Philip J Milton
& Company Plc
Established 1985

New Model Adviser
TOP 100
2016

North Devon's Leading Independent Wealth Managers

MILTON NEWS

Summer 2017 Edition

Highlights

- **Meet Our Financial Advice Team**
- **Our Discretionary Managed Investment Strategies**
- **News from the Markets**
- **Scams & Fraud Alerts**
- **Our Support for Charities and Projects**

and much more!

We hope to see you at the North Devon Show on Wednesday 2nd August. We'll be in the Arcade!

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Independent Financial Adviser

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Dear Client *August 2017*

As ever, so much has happened since our last newsletter in March! We have a new Government – led by Theresa May, who secured the biggest share of the vote since 1983 for her Party and more votes than David Cameron in 2015 and yet lost overall control of the House of Commons. And of course we must not forget 'New Labour's' Jeremy Corbyn who defied the pundits too. Strange times, though so far markets are taking it all in their stride.

Sterling had an inevitable wobble and is again far too low now but uncertainty creates weakness and until a few definite pointers for Brexit and the future manifest themselves, things won't change very much. At least the process is now underway! However, I stick by my previous prediction – Sterling remains too lowly priced against major international currencies and in the end will settle at much higher levels than now. It is time to repatriate excess Dollar and Euro assets!

Inflation (CPI) ticked-upwards to 2.9% in May, a four year high and above the Bank of England's prediction for the highest level this year. This was above average increases in income (2.1% for the same period), though it is bemusing that when it was the other way around with incomes rising higher than inflation, the factor never saw the same degree of headlines!

We are also told by the media that austerity will be coming to an end. There have been all forms of debate about this – as if 'austerity' was a 'choice' as a policy whereas of course it was not – the only choices related to the extent of reductions in the over-spend and how (and sorry but as an economist I dismiss the Hugo Chavez-style zealots who suggest simply borrowing even more to spend our way out of trauma). After the depression and the 7.5% negative growth following 2008/9, the annual deficit was at £150 billion and it is now 'only' in the region of £50 billion. Yes, this means all that has happened is that the extent of our profligacy has reduced. Austerity has not meant 'living within our means' as we have rewritten its meaning to be a more compassionate medicine and of course there are many who have suffered real hardship and continue to do so. The Government went for a middle road to soften the pain and now points to the highest ever levels of jobs (including permanent ones) and other really positive economic factors such as the lowest number of workless households with children since 1996, lowest income inequality since 1986 and minimum incomes having risen by 30% in seven years and way above inflation. Mr Corbyn very successfully managed to distract the electorate towards his own agenda instead and can be complimented upon his campaign even if we may all have thought he would never have been able to afford to implement his 'promises'!

I worry about the consequences of increasing interest rates. Mrs Yellen is on that path in the US and has ratcheted-up the central rate, now at 1.25% (yes, that's an increase of a quarter). Central banks across the world have enjoyed really low rates of interest on their national debts and at some point these will increase – a 3% increase in the UK will add £51 billion to the annual cost, more than all of any political party's promised increases in welfare and public spending. The frightening thing is that a Government borrowing rate of 4% is not a significant level.

Inflation here will continue to stay at these levels for a while – or increase. We have had a one-off hit from the currency devaluation and I am surprised the rate is not higher in view of what we import. If you are going to the Continent on holiday you will realise that you can't buy anything like as many Euros as you could a year ago. Maybe you would be wise looking to see where your Pounds go furthest – places like Turkey for example or even a 'Staycation'. What increased inflation reminds us is that if your money is in the bank or building society, it is going backwards. It is earning you 'no' interest and at the end of the year, £1 is only worth 97p of buying power. You need to do something about that if you have too much on deposit – at the same time you are worried about inflation, the British stock market has been scaling new peaks and paying bigger dividends (income) to investors. It's been great for our clients: they have enjoyed an income as much as four or five times the rate of interest on ordinary bank accounts and their capital has been keeping pace with inflation, and more. Of course, it is harder going forwards as the best times to invest are in the past but there are still opportunities and we are looking constantly to take advantage of them. Interest rates for savers are not going anywhere skywards in the next few years by the way – we have the lowest ever mortgage rates and savers' returns instead.

Don't forget, if you're in the area we'd love to see you at the North Devon Show on Wednesday 2nd August; the Firm will have its usual stand in the Arcade. It is such a lovely local event and a great opportunity for us to say 'hello' to our many existing clients and business associates and offer information and guidance to new ones. All the information you need on the event, and purchasing tickets, is available from **northdevonshow.com**.

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: Meet Our Financial Advice Team

Our clients, whether they come to us for Financial Advice, Wealth Management or Investments, enjoy close and regular contact with their adviser and they will be aware that we have a highly competent support team on hand to assist should an adviser not be available immediately to answer queries. We would like to take this opportunity to introduce you to the full Advisory Department team who will be delighted to help you at any time.

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

Upon leaving school at sixteen, Philip joined one of the leading high street banks and quickly gained his banking qualifications. He founded Philip J Milton & Company, starting out from a room in his parents' home in Georgeham. Philip continues his work as Fund Manager, leading the investment decisions for the Company's discretionary client funds. He is one of the longest-standing managers of the same funds in the whole industry. He publishes regular trade press articles and commentary and runs Investor Information Days for interested parties.

Philip has lived in North Devon all his life and is well-known in business and community circles, he is involved in many charitable activities away from work. He has previously stood for Parliament but has retired from that pursuit now. Philip has been happily married to his wife Helen since 1991 and they have four children.

SCOTT W J PICKARD APFS - DIRECTOR

Chartered Financial Planner

Scott joined the Company as a newly qualified adviser in November 1996 having previously worked with the Refuge Life Insurance Company. Scott was appointed a Director of the Firm in December 1997 and has continued to advance in the profession by achieving a number of financial services' qualifications since then. Scott oversees the Mortgage Department and Will Writing and Trust Department.

Scott has lived in North Devon all his life and now resides in Braunton with his partner. Scott's hobbies and interests include travel, antique hunting, gardening, property renovation, hiking, wild swimming and socialising with colleagues, friends and family. He is also a long term member of both the Woodland Trust and National Trust.

SIMON VALENTINE-MARSH BA(Hons) FPFS - DIRECTOR

Chartered Financial Planner

Simon joined the company in June 2007 as a trainee adviser, having previously worked in an insurance company as a technical adviser. Simon quickly attained competent adviser status after joining the Firm and progressed through the higher Chartered Insurance Institute qualifications becoming a Chartered Financial Planner in June 2012. He was appointed as a Director of the firm in October 2012. Simon oversees the Advisory Department.

