

PILLING & Co

STOCKBROKERS LTD

HENRY PILLING HOUSE, BOOTH STREET, MANCHESTER M2 4AF
TELEPHONE : 0161 832 6581 FAX : 0161 832 0815

Full Service Brochure

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STOCKBROKERS
SINCE 1893

PILLING & CO STOCKBROKERS

Pilling & Co is proud to have offered skilled Stockbroking and Portfolio Management Services for over three centuries. Our head office is named after our founder, Henry Pilling, who launched the firm in 1893. We offer a professional and friendly service to clients from all over the EU and have also forged excellent working relationships with many Solicitors, Accountants and IFA's.

We pioneered Personal Equity Plans (PEPs) and their replacement Individual Savings Accounts (ISAs), and defined the development of this special market nationally. Our expertise in ISAs also covers "self-invested" Personal Pensions (SIPPs) of which many clients have already taken full advantage. We also added Child Trust Funds (CTFs) to the menu and more recently JISAs giving you the investment vehicles you need to look after all the family. However, we do not just give you sound information to enable you to choose your own investments, all administered by us, we also specialise in Investment Management and Discretionary Management services.



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Our aim is to help you achieve your investment goals with the minimum of fuss. This is why we offer an unrivalled telephone service where calls to Pilling & Co go directly to experienced staff.

The main number **0161 832 6581** is answered by qualified stockbrokers who have immediate access to the markets and can normally deal for you instantly. We also have a direct line **0161 819 4850** to our Administration Department for enquiries relating to your accounts and a direct line **0161 819 4808** to our Settlement Department for stock enquiries to save you annoying call transfers. This makes your phone call shorter and means your needs are dealt with more efficiently.

We find this the best way of giving you an efficient service, particularly in busy periods when rapid market movements mean a surge of calls. In volatile market conditions the ability to trade instantly is critical, which gives Pilling clients a major advantage. We pride ourselves on our ability to answer promptly, even in very busy periods.

In this brochure we give a brief description of the services we offer including ISAs, SIPPs, Nominees, Discretionary Management, Investment Management and execution only dealing amongst others. There are more detailed brochures for the individual services as well as information on our website www.pilling.co.uk where the brochures can also be downloaded.

Firstly, we detail below the questions we are most often asked regarding our services and the answers for your information.

Your Questions Answered

Q. Can I buy and sell shares held in my accounts?

A. Yes. You can trade as often as you wish, simply ring our team of dealers who will be pleased to assist you on **0161 832 6581**.

Q. Do you deal "instantly?"

A. Yes. we will deal for you as soon as possible, if preferred, you can hold on the telephone while your deals are being done.

Q. How do you confirm my deals?

A. If you are registered for **Client Web Access (CWA)**, an email is sent to you informing you that a contract note is on your CWA account for you to view. Alternatively, a contract note is posted to you for every deal showing price, commission etc. If you do not have a contract note, or the contract you have received is incorrect please tell us without delay and at least **within 2 business days**. Regardless of cause, we can accept no financial liability for missing or incorrect contract notes unless brought to our attention within **10 business days** of the original deal(s).

Q. What happens to the proceeds from the shares I sell?

A. They are automatically credited to your account awaiting re-investment or, alternatively, you can ask to have the money paid to you unless your sale is made in a SIPP, CTF or JISA. Sales made in a non-nominee account (own name) will be paid out automatically.

Q. How are my investments registered?

A. You can have them registered in your own name or in our nominee "St Anns Square Nominees Limited"(SASNL) (Where unavailable, investments will be registered in Pilling & Co Client account). **Please note, certain products such as ISAs and SIPPs require the investments to be in our nominee company.**

If you choose our nominee, you are always the beneficial owner of the investments. They are never part of Pilling & Co's assets nor, indeed, of the nominee company's assets. There may be occasions when identical stocks are pooled together within Crest, or at another custodians, as one block under the title of SASNL. These cannot then be attributable to any individual client and ownership will be evidenced by an electronic bookkeeping entry at Pilling & Co instead of a physical certificate. In these circumstances you are warned, that in the unlikely event of an irreconcilable shortfall after the failure of a custodian, clients may share in that shortfall in proportion to their original share of the assets in the pool.

