry business in his village. He wishes to employ and train local youths, as well as share his new understanding of farming techniques with the whole community.

We share his joy and pride in his achievements and his hopes to lessen the hardship of all those around him.

We are continuing to sponsor the project as it helps nurture hope and much needed practical skills in Uganda's next generation after years of Civil War. We are sponsoring Filder's education this year and she has written to introduce herself.

*Dear Philip*

*Greetings of joy form Kira. How are you doing my dear friend? Hope all is well with you. I have been given some good news that you will be sponsoring my training on Kira. Thanks a lot for picking me. I am so grateful and I am already enjoying the benefits of this opportunity.*

*My name is Filder, I am 20 years old. I come from a district called Kitgum in the northern part of Uganda.*

*This is the first time coming out of my village and living in an environment with people from different parts of the country. So far I am already on a learning experience. We are being taken through restorative justice training which is already helping us a lot to learn how to communicate but also understand and appreciate different cultures.*

*By the end of last week I had already made a number of friends from different parts of the country.*

*I have always been shy, something that I think would have hindered me from achieving my dream of becoming a business woman, I am going to use this opportunity to not only get skills but also get rid of my shyness.*

*Thanks a lot for helping me.*

*Yours.*

*Filder.*

We will keep you updated on Filder's progress throughout the year. For more information about Amigos and the Kira Farm project, please visit [amigos.org.uk](http://amigos.org.uk). We shall be delighted to assist anyone in making a donation to the charity but please note cheques should be made payable directly to 'Amigos'. Thank you.

## Devon Community Foundation (DCF)

The Philip J Milton & Company Plc Fund through the Devon Community Foundation (DCF) has funds for local causes. If you know an organisation which may qualify, please approach me and I'll put you in touch! We like to try and help a range of smaller ventures if possible but DCF's general endowments or other funds could help, too.

Through our networks I am also happy to give guidance on general fund raising opportunities and access to funds for smaller worthy causes where I can, too.

[www.devoncf.com](http://www.devoncf.com)

## Tearfund

We are delighted to be supporting Tearfund as a partner too, a Christian charity with vision to see 50 million people released from material and spiritual poverty through a worldwide network of 100,000 churches. Specifically we are aiding self-help groups in Ethiopia. As well as developing our corporate sponsorship program with Tearfund, the charity has a number of ongoing campaigns:

**Stir up suppers:** Share food, ideas and faith and explore how, together, we can make the world more just and sustainable.

**Switch your energy:** Use your consumer power and switch to 100% renewable electricity.

**Speak Up:** Join with others in your local area to lobby your MP.

Visit the website to find out more information: [www.tearfund.org/en/about\\_you/campaign](http://www.tearfund.org/en/about_you/campaign)

We shall be delighted to assist anyone in making a donation to the charity but please note cheques should be made payable directly to 'Tearfund'. Thank you.



*Filder, our sponsored  
Kira Farm student for 2017*

## Client Testimonials from Investor Day on 9 January 2017

*'Thank you Philip and your very able team for organising and leading a very useful and enjoyable event. Thanks also for the lovely lunch ... I learned a lot from all of you....liked the Premier Asset Trust with its focus on renewables. You offer a great product, users speak highly of your service and deserve a good uptake of new clients. I may well come to you with my next tranche of ISA allocation for my Mum. ... Thank you and your team once again'* Combe Martin

*'Thank you, and your colleagues, very much for your hospitality and a very interesting and enjoyable day. I've certainly gained plenty of food for thought!'* Yelland

*'Just a note to thank you for the day at Trimstone. We thoroughly enjoyed an informative and well organised seminar. It would be difficult to distinguish which sessions were most interesting. So well done to yourself, Simon, James & Claire for delivering this. Also must note your admin team for very professional "event management". As usual we came away feeling very positive. We will be in touch with an advisor in due course to review some thoughts which have been raised today.'* Exeter

*'Our thanks for an informative and enjoyable day yesterday. Also many thanks for the excellent hospitality and the friendliness of the staff.'* Shebbear

*'Thank you for a very enjoyable and informative day. We wish you all the best for the future and thank you for all your help and advice.'* Bideford

Our sincere thanks to our hosts for the event,

## TRIMSTONE MANOR COUNTRY HOUSE HOTEL

Trimstone, Nr Woolacombe, North Devon EX34 8NR

01271 862841

info@trimstone.co.uk

[www.trimstone.co.uk](http://www.trimstone.co.uk)

PLEASE NOTE: The comment contained within this newsletter is the opinion and copyright of Philip J Milton & Company Plc. This is a financial promotion. No outside institution is employed specifically to provide comment which is based entirely upon our independent view of worldwide markets and economies at the time of publication. The values of market investments and their income can fall as well as rise. Any performance/prices quoted are based on details at the time of writing and specific clarification and individual comment is necessary if action is being considered. Please note that some of the ancillary products or services such as Will Writing, Accountancy and Executorship services are not regulated by the Financial Services and Markets Act 2000. The value of your home is at risk if you do not keep up repayments on a mortgage or other loan secured upon it (written details are available on request).