Simon lives in Tiverton with his wife and two children. Simon is from Cornwall originally and went to the University of Kent where he studied Accounting and Finance. He returned to the South West via Reading where he worked for Prudential. He loves music and has an eclectic taste, enjoys cycling and loves anything to do with cars and motor racing.

ELIZABETH WEBB BSc CA DipPFS – FINANCIAL ADVISER

Chartered Accountant,
Member of the Personal Finance Society by Diploma,
Certified Mortgage Professional

Elizabeth began retraining as a Financial Adviser in 2013 when she joined the Firm, achieving her goal only three years later. She is continuing her studies and has a growing client base within the Firm.

Elizabeth grew up in London and now lives in Fremington with her husband, with family close by in Ilfracombe. Her hobbies include musical theatre, singing, aerial arts, powerlifting and creating new challenges for herself.

FELIX J MILTON DipPFS MAAT – FINANCIAL ADVISER

Member of the Personal Finance Society by Diploma,
Member of the Association of Accounting Technicians

Felix is the eldest son of Philip Milton, the Company's founder, and is keen to learn the business. He has been part of the Firm by helping his father and through work experience programmes for as long as he can remember. He often helped to place the newsletters in envelopes when he was much younger to earn his pocket money! When Felix gained his Financial Adviser qualifications in 2016, he was the youngest financial adviser in the Country. He is continuing his studies and has a growing client base within the Firm.

Felix was born in Barnstaple Hospital, grew up in Georgeham and has lived at Trimstone Manor near Ilfracombe since December 2008. His hobbies include motorcycling and rearing and collecting poultry!

CARLA PATERSON-BELL CertPFS - PARAPLANNER

Member of the Personal Finance Society by Certificate

Prior to working for Philip J Milton & Company Plc, Carla worked in Customer Services in various jobs within the retail industry. This involved engaging with the public, answering any queries and trying to come to a suitable solution when any issues arose. These are skills which she has been able to apply to her job role today. In terms of her experience in the financial services' industry, this has all been obtained by working at Philip J Milton & Company Plc since the age of nineteen. She started as an office assistant and has worked her up to Paraplanning within the Advisory Department, studying and developing her skills along the way. Carla has progressed through various roles at the Firm, becoming an Assistant Director in 2016.

Carla has lived in the area all her life and currently lives in Bideford with her husband and is currently on maternity leave in expectation of the birth of their first child.

NATALIE BLACKWELL - PARAPLANNER

Natalie has over 10 years' experience in the Financial Services Industry, and returned to the Firm in 2015 after beginning her career here as a trainee. Natalie works part-time in our Advisory Department as a Paraplanner, assisting our qualified Financial Advisers.

Natalie lives in Barnstaple with her husband and two children. Her hobbies include horse riding and socialising with friends and family.

CJ ROBERTS - TRAINEE ADVISER

Having recently joined the team at Philip J Milton & Company Plc, CJ supports the Advisory Department. He was previously an Account Manager at Archant before making a career change and is working towards achieving his Level 4 Diploma in Regulated Financial Planning to become a Financial Adviser.

CJ was born in Lynton and Lynmouth before jumping across the pond to complete his studies at Cardiff Metropolitan University. He is into his sports and plays for Braunton FC; when the weather is right he enjoys being on his motorbike, some say a "fair weather rider".

MIKE PASSMORE - TRAINEE ADVISER

Having rejoined the Firm in 2016, Mike is training to become a fully qualified financial adviser.

Mike lives in Barnstaple with his wife, son Max and new baby Esme. He has lived in North Devon all his life and studied at Plymouth University.

WILLIAM CURLE - TRAINEE ADVISER

William began working for the Firm as a Trainee Tax Adviser and earlier this year, he moved into the Advisory Department. He now supports the Financial Advisers and is working towards the Diploma in Regulated Financial Planning.

William was born in London and moved to Devon at a young age. He attended school in the Torridge area. In his spare time, William enjoys travelling and working on his car.

Do get in touch with us at any time and one of the team will be very happy to help.

Our Discretionary Investment Services

INVESTMENT MANAGEMENT

Just what is this? In simple terms, it is looking after your money.

It is taking the decisions needed to best position yourself according to your needs and circumstances. Yes, it is choosing one investment over another in a Portfolio (a collection of different investments) but more importantly, it is first choosing the right types of assets. Some may then say that they can do that themselves and pick index funds and other funds to save on the costs. That is true but by engaging a professional and staunchly independent investment manager like ourselves there is the imperative advantage of, and opportunity for, your manager to derisk if he believes there could be bumps in the road ahead and to reposition accordingly. Your manager must be dynamic and flexible too – not many private investors could emulate what we can do – perhaps no one can when systems, risk management and opportunities are considered.

Here's another interesting fact about self-selection (or lazy advisers!). Did you know that five funds in the Equity Income Sector (Unit Trusts) count for over 50% of the whole sector? This is one of the most popular investment choices for people and not only that but most of those funds have all the same sorts of stocks so they all rely upon each other to produce the performance – quite scary. We don't have any of those – odd that, isn't it? The risk of being correlated to the same sort of outcomes only rears its head when the same sort of problem afflicts the same sort of stocks. It is too late then. The sector's goal, simply defined, is to generate an income above the All Share Index. Our Balanced Portfolios exceed that as well but without this correlation risk. We are now reading that last year 90% of UK funds underperformed the index and as stocks become more expensive, they count for more of the index – worrying, eh?

Apparently there is now £260 billion held in Cash ISAs – all earning hardly anything. This is a frighteningly large sum – equal to Ireland's annual economic output apparently – where so much could so easily be earning their owners more meaningful returns. I wonder if investors realise they can transfer their balances (full or part) to Stock Market ISAs like our own to give them such superior potential whilst preserving the tax advantages?

FUNDS WE MANAGE

It does not seem like very long ago that I was noting we had the responsibility of managing £100 million for our many clients. That figure is now £140 million through excellent performance on behalf of clients, new funds subscribed and of course where many clients choose to reinvest the generous levels of income the strategies receive as opposed to withdrawing it for their own needs, bills to be paid, etc!

It's been a very busy time and I apologise if you have been obliged to wait for longer than we should like for your advisory contact or update but that, I regret, is the cost of success, as hard as we try. We are, though, constantly looking at enhancing how we do what we do through training and adding to our staff base. That said, we are quite unique – most financial advisory firms are top-heavy with 'salesmen/advisers' and few administrators but as we are so service-orientated, looking after all our clients from the smallest to the largest, we are absolutely the other way around! We are proud to have a reputation which reflects that, too.