Q. Can I have a joint nominee account with another person(s) ?

A. Yes, each person who is party to the account must sign the nominee agreement, where the agreement is signed by more than one person, it is assumed that they are the joint owners of all cash, securities or other property held and that on the death of any one of the parties to the agreement such ownership will automatically accrue to the survivor(s) who will continue to be bound by the nominee account terms and conditions as if they had signed alone.

Q. Are my investments secure?

A. Yes. Pilling & Co **accepts absolute responsibility** for St Anns Square Nominees Limited. Your investments are not only protected under the Financial Services Compensation Scheme (FSCS), but, with the security of Pilling clients in mind, we also maintain additional professional financial risks insurance to cover the changing level of turnover in our business. If your investments must be held by a third party, we will use our best endeavours to make sure that only recognised and well-respected financial institutions are used. There may be further risk with non UK based custodians because of different settlement, legal and regulatory requirements. In some cases dividend payments may be briefly held in a custodians overseas bank account before payment is made to Pilling & Co. However, we do not accept responsibility for such third party safe custody obligations.

Q. How do you look after my money?

A. We deal with your money in accordance with the client money regulations of the FCA which, amongst other things, require us to ensure that your funds are clearly segregated from our own in special trust status accounts at banks which are approved by the FCA and subject to an annual risk assessment by us.

Your money however will be held by the approved bank(s) in a pooled account with other client's money and will not therefore be separately designated with your name. In the unlikely event of the failure of the approved bank resulting in an un-reconcilable shortfall clients may share in that shortfall in proportion to their original share of the cash in the pool.

We require your written authority to hold cash in a deposit style account facility with an approved UK bank.

Should you hold non-UK investments, cash generated from these such as interest and dividends may be held temporarily in overseas banks or branches of approved banks situated outside the UK. You should be aware that client money held in such banks might not be protected as effectively as if held in banks in the UK. The legal and regulatory regime applying to banks in overseas jurisdictions will be different from that operating in the UK. In the event of failure of a bank overseas your money may be treated in a manner different from that which would apply in the UK.

Q. Do you pay interest on cash?

A. Yes. Quarterly, we pay gross interest on your cash on a tiered system at rates fixed by Pilling & Co after a variable administrative deduction. An example of the rates are on our website www.pilling.co.uk or are always available on request. Amounts of less than £1 are not credited.

Q. Who chooses the Investments?

A. You can ask us to manage your investments or you can do it yourself. Just let us know how you wish to proceed.

If you would like us to manage your investments, please complete and return our "**Client Agreement**". Our Investment Managers will manage your investment portfolio on an ongoing basis. Details are available on page 8, on request or on our website www.pilling.co.uk.

If you choose the investments, we try to make sure the investments you choose for your SIPPs are allowed. However, we do not accept any tax consequences and/or liabilities of any kind should we later find that, whatever the reason, you have chosen non-qualifying or unsuitable investments.

Our dealers are pleased to provide assistance (always on a general "**Execution Only**" basis) to help you to make your investments. However, you are always responsible for suitability and future investment performance.

Q. Can I transfer shares in my own name into a nominee account?

A. Yes. We need your share certificate(s) and a signed CREST transfer form for each holding. However, the name on the certificate must be yours, your spouse's or joint names.

Q. Do you accept instructions from a third party?

A. Unless otherwise agreed in writing, we will only act on any instructions we reasonably believe came from you to enter transactions or deal with your assets, regardless of the circumstances and method of communication. If you wish another person or firm to deal with us as your agent you must notify us in writing, giving details of any restrictions concerning their authority to act on your behalf. We will not be liable for any loss or inconvenience suffered by you if we act on any instruction, consent or information given to us by your agent within the limits specified by you.

Q. How are dividends dealt with?

A. For holdings in our nominee, the dividends are collected and credited to your account in which ever service the holding is held. Dividends paid by cheque in foreign currencies are subject to a minimum cheque value of £100 applied by the processing bank. Foreign cheques over £100 are subject to a £28 bank fee.