Any case studies featured in this edition have had identifying details altered to protect client confidentiality.

## Client Agreement Update

### DISCRETIONARY INVESTMENT MANAGEMENT

D3. (a) For our discretionary managed ISAs, Junior ISAs, SIPP's and Portfolios, we use Quai Administration Services Limited (of 16 Tesla Court, Innovation Way, Peterborough, PE2 6FL) as our administrator. All investments within managed ISAs, Junior ISAs, SIPP's and Portfolios are registered in the name of Winterflood Client Nominees Limited of Winterflood Business Services Limited, The Atrium Building, Cannon Bridge House, 25 Dowgate Hill, London, EC4R 2GA. All assets within managed Transact Pensions, Bonds and Portfolios of Securities are registered with Transact Nominees Limited of 29 Clement's Lane, London, EC4N 7AE, a 100% subsidiary of Integrated Financial Arrangements Plc. Underlying beneficial ownership remains with the Client who retains all rights attributed to investments held (such as voting). The Company cannot be held responsible for any exercise or failure to exercise any such rights.

(b) It is confirmed that by signing this Agreement the Company may register Clients' discretionary managed investments in its administrators' nominee names or any other nominee name that the Company may in future see fit to entrust with the holding of such investments. The Company accepts responsibility for ensuring that Winterflood Business Services Limited and Transact (or any subsequent custodians) have continuing status as eligible custodians.

D5. Statements from Quai Administration Services Limited and Transact are provided half yearly with a valuation of the holdings as at 5 April and 5 October. Typically, reports are forwarded to Clients within six weeks of the valuation dates. Quarterly Transaction Reports are available upon request. For Portfolios, as at 5 April, a trading statement showing acquisitions, disposals, gains and losses and a Consolidated Income Tax statement are provided. No specific measure of performance is quoted. Within valuation reports, Transact uses the selling price of securities. Quai Administration Services Limited uses the selling price for Unit Trusts and mid-market prices for Investment Trusts, direct stocks and OEICs. Transact valuations are accessible daily on its website, subject to confidentiality protocols.

### GENERAL ADVICE (OTHER THAN ON A 'FACE TO FACE' BASIS)

GA1. The terms we offer to distance clients will not vary from those available to clients who may arrange an appointment at one of our offices.

GA2. Other taxes or costs may exist that are not paid through the Firm or imposed by it.

GA3. All communication with clients will be in English.

# Philip J Milton & Company Plc

Established 1985

## North Devon's Leading Independent Wealth Managers

Dear Philip J Milton & Company Plc.

**Please accept this letter as notification of my intention establish an 'execution only' investment in your discretionarily managed:**

- ☐ **Balanced Investment Portfolio**
- ☐ **Stocks and Shares ISA**
- ☐ **High Income ISA**
- ☐ **Balanced Personal Pension**
- ☐ **Other Portfolio / ISA / Pension strategies** (please delete)

*We have listed some of our most popular strategies here but these are not 'recommendations' for you.*

*Please select 'other' if you would like to receive information on all our available investment strategies.*

*Please contact us if you would prefer to transfer funds direct to our bank.*

**Please find enclosed a cheque payable to 'Philip J Milton & Company Plc – Client Trust a/c' to begin my investment.**

I/we look forward to receiving full details regarding the investment and understand my/our funds will be held in a Client Cash Account until all relevant documents and information have been provided and I/we have satisfied all other requirements of the Firm as stipulated by the Regulator.

Name(s) \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_

Postcode \_\_\_\_\_

Telephone \_\_\_\_\_

Email address \_\_\_\_\_

☐ Please tick the box if you do not wish to receive confidential information via this email address.

Philip J Milton & Company Plc is authorised and regulated by the Financial Conduct Authority 181768.

Registered Office: Choweree House, 21 Boutport Street, Barnstaple, Devon, EX31 1RP

Tel. (01271) 344300 Fax. (01271) 342810

www.miltonpj.net Email: info@miltonpj.net