PAST PERFORMANCE

We don't try to dwell too much on the past as the future is more important, really.

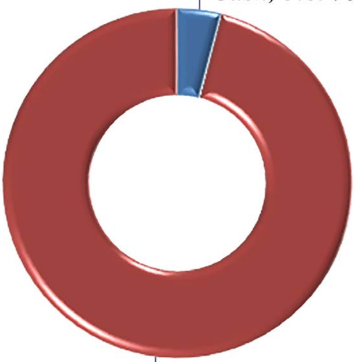
I had not realised, however, just how well we had done for our clients until I saw that 92% of all US Large Cap Mutual Funds underperformed their benchmarks over the last fifteen years. Some of this is just that we called a few things 'right' – like our choices regarding the technology bubble in 1999/2000, buying during the low in March 2003, continuing to hold the faith in the trough of 2009 and then the prudent decisions we took last year in the face of great political uncertainty. These figures read even more badly for most of the Funds in that only 34% are still there – 66% have disappeared in that time – and probably through decisions to close through a lack of success. The other interesting thing is that so few managers have a lengthy tenure – they all flip around and don't last very long – I have been managing the same funds now for a remarkable thirty-two years. Reliability and consistency of approach are the assets which hold us in good stead as investors over the long term.

Every so often we feel compelled to back-test something and we did this recently for an investor in our High Income, 'safer', ISA (which invests in traditionally defensive assets like bonds, gold, some currencies, alternative lenders and a few other basic commodities we all need all the time). We established the strategy for clients who have lower risk profiling and for whom retention of their capital is perhaps as crucial as the opportunity for a return a little above what they can earn on deposit at the bank or building society. We spread the capital very far indeed, both amongst the holdings we maintain but also through the underlying funds and also the types of assets so that the accounts are as uncorrelated (acting differently) to shares as possible. Indeed, there is protection in that a rout on the world's markets or political or armed conflict would see some assets increase in value as investors flee to safety.

We offer this strategy under the wrapper of an ISA, Portfolio or Pension so wherever the investor's money sits, they can have the defensive strategy. You can even transfer in all or part of an existing Cash ISA from elsewhere (which earns you pretty much zilch at present!) without losing the tax benefit to it if desired.

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.
- No need to declare returns to HMRC.
- 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.



Top Ten Defensive Holdings	%
JPMorgan Global Convertibles Income Fund	7.48%
Standard Life UK Smaller Co Trust Convertible Loan	7.46%
P2P Global Investments Plc	7.11%
The SME Secure Loan Fund Plc	6.54%
Acencia Debt Strategies Ltd	6.43%
Invesco Perpetual Enhanced Income Ltd	6.11%
City Merchants High Yield	6.01%
GLI Finance Ltd	5.97%
Carador Income Fund Plc USD	5.91%
Henderson Diversified Income Trust	5.44%
Total Percentage of Fund Represented	64.46%
Cash	3.89%

So how did we do for our client? Mr B transferred a Cash ISA to our Defensive High Income ISA in August 2010. He hasn't been tied in for any lengthy period – access anytime he wanted funds (we have a one month notice period for dealing and ten working days for settlement). He has left all the gains and income to be reinvested but he could have had that paid to him regularly if needed. After all fees, his account has risen by 39% - a very acceptable 4.8% pa compound return from what really I'd consider to be pretty dull investments and indeed not the ones in which I'd usually encourage investors to hold too much (our other strategies are far more balanced and have done significantly better). He even beat CPI inflation – which totalled 11% and exceeded most deposit accounts. Not bad for a strategy with which he can sleep nights, we believe! Had he taken the income, it would have been very good and is available as a monthly regulated sum or quarterly if preferred.

And remember – you may say you don't take any risks but if your money was all at the Bank or Building Society, you took some big risks and continue to do so:-

a) receiving a poor return which became worse over the years;

b) missing out on 39% return;

c) missing out on circa 30% of out-performance from our 'dull' investments over yours;

d) seeing the real value of your money drop with inflation so it won't buy as much as it did in 2010;

e) not having at least 'something' in assets which might counter-balance where you have much of your other money so that if interest rates drop more or stay low you stand a chance to gain, if Sterling rises you will gain, if Gold is bought as a safe haven you will gain and so on – and someone is managing those scenarios for you;

f) not having an adviser with whom you could have had an annual (or more frequent) discussion about your invested finances free of additional charge.

INVESTMENT CASE STUDY – LOW-MEDIUM RISK CLIENT

A longstanding client of ours had some surplus cash available for investment in August 2010 and also had a Stocks and Shares ISA with an alternative provider which was underperforming. We reviewed her situation: she did not need to take a high risk approach to investment, having the majority of her investments in high yielding accounts with us: her priority was to see her money keeping track with inflation and to earn her a little income. Her priority for these funds was for a stable investment. We therefore advised her to transfer just over £9,500 into our High Income Stocks and Shares ISA.

Earlier this year, when we reviewed the account just ahead of a further contribution, the ISA was worth £13,280 - this is equivalent to a little over 4.8% per annum compound interest after costs. CPI inflation over the same period would have seen the initial capital need to be worth £10,683 so the investment more than met her aims.

This is just one example showing how, through our various investment models, we can meet our clients' needs. This model is designed not just for some small return but also to 'protect' the capital rather than lose it over time, as is the case with cash investments now.

HALF-YEAR RESULTS TO 5 APRIL

It is good to be able to report one of the best eighteen month periods our clients have enjoyed and this in the face of significant political bemusement as well as economic changes. Strangely enough, the investment management industry generally found it very difficult to perform, with those aforementioned reports of '90% of all active fund managers underperforming the indices' over the last calendar year – something our clients will not have sensed by their outcomes for funds we have been managing. Indeed, even leaders who look after the majority of investors' funds out there did very poorly including top names like Woodford Investment Management with a paltry 3.76% return for the flagship Equity Income Fund. They manage billions too – we 'only' manage £140 million. You can imagine that we were not supporters of the new fund which was sold like hotcakes by transaction-orientated advisers…

For the six-month period until 5 April, whilst every account we manage is different, our sampling analysis across all our ranges from ISAs to Pensions and Portfolios shows that our diversified strategies did very well indeed since 5 October. Remembering that they contain cash and defensive assets which are not designed to either 'go up' much or to 'shoot the lights out' (aside from the Defensive Only strategies which are higher security and not 'balanced'), each has achieved a return exceeding the outcome of the FTSE100 Index inclusive of dividends. Bearing in mind that the index includes no charges whereas all our management fees and dealing costs are included in the net figures, this is very pleasing and puts our outcomes in the top 10% of comparable quoted 'funds'. Our best performances came from those strategies with the smallest elements of Defensive assets within them as our market, currency and stock selections outpaced the 'average' yet without increasing risks. The FTSE100's capital return was 4.29% in the six months incidentally though we do not 'use' this comparative (which counts for 80% of all UK stocks) aside from popular familiarity, as we have overseas' holdings and perhaps the minority of funds exposed to 'just' the biggest UK companies.