Q. Can I re-invest my dividends?

A. Yes. With the Pilling Dividend Re-investment Plan ("DRIP"), where possible all your net dividends are re-invested upon receipt in the shares of the company paying the dividend. Our commission is 0.5% (with **no** minimum) as we may join your investment with other clients in the same stock. Simply elect on the application form for the "DRIP" scheme.

Q. Can I have my income paid out to me?

A. Yes. With the Pilling Income Distribution System all your income is automatically paid straight to your bank or building society account on a quarterly basis. We send you a statement showing the dividend(s) and the amount paid to your bank account. (this service does not apply to a SIPP, CTF or JISA)

Q. How is withholding tax on foreign dividends / cash proceeds dealt with ?

A. Generally we do not make provision for the receipt of gross (or withholding tax adjusted) foreign dividends / cash proceeds but will, if requested investigate the feasibility of doing so on a bespoke basis subject to charges. Claims for withholding tax already deducted will not be made by Pilling & Co without prior agreement. Any reporting of tax/gains required by overseas authorities is your responsibility.

Q. How do you deal with “Corporate Actions?”

A. For holdings in nominees, we write to tell you of any action effecting your investments including conversion and subscription rights, takeovers and similar offers. We process and inform you of any capital reorganisations, demergers etc. On the rare occasion we are not notified by the company, its registrar, CREST or our third party data provider of a Corporate Action (or are not provided with sufficient information in a timely manner) and as a result are unable to pass on the details to you, we will not be liable to you for any loss suffered.

Where investments are pooled, entitlements are allocated on a “pro rata” basis and are rounded down to the nearest whole unit.

You must give your clear instructions direct to the Administration Department by the requested date, or we can accept no responsibility whatsoever for any resulting losses or liabilities.

Q. Do I get statements or valuations?

A. Yes. Quarterly as at 5th April, 5th July, 5th October and 5th January each year, we provide you with a statement and valuation as soon as possible after these dates on “Client Web Access” (CWA). You will be able to view your valuations on line as often as you wish once you have registered to do so. If you are not registered for CWA, simply email your account numbers to us at client.data@pilling.co.uk and we will send you instructions and a password. These are also available in paper form by request.

Q. Can I have Company Reports and Accounts?

A. Yes. We can arrange this but, to keep costs down, we suggest you get these from the Company Registrars direct. Alternatively, they are available from company websites.

Q. Do I have the same rights as an ordinary shareholder?

A. Yes. By negotiation, for UK assets we can arrange for you to attend company meetings, to vote and to receive any other relevant information that is sent to share or unitholders direct.

The European Securities and Markets Authority (ESMA) introduced a new directive for Shareholder Rights under which Pilling & Co is required to notify you in relation to forthcoming General Meetings on your European assets (excluding assets based in the United Kingdom). If we were to implement the directive, it would drive up costs resulting in significant administration fees being passed onto you.

Therefore we have decided to opt out of the requirement. As we will not be offering this service, if you do not wish to opt out and wish to receive future General Meeting notifications and/or vote on your European asset(s), you will have to transfer the respective holding(s) to a provider who offers proxy voting services.

Q. Can my investments be sold without my permission?

A. We reserve the right to sell or realise any investment which we are holding (or entitled to receive) on your behalf in order to meet any liabilities you may have incurred to us. Our right to sell any such investment will arise immediately upon default by you in making payment of any amount due to us and in that event we are entitled to sell or dispose of all or any part of such investment (whether these be investments in respect of which the default arises or any other investments for the time being held by us or which we are entitled to receive on your behalf) *after the expiry of any statutory notice period.*

We shall not be liable to you in respect of any loss arising nor in respect of any choice made by us in selecting the investments to be sold. We will apply the proceeds of sale (net of costs) in or towards discharge of your liabilities to us and will account to you for the balance. In the event that such proceeds are insufficient to cover the whole of your liabilities to us, you remain liable for the balance.

We shall be entitled, without further reference to you, to buy any investment in the market to close any short position created by you and then, *subject to any statutory notice period*, sell or dispose of any other investments held by us or which we are entitled to receive on your behalf to satisfy in whole or in part the sums due on settlement of any such purchase and its associated costs. We shall not be responsible for advising you about the investment merits of any transactions effected by us pursuant to this section which in all cases will be treated as *execution only* deals.