INVESTMENT CASE STUDY – MEDIUM-HIGH RISK CLIENT

Some clients of ours invested £14,800 in January 2011 into our discretionary managed Capital Growth Portfolio model. At the same time, to spread investment risk and to use their annual allowances, they also each invested £5,000 in our Stocks and Shares ISA (taking a different model each to increase diversity in their investments and again, spread risk). Since then, they have left the pot alone – they've made no withdrawals, have not asked us to pause trading on the accounts, they've not even contributed any extra funds.

As at 1 July, six and a half years in, the Capital Growth Portfolio is worth £25,290 from growth in the investments held and through reinvesting the income received from dividends – that is the equivalent of 8.24% annual compound interest even after our fees for discretionary management. Their combined ISAs are now worth £17,300, so that's another 8.4%.

Of course, these figures refer only to past performance which is not a reliable indicator of future results and every period over which we measure has its unique influences. It's not all been plain sailing – they've had to stick with us through the various market 'wobbles' in recent years and are now enjoying the benefits of that faith. We have, to 5 April this year, enjoyed the best 18 months' growth in our history. Our clients, in choosing to invest when they did, have benefited from this growth and from our expertise.

Isn't it time you considered joining us as a discretionary investment client? We'd be delighted to review your circumstances and offer investment advice, although we must charge a fee for this service so we'll let you know all the costs upfront to help you make a decision. If you want to try us out without receiving financial advice first and free of fee, just get in touch. There's a handy response form included with this mailing, on the back of our Taxation Services' flyer.

News from the Markets

EDUCATION ON INVESTMENT TRUSTS

We have done remarkably well over the years by holding and managing Investment Trusts rather than Unit Trusts and Funds, OEICs or whatever you'd like to call them, and which most financial advisers sell and most investors buy. If you are not our client, chances are that's what you have – sorry. There are many reasons for that but most are not in favour of the end-user – you, the investor! We can buy and hold anything too: if we see better value in an Investment Trust, we'll buy it, and if not, we'll buy a Unit Trust – simple! Our job is to buy the best value for our clients and on the best terms we can; you are the person for whom we work.

Nick Greenwood of Miton manages one such Trust which invests in other Trusts. We have held it for years and have a reportable stake in it, so quite a sizeable holding for us. We have not only enjoyed a comfortable return on Nick's expertise but the discount at which we have been buying into the Trust has shrunk and indeed disappeared. This means that in the last year alone our investors have achieved an extra return in the region of 15% from the evaporation of that discount through a simple technical opportunity. Of course it is not so attractive now and maybe we should be trimming (again) just as everyone is piling in. We have discovered other opportunities instead, which are not now so popular – but we haven't sold-up yet, either!

Yes, we charge a management fee for managing our clients' assets. However, so does everyone else and ours is not much different to the industry. That said, we offer a free-of-charge review with you of your Portfolio every year whereas most advisers charge a fee on top and which can be 1.5% pa plus VAT. We don't charge you a penny to subscribe capital to our management systems either (and no fee at all if you don't need advice either!): most advisers charge you an advisory fee and then a transaction fee which can be 3% and sometimes more. That is quite a lot, said politely (some of the bigger quoted groups of 'restricted' advisers hide all this within the underlying funds – be very careful – some of these are as much as 5%). We do charge percentage-based brokerage on the underlying transactions, but the big boys suffer such costs, too. Just think, though, how much of our TOTAL management fee this year was covered for our clients – and a handsome profit on top – simply by the reduction in the discount on the Miton Trust?

Nick Greenwood discussing Miton Global Opportunities Plc, available online.

The video from Nick online (search for 'Miton Global Opportunities Plc') is very interesting and explains more about the concepts behind what we see as good value too – worth a look!

Mind you, I think I shall have to stop telling people about these undervalued Investment Trusts as I spot them, as they all seem to be moving up in price! Instead, I can keep quiet and continue buying as many as we can for clients…

EUROS

Central Banks are dumping Euros apparently, worried about how the political instability over the next two years could impact the value of the currency. Remember that regardless of this, I have said that in my view fundamentally Sterling is undervalued and the Euro and US Dollar over-valued. These things do revert to relevant levels in the end – even if they markedly overshoot. Nothing changes my mind that it is time to repatriate more funds from overseas to buy cheap pounds whilst they remain cheap. I perceive the downside is very limited so little to lose from doing it and potentially there could be a 20-40% upside.

Remember too that Greece has not gone away and this summer it has a significant log-jam to clear which will be painful medicine for the Country, as well as Germany, to fund it. So far it appears the issues have really only been kicked down the road.

SHORTED STOCKS

Do you know what that means? In a nutshell, it means speculators have borrowed shares from holders and they have sold those shares on the market. They do that either to 'hedge' a position or because they think that the share price will fall so that they can buy those shares back on the market at a cheaper price later and replace them with the original holder. Meantime they pay the original holder for the privilege as well as account to him as if he was still holding the shares.

I think there should be constraints on this sort of activity. I believe it exaggerated the banking crisis in 2008/9. However, for now these artificial positions can endure, depressing share prices (as effectively there are more shares sold than otherwise would be the case of course).

Perhaps I should not complain as actually, several of the biggest victims are those where we see value. Of the top ten, we own positions for clients in five! All we await is a situation like that regarding Volkswagen (search for 'Telegraph Funds lose £24bn' to read the full story) to arise, to sting the excessively aggressive short-sellers.

At the time of writing, the worst case is Carillion Plc, but WM Morrison, Tullow Oil, Debenhams and Mitie are all there and we own stakes in each of these. Hansteen, a £900 million commercial property company, was a new entry on the list in April, now at 8.51% - we don't own any of those but high and consistent dividends are an attribute of commercial property companies so if all else is fair, then perhaps we should have a look when we have a space! Hansteen's yield is around 5% at the moment though the shares are not much off as a consequence of this activity. It is NOT residential property, incidentally, to which we have a serious aversion as not representing value, as regular readers will know.

COMPANY	% Short
Carillion Plc	24.79%
Ocado Group Plc	18.26%
WM Morrison Supermarkets	16.12%
Tullow Oil Plc	12.45%
Wood Group (John) Plc	12.00%
Debenhams Plc	11.92%
Marks & Spencer Group Plc	9.79%
Mitie Group Plc	9.77%
Pets At Home Group Plc	8.79%
Hansteen Holdings Plc	8.51%

PROPERTY FUNDS

The Financial Times reports that five of the UK's largest property funds are holding up to a fifth of their money in cash, to avert the same issues which caused many of them to suspend withdrawals last year.

This is all very well but investors are paying fees to have cash earning nothing and not all of their money, by a long chalk, is invested in their chosen investment medium – commercial property. Do the investors know? I wouldn't even recommend buying these types of funds (this is not advice, of course!) but instead would go for Real Estate Investment Trusts (REITs) as they are more fully invested and their shares are traded on the Stock Exchange. If you are not sure what you have, contact us for information, without obligation. If you have some form of unitised holdings connected to a Pension, Bond or other such vehicle in property, then this is the type of investment you have and NOT REITs. Time to change – come and see us!

RISK AND STRATEGY

I came across an interesting idea to describe risk and thought I'd share it with you. It might help some understand better the concept of recognising that risk exists in everything we do (or fail to do!) with our money. Even cash means that moths can eat it or a thief can steal it (that's biblical)! Yes, there is that pervasive thing called inflation too – at the moment your Pound in the bank is worth less after a year than it was at the beginning, even with interest.

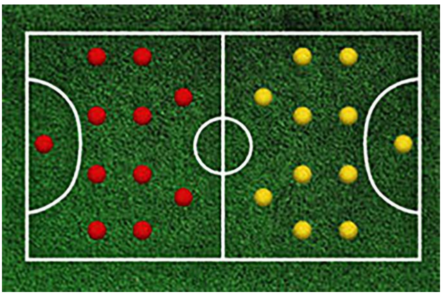
Think of a football team. That is how we look to help our clients manage risk. Different people (at different stages of their financial lives) have different ideas on how to position their team.

The goalie is the safest, of course. Then there are the defenders, mid-field and then the strikers at the front.

Now, in theory, the risk-averse person would have his whole team in the goal mouth. The problem is he will never score a goal and indeed, being under constant attack will mean that, every so often, they are bound to lose goals to the opposition. Employing this strategy, you would be guaranteed to lose the game, every time. You have absolutely no way of being able to counter what comes at you.

The aggressive person dispenses with a goalie altogether and believes that the best outcomes are in having all strikers. Probably he's right – when the game is all about scoring goals, that's the way to speculate hard and win hard. However, as soon as the opposition breaks through, you're sunk and can be relegated overnight. Neither is that the best way of managing your money.

So you may feel that some of each is the most prudent and you are right. A one, two, four, four strategy for your eleven players may give you the best balance. So, you can see this? Then you understand 'risk and reward'. Now you must do that with your money. Some is in boring, 'safe' things, some defensive but a little better in prospects, some middle-field and some at the front, striking, whereby you may achieve a good overall return in normal conditions. You could lose capital as well in the face of volatility from negative events but overall, you have a very balanced profile and are doing the 'wise' thing. Over the long term, that balanced overall approach, properly positioned as well as coached and managed for you, will achieve consistent and steady results which will make sure your money works hard for you and as hard as you or your family have worked for it. Don't squander it all by doing 'nothing'.



SCAMS & FRAUD ALERTS

HMRC

There are plenty of email scams. Do look out for them. These include authentic-looking ones from 'HMRC' but HMRC does not send emails with information in them or attached to them.

MOBILES AND TEXTS

Watch out!

A member of staff entered a competition. When checking her mobile bill, she realised that she had been charged £18 extra on top of her contract. She called her network and they said that she was being charged to receive some texts at £4.50 per week. She couldn't think of any texts in particular that looked odd as she receives texts from many companies such as River Island, Topshop, Domino's, Beauty Bay, etc (mainly clothes shops) but as she checked the number online using a service such as whocallsme.com and realised she is not the only one to whom this has happened, plus found details on how to stop the charge. She contacted her mobile network which also offered to help stop the texts and secure a refund. The lady to whom she spoke stated that she had entered a competition which involved her receiving texts and somewhere in the small print it says it is chargeable but we don't always read the small print… and how many of us don't check our billing statements very closely!

BANK AND BUILDING SOCIETY FRAUD

Fraud attempts are increasing as unscrupulous people call, email or text to entice Bank customers to do things with their money – which is passing it straight to thieves (search online for 'Santander fraud victims tell of their anguish' to read the full article).

It is disgraceful and more should be done by the system to stop this happening – it is too easy for fraudsters to open bank accounts and use them to steal innocent people's savings and then run off. The system could allow the Banks, for example, to investigate large transactions beyond the usual, or transactions on accounts which have not been used for a long time, and things like that – as well as conduct better checks upon those opening accounts. The telephone system could also be used to check the source of calls and texts but the authorities are always very slow to investigate financial crimes despite the devastation they can wreak on people.

Do you know too what was worse in the cases quoted in the aforementioned article? If they had invested the money properly (such as with our Firm to manage it for them) then this wouldn't have happened. We are a 'firewall' against such frauds and if anything happened at our independent custodian the client is protected.

So not only is it wise to spread your eggs around but to protect it from thieves you shouldn't have too much in the Bank or Building Society anyway. And remember, cleverer people than you have been duped into being defrauded by these conmen. I bet you never thought of this 'risk' when investing your money in a Bank or Building Society over other investments, did you?

Remember too if you are not sure – and you don't have to be a client – and want to talk about something with us, ring us without delay and in confidence. We offer a complimentary community service for such things.

In Other News

HOW GOOD IS YOUR ADMINISTRATOR?

Every year in mid-May, we send out 5 April valuation and transaction statements to our thousands of discretionary investment clients. It is by no means a simple task, but it is carried out ably by our appointed Administrators. We would like to take this opportunity however to apologise to the very small number of our clients who received a report in error for a closed account. We are sorry if receiving a statement showing a nil balance for an account previously closed caused any inconvenience or concern.

We are of course responsible for all communications with our clients no matter their origin, but we rely upon our chosen contracted specialists to do their job well, cost-effectively and efficiently. If we ever became concerned that clients' affairs or requirements could be or were being compromised then we have the opportunity of changing, too.

We have been impressed by the service delivered to date by our elected Administrators which provides our clients with unique benefits. Through their systems, which combine investments held in our Portfolios, ISAs and Self-Invested Personal Pensions (SIPPs), we are able to bring the full benefit of 'dealing in bulk' to all our clients, no matter how large or small their investments. We also have a longstanding and productive relationship with the Firm, allowing us to develop new products, models and processes to suit our clients' needs.