Q. Do you offer a probate service ?

A. Yes, we can value the shares at the date of death and send out the appropriate probate valuation. For stocks registered in our nominee the cost is £12.50 per stock (subject to a minimum of £37.50) + vat. For stocks registered in own name the cost is £20.00 per stock (subject to a minimum of £60) + vat. Additionally we can release funds to HMRC to cover tax before the probate is released subject to certain conditions. Executors can be spared a significant amount of administrative problems particularly in respect of foreign registered securities by having stock registered in a nominee name

Q. What are the dealing charges?

A. With a **minimum of only £10**, our commission per deal is 1.65% of the first £10,000 value, 0.5% of the next £90,000 and 0.4% of any excess. We must charge you Government stamp duty at 0.5% of the value when buying shares, preference stocks and convertibles.

Q. What are the custody charges?

A. **The half yearly custody fee for ALL your Pilling accounts is just 0.25%** of the value with a **minimum of £25.00 and a maximum of £90.00** for clients registered to use our on-line portal Client Web Access (CWA). For clients who request postal documents the **minimum fee is £30.00 and a maximum of £100.00**. Remember, this charge covers **ALL** your Pilling accounts you have with us including ISA, SIPP, Nominee, PIPs and Own Name services. We will add the value of all your accounts with us and apply no more than the maximum cap.

Q. Are there any extra charges on overseas securities?

A. Whenever possible we trade and hold overseas securities through Crest and although the costs are higher than UK securities, Pilling & Co absorb the fees.

If you choose an investment which has to be traded and held with an overseas custodian, the cost incurred will be passed on to you. Please enquire at time of dealing for applicable additional charges.

Due to the reporting requirements of the IRS, US domiciled securities* will attract an additional annual custody fee of £25 per security (capped at £200 pa) and will be charged six monthly in arrears. A US Compliance Charge of £10 will be applied on all purchases of US domiciled securities* (excluding DRIP trades).

* US domiciled securities exclude Global Depository/shares and American Depository receipts/shares.

Q. What are the charges to transfer stock out to my own name or that of another broker?

A. Stocks transferred out of services that are registered in our nominee are subject to a charge of £24 per security.

Q. Do you accept new clients from outside of the UK?

A. No, due to regulatory changes following Brexit and inter-governmental agreements regarding tax legislation, we are unable to take on any new clients from outside of the UK.

Nominee Service

Pilling & Co offer a comprehensive nominee service through our nominee company, St Ann's Square Nominees Limited (SASNL). With standard rolling settlement now just 2 days, it is impossible to guarantee meeting settlement deadlines without holding your investments in a nominee company.

The benefits of holding stock in our nominee company are:-

- **No certificates for you to keep safe**
- **minimum commission only £10**
- **optional quarterly income payments direct to your bank**
- **on-line valuations & annual statement**
- **interest on cash while you wait to invest**
- **dividends collected and annual consolidated tax voucher provided**
- **information provided about rights issues etc**
- **Dividend Re-Investment Plan "DRIP" (optional)**

To streamline your dealings with us even further we open a cash deposit account for you. Any proceeds from sales or dividends go into your deposit account. When you purchase stock we settle the transaction out of your deposit account whenever possible without having to bother you. Your money is **not** tied up, you have instant access and you can make withdrawals of capital as you wish. Income can be paid out direct to your bank on a quarterly basis, you may also elect to make use of our "DRIP" scheme. Your funds are held separately from our own in a trust status client bank account.

SASNL is a completely separate legal entity from Pilling & Co Stockbrokers Ltd. Your investments enjoy a trust status and do not form part of the assets of either St Ann's Square Nominees Limited or Pilling & Co both of which are regularly inspected by our auditors. Pilling & Co are authorised and regulated by The Financial Conduct Authority. The activities of SASNL are not reportable transactions for Company Law purposes. Since it is a dormant company whose financial failure is impossible, the only feasible risk to your investment is from fraud or negligence in handling your assets. This remote risk is well covered by a firm contract between Pilling & Co, its clients and St. Ann's Square Nominees Limited in which Pilling & Co always accepts liability for every aspect and activity of St Ann's Square Nominees Limited.