Please do get in touch with us if you have any questions or feedback for us. We appreciate the time taken to let us know about your experience of our services and, as ever, will do everything we can to resolve any concerns.

OVERSEAS' INVESTMENTS

Did you realise that if, say, you work overseas and you go to an offshore financial adviser you are not protected by the strict regulations which apply over here? What is worse than that, though, is that there are often super-high commissions and costs to reward the slick offshore salesmen who tell you that you have to buy in as short a time as possible. They are still taking so many people for a big ride and it is just not right.

I'll start at the beginning. The BEST advice you can secure if you are not a UK resident is to seek advice from an ONSHORE advisory firm, like our own. Don't listen to what they say about 'offshore advice' or 'offshore investments' as much of it is bunkum and simply a salesman's dream to entice you into their awful products which reward them and not you. Yes, there are tax positions to watch and indeed from which to benefit but any competent UK-based adviser can deal with those and with a far superior Portfolio of underlying investments from which to choose, too.

Recently, we have been reviewing an insurance savings' plan sold to a client in Abu Dhabi. He's in already so it is very frustrating as to escape would cost an arm-and-a leg. He has been quoted a 'fund value' (which would only be paid on his death) which will be cut by 19% if he encashes. In his circumstances this is a whopping £27,900. Had he had, say, a monthly savings' plan into one of our Portfolios, the value would be much closer to the encashment sum – the only deductions being any outstanding management charges and brokerage on any investment sales at a low percentage with no minimum and which all investments suffer. We are concerned to see that the salesman and the insurer behind the scheme have done so very nicely and will continue to do so until the plan matures.

You can see how it happens – new arrivals for work in these offshore tax havens are encouraged to consider such things, all huddled into a room with the salesman who is only going to be around for a short while so quick decisions are needed, big sums of tax-free earnings needing placement and the rest is history. It does make us very angry and if you know people who are about to go overseas to work or are there already (or are one of those yourself) then please don't fall for the oldest sales' tricks in the book. I recently saw an online recruitment site advertising a cool £250,000 pa for a Financial Adviser in Abu Dhabi. Disgraceful. Even so-called trainees with no experience can start of £35,000-£40,000 for selling the 'wrong things' to innocent people.

GOOD NEWS FOR THE SELF-EMPLOYED

For now anyway, the Government's 'stupid' idea of quarterly tax reporting for businesses has been abandoned. In other business news, in April in the US Donald Trump heralded a cut in Corporation Tax from 35% to 15% to stimulate the economy. In the UK, despite the cut in headline rates, Corporation Tax receipts over the last year rocketed by a colossal 21%! That does show that a lower mainstream rate can result in more money collected. It may sound illogical but actually it works as fewer go out of their way to avoid paying the tax (by legitimate avoidance schemes, I am talking about). Income Tax receipts are up 5% here, though the burden on the payers is becoming too high generally and I hope the golden goose is not being killed slowly… If more of the highest payers decide it is time to leave and live in the Channel Islands, for example, we would lose a significant part of the tax-take as the top 1% of earners paid 28.5% of all Income Tax last year. Also, changes to the dividend 'allowance' for taxpayers were postponed, another benefit from the General Election!

MINIMUM WAGE RULES

We do not condone any employer who breaches the rules. However, sometimes they are hard to understand and the rules hit. The John Lewis Partnership, feted as being an exemplar of employer/employee relationships, recently announced a big charge, realising its salary averaging arrangements are likely to have resulted in breaches of the minima. They are not the only ones who have inadvertently fallen foul of the rules. As I say, no excuse for abuse but I am a believer in simple rules to make administration easy and also to cut costs of implementation.

There are other silly rules, like those governing holiday pay which the employer must pay when the staff member is on holiday (I have found that several seasonal employers seem to think this doesn't apply to them, but it does – part-timers, too). That is fine with full-time, salaried staff but with part-time or casual staff, it is a nightmare to calculate as every part-timer is entitled to approximately 11% of free time (up to forty hours pw, say). I maintain that the easiest way to pay that would be to simply give the employee a holiday bonus with each pay packet, for them to put the surplus to one side to use for their holidays if desired… but no, that's not allowed.

ZERO HOURS

Sports Direct Plc had much criticism over its working policies, especially relating to Zero Hours' contracts. It has now made significant changes to its employment relationships. However, local readers will be interested to know that the first worker representative elected by his 23,000 colleagues to the Board of the Company (one of the changes agreed) was Alex Balacki, the Barnstaple Store Manager who started as a casual zero hours' employee and worked his way-up to a full-time position! I don't say this to justify inappropriate work relationships but simply to say that sometimes an opportunity is much better than none at all if the individual is prepared to work hard and progress, which we assume he did. Well done Alex! For information, the major element of casual staff is in the Hospitality, Catering and Accommodation sector followed by Care – not Retail – as clearly some seasonal areas will experience large numbers of such positions which cannot offer permanence.

TAX

According to the Paris-based Organisation for Economic Co-operation and Development (OECD), the Tax base in the UK has narrowed dramatically over the last several years and that can be a problem especially if, as noted above, the major payers decide to leave the Country! Since 2000 when those earning 1.667 times the average wage in the Country were paying 1.5 times the average tax rate, that figure has now shot-up to 2 times – an increase of one third. I have to say that I am unhappy that the Personal Allowance has risen so far – a free tax level of say £8,000 would have been more than enough before people started contributing at least a lower rate of Income Tax to help them recognise they were making a contribution to society, and perhaps the tax taken could have been recycled to help lower earners in different ways.

TAX CLIENT CASE STUDY

Here are a few of the details from a recent taxation case we've been dealing with.

We met some local business owners who wanted help with their Tax Returns. The clients had prepared their first year of Partnership and Self-Assessment Tax Returns themselves but were not confident in the process and wanted advice.

When they approached us, speaking to Chris Martin, our Tax Adviser, there were substantial business losses – a normal occurrence for a business starting up – but the clients hadn't applied these to their Tax Returns nor had they claimed £25,000 of available Capital Allowances which they had overlooked and so we undertook to carry these losses back to offset previous employment income.

HM Revenue and Customs attempted to claim they couldn't carry the losses back as the Partnership Return had been ticked as being completed on a 'cash basis'. Perhaps this would have deterred someone inexperienced with the process, but not us. The Taxman was incorrect! Having provided copies of the original Return to prove our point, we rectified this position and our clients recently received repayments to the tune of £7,500, a valuable sum to any business! Had they contacted us at outset, we could also have saved them approximately £14,000 of VAT too…

PREMIUM BONDS

More bad news, I'm afraid: the interest for the prize pot has been cut yet again. It has dropped by another 8% to a lowly 1.15%pa. They are going to pay a few more £25 prizes (a cheap sop to try to encourage owners to imagine they are being more fortunate) but frankly, the biggest cost of holding these is the lost opportunity of better returns elsewhere. Recently we were unable to encourage a lady to invest funds with us because when we pointed out how low the prizes were, she felt she was luckier than everyone else so she decided we were not for her… Superstition can be very expensive sometimes - and the facts don't lie just because you don't like them.

We suggest Premium Bonds only as alternatives to other cash funds – as they pay only a pittance, too – and also for additional rate taxpayers (as long as they have exploited all their other tax allowances) as the prizes are at least tax free. Just think though, if you'd had £1,000 in Premium Bonds since 1984 you would still only have £1,000 and might have won say £250 of prizes. In fact, today's inflation adjusted value of that £1,000 would be only £320. In the British Stock Market, your capital on the FTSE100 would now be £7,400 and every year your income would have risen from say £50 in 1984 to over £250 now – a total compound outcome of £11,660 according to M&G and that's after accounting for inflation, too. Who says that the Stock Market is 'risky' - it is doing nothing which is clearly the biggest and most pervasive risk of all - and too many people don't even see that risk of inflation eating away at their money at the Building Society and so on, as it is so 'silent'. Prudence demands sensible balanced investing and a goodly dose of patience for the difficult times in between.

HOUSING

Yes, I know, I have been pessimistic regarding the UK housing market for a while now. Probably the risks at this moment in time are the biggest they have ever been (though some international funds are helping support prices as overseas' buyers enjoy a cheap Pound). However, contrary to popular wisdom, house prices and the rents from houses can fall as well as rise. In the US, since the financial wobbles, the House Price Index has moved forwards only 10% whereas the S&P500 index (The US Stock Market) has risen 140%. Both figures ignore income and costs, of course.

PLANNING PERMISSION

Locals will know that for nearly twenty years now, on and off we have been waiting patiently and then trying very hard to secure consent to improve and develop the property where I was brought-up. After two years since the submission of the final application, I am pleased to say that we have been successful. Trying to be dispassionate (and it has been a colossal fight all the way, from Parish Council recommendation for refusal to Highways' issues), redeveloping this proven brownfield site for which Certificates of Lawfulness existed made absolute sense. Not only are some really tastefully designed houses and some integral workspaces now being provided for Georgeham but two much-needed affordable homes as well for local residents and a windfall bounty of £12,915.60 payable towards the new community playing field building. There was also mention of a considerable payment for local educational provision. It is a sadness however that we initially started this process just because we needed a bigger house for our growing family and a granddad annex for my father, who was beginning to ail, which we hoped to build on our own ground where there was already a stone building (a garage). Sadly my father died in 2007. He would have really loved Trimstone, where we live now. In the process, I acquired more knowledge about planning and Highways' than ever I wanted – or needed!

COSTS

The FCA has confirmed that 'high charges don't necessarily mean bad advice' (an online search for the phrase will bring up the relevant Money Marketing article).

Of course, this is no excuse for excessive charges and there are several professions where the 'value' of the product or service does not necessarily match the charge levied… However, it is wise in life to recognise, as Oscar Wilde did, that it is a fool who knows the price of everything and the value of nothing. Maybe the passive fund management industry is sailing too close to the former!

Businesses which exploit their customers for their own ulterior financial aims do not thrive – let alone survive – in the end, even if some hang-in-there for far longer than they should till they are found out! We believe that our charging structure is clear, fair and the keenest we can possibly hope for it to be to provide the consistent quality of service and achieve the outcomes we do (and as we grow and can negotiate economies of scale we try to reflect these back to clients, too). It is true though that anomalies exist – in the old days when commissions were rife and an investor would happily suffer say a £10,000 commission 'paid by the insurance company' but if he was offered the choice of a cheaper product (because of course he was paying the commission indirectly!) and a £1,000 fee by cheque, would balk at paying such a 'big' sum! There are still commissioned salesmen out there – even if dressed up in different ways – but remember YOU ARE PAYING.

We find these days that sometimes offering a comprehensive financial strategy report to someone where we know we could save them (or make them) thousands of pounds by actions which to us appear very simple can still be declined if the charge is say '£500'. It is a funny old world… Yes, £500 might be a big sum however it is considered but if you can save or make £2,500 (possibly every year) and have also qualified to access ongoing reviews and contact from that adviser into perpetuity as a consequence, how much is that worth? For clients with more complicated affairs and more wealth, then it is likely the fees would be bigger as the issues are more complicated and they can gain so much more. The good thing, of course, is they can assess the advice and decide not to pursue it – that's their prerogative – but something isn't being 'sold at them' just to generate an income to pay for the advice provided.

It reminds me of when I worked in a bank many years ago and I approached those with large balances on their accounts which were earning nothing… and some who would prefer not to receive any interest as they didn't want to pay any tax… (which would of course still result in them achieving a good benefit for themselves).

Perhaps it's right to say here that not a single staff member is rewarded according to 'sales' either individually or collectively but clearly some are better rewarded than others according to myriad criteria, mainly related to responsibility-taking, professional competence and qualifications, general ability and longevity!

CREDIT CARD BORROWING

Are you one of the 1.4 million who only pays off the minimum from their credit card each month? With overall lending on cards rising by over 9% in the year, the number of people who are not repaying their debts is rising, too. Of course, the flipside is that as people feel financially more confident they spend more generally but watch out if you are taking on debt liabilities for things you cannot afford. Do you know, too, that by borrowing on a card you are paying amongst the highest rates of interest? Other loans are cheaper but don't take them out and then start running-up more credit card debt – you have to be disciplined to start repaying them.

It is good to remember too that if you use a credit card and leave even a penny of debt that month you receive no interest-free credit on your purchases. If you must, have more than one card and use one for most spending so you DO pay it back every month and leave the other as your core debt.

Finally, if you have a problem, the first way of tackling it is recognising you have a problem and then seek help and guidance before it is too late.

And the Lucky Winner is…

NATIONAL SPORTING CHARITY WINS OUR WIMBLEDON TICKETS!

The National Rifle Association (NRA), the governing body of full bore rifle and pistol shooting sports in the United Kingdom, established its charitable Overseas Team Fund (OTF) to help its members meet the costs of competing in worldwide competitions. We've been looking after the NRA's charitable funds for some time through our Wealth Management and Investment Services, plus we know how difficult it can be to obtain funding and sponsorship, so we were delighted that the charitable fund was the winner of our pair of Wimbledon Tickets. We knew the NRA would have something special in mind for the prize!

The NRA in fact chose to hold a charity auction to raise funds for the Under 19 and Under 21 Great Britain Teams in the NRA Overseas Team Fund. With the pair of Wimbledon tickets being worth approximately £3,500, this promised to be an excellent opportunity to support the association's youth teams.

"We now have a very excited winner of the tickets," says Andrew Mercer, Group Chief Executive and Secretary General for the NRA. "The auction attracted a great deal of interest on our social media channels and reached a smidge over 11,000 people. Our grateful thanks go to Philip Milton and his staff."

Our congratulations go to the winner and wishing the Youth Teams the very best of luck in their forthcoming competitions.

If you are a trustee of a Charity and the funds you have are languishing earning 'nothing' at the Bank – is it about time you considered investing those funds appropriately? The biggest risk of inaction is an accusation of negligence for not doing something – which starts with seeking professional advice.

Staff News & 'After Hours'

MARK MILLICHOPE

Many of you will be aware that Mark Millichope – longstanding, highly qualified and respected Director of the Firm – had to step down last year following a diagnosis of an aggressive malignant brain tumour. Mark, his family and the Firm were incredibly grateful to receive messages of support and best wishes from many of our clients at what was an incredibly difficult time.

Ever proactive, Mark is bravely undergoing the most aggressive treatments available and we are delighted to say that the early signs are so positive that he is able to come back to work, albeit from home and to a non-client facing role which will allow him to continue his treatment. We're so pleased that his treatment has been so effective and that we can welcome him back.

EUROPEAN POWER LIFTING CHAMPIONSHIP QUALIFICATION

Our very own Elizabeth Webb, Financial Adviser, qualified for the European Power Lifting Championships in Helsinki! It's caused quite a stir, with DevonLive.com (the North Devon Journal online) featuring a profile on her. We're so proud of her achievement, going from 'Couch to Competition Ready' in only five years, that we offered her a little sponsorship to go towards her attendance in Helsinki. Her results were a 110kg squat, 55kg bench press and 165kg deadlift, the latter being a new personal best for her! Elizabeth is now looking forward to the British championships!

NEW STARTERS

Now space allows – and certainly the busyness of the Firm demands – we have recently engaged four new staff members! Welcome Laura, Alisha, Rachel and CJ! There are still opportunities available as we are always interested in any keen trainees who want to demonstrate why we should engage them and support their studies in the professional world. This brings our salaried complement up to thirty-three – one for each year we have been in business, plus one for luck…!

Our Support for Charities & Projects

DEVON COMMUNITY FUND

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

NEW WING FOR THE MUSEUM OF BARNSTAPLE & NORTH DEVON

We are proud to be supporting the project to build a new Long Bridge Wing at the Museum of Barnstaple & North Devon. The Heritage Lottery Fund (HLF) has provided £868,100 to the project together with the £250,000 committed by North Devon Council. Local businesses and

Patrons, including ourselves, are also pledging assistance. We look forward to seeing the building take shape!

MAKE THE MOVE YOUTH ARTS GROUP

We are also pleased to be supporting 'Make the Move', a new not-for-profit organisation founded by Carol Turner in the wake of the closure of North Devon Theatre Trust to fill the gap left in youth arts education in the community. The Group was struggling to find a suitable space to store their various props and materials before their deadline to move out of the theatre buildings. We have provided premises rent and insurance free for the Group so they have adequate storage, perhaps with the opportunity to expand the space for other purposes in time. We are glad some good is rising out of the ashes and we wish 'Make the Move' and those behind the initiative all the very best.

STOREHOUSE HOMELESSNESS PROJECT

We are delighted to have been able to provide Bideford's largest charity shop, The Storehouse Charity Recycling Centre (which fundraises for Bideford charity, The Store Homelessness Project Charity Reg. 1112092), with a vital overflow shop at No 5 Grenville Street free of charge.

Store Manager Joe Buckingham with formerly homeless ex-serviceman Chris Davey, who became one of the reliable volunteers at the Storehouse.

The shop now based in two premises in Grenville Street, is in its second year of operation and is becoming increasingly busy. The Charity concentrates mostly on providing free furniture and household goods to needy families and individuals. However, in addition to this and with the help of volunteers from a number of local churches, it also organised and funded the Cornerstone free meal outreach every Sunday evening. In its busiest years of operation, volunteers dealt with more than 3,000 cases of need annually.

I think the work The Storehouse does is brilliant and impressive and so I am delighted we can do something to support it. Unfortunately as modern life speeds-up for us all and there are more and more opportunities for difficulties to afflict us, especially the more vulnerable in our Society, this type of help becomes invaluable. Relationship and family breakdown, addiction and financial distress can all create situations where someone has a need and where the State system's provision is never enough. The fact that these volunteers have seen a need and are then developing this is a real way of offering practical help as opposed to simply sitting-back and relying upon the 'State' to do everything – which it can't, regardless of the money thrown at the problems. We are so pleased to be able to provide our help to them. We greatly appreciate too their opportunity to get-alongside people and help them in practical ways as well as counselling and guidance to help steer them into their own independent futures wherever possible.

The Storehouse, run by volunteers and mainly from local churches, opens 10am-4pm Monday-Saturday at 2-3 Grenville Street and welcomes financial donations to continue the work of The Store, as well as good quality white goods and furniture. Tel: 01237 420892 and 07936 571054.

AMIGOS

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.

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.

Filder comfidently completing her assessment on rabbit farming.

Filder, age 20, is the student currently benefiting from our sponsorship. We are delighted to receive monthly updates from her by email as she progresses through the programme. Last month, she was delighted to earn her first £5 for plaiting hair and to pass her assessments and interviews at the end of her second semester.

We'll keep you updated in our next edition, and meanwhile wish Filder all the best with her studies.

Terms of Business Update

DISCRETIONARY CLIENT AGREEMENT: WITH IMMEDIATE EFFECT

ISA, JUNIOR ISA, SIPP & PORTFOLIO FEES AND WITHDRAWAL/LIQUIDATION CHARGES

PP6 b) For withdrawals when insufficient cash is available, or for liquidations and transfers, any sale of stock will be undertaken during the Company's usual rolling one-month dealing window. The longest delay before we instruct the sale of stock will be one month from receipt of written instructions, upon the Company's form, at its discretion. The proceeds should be available within ten working days thereafter, creating a maximum timescale for release of funds of one month plus ten working days.