To support this commitment we maintain voluntary financial risk insurance of up to **£3 million per claim**. In addition to this you may also have a right to claim from the government sponsored Financial Services Compensation Scheme (FSCS). The maximum level of compensation for claims against investment firms declared in default is **£85,000** per person per firm.

To open a nominee account please complete our **Nominee Agreement** which is available upon request or from our website www.pilling.co.uk.

Individual Savings Account (ISAs)

Individual Savings Accounts (ISAs) are tax free savings. We offer the Stocks and Shares ISA that also allows you to hold cash as part of your investment strategy. Investments in an ISA are free of capital gains tax.

Personal Equity Plans (PEPs) were introduced back in the 1980's to encourage investment in stocks and shares. PEPs were replaced by ISAs and in April 2008 they were merged into stocks and shares ISAs. You can transfer Cash or Stocks and Share ISAs that also contain your old PEPs with other managers into our ISAs.

Currently you can subscribe up to **£20,000** into an ISAs in a tax year. This may all go into a Stocks and Shares (SAS) ISA. Only one SAS ISA can be subscribed to in any given tax year but you can use different providers for other types of ISAs within the same tax year.

Key features include:-

- **minimum commission only £10**
- **Dividend Re-Investment Plan "DRIP" (optional)**
- **free quarterly income payments direct to your bank (optional)**
- **free corporate action processing (takeovers, rights issues etc)**
- **free transfers from other managers**
- **on line valuations and statements**
- **hold cash while you wait to invest**

The half yearly custody fee for your Pilling ISA is just 0.25% of the value with a minimum of £25.00 and a maximum of £90.00 for clients registered to use our on-line portal Client Web Access (CWA). For clients who request postal documents the minimum fee is £30.00 and a maximum of £100.00. However, this charge not only covers your Pilling ISA but any other account you have with us including SIPP, Nominee, PIPs and Own Name services. We will add the value of all your accounts with us and apply no more than the maximum cap.

Dealing commission is 1.65% on the first £10,000, 0.5% on the next £90,000 and 0.4% on any balance per deal, with a **minimum of only £10**.

If you would like more information about transferring to Pilling & Co, or taking out a new ISA, please visit our website www.pilling.co.uk or ask for our Stocks and Shares ISA brochure by post which gives full terms and conditions together with application and transfer forms.

Junior Individual Savings Account (JISAs)

Junior Individual Savings Accounts (JISAs) are tax free savings schemes introduced to replace Child Trust Funds (CTFs). As with ISAs, they come in two separate components, Stocks and Shares (SAS) and Cash Account. We offer a Stocks and Shares JISA that also allows you to hold cash as part of your investment strategy.

You can subscribe up to **£9000 into JISAs in the current tax year**. This whole amount can go into a Stocks and Shares (SAS) JISA or into a Cash account JISA or any combination between the two providing you do not exceed the overall limit. You can use different providers for the two components. Only one SAS JISA and one Cash account JISA can be held for each child throughout their childhood. Therefore, if you subscribe to a JISA with Pilling & Co you cannot open another SAS JISA with an alternative provider in future tax years without transferring the JISA to them first.

Within the Stocks and Shares JISA we have an Execution Only or Managed option. You select the investments for the Execution Only JISA and we select the fund(s) for the Managed JISA (details of which are available in the full JISA brochure or on our website www.pilling.co.uk).

Anyone under the age of 18 who does not have a CTF and are resident in the UK for tax, or are Crown employees and spouse serving overseas can open a JISA. You pay **no capital gains tax** on investments in your JISA. Any dividend income received has no further tax liability and the income from the child does not count towards the parents income.

Key Features: -

- **low administration fee**
- **minimum commission only £10**
- **optional Dividend Re-Investment Plan “DRIP”**
- **statements and valuations on-line**
- **free transfers from other managers**
- **self select plans with maximum flexibility**
- **quarterly ISA & PEPTalk with investment guidance**
- **managed option also available**

The half yearly custody fee for your **Execution Only Pilling JISA** is just 0.25% of the value with a minimum of £12.50 and a maximum of £45.00 for clients registered to use our on-line portal Client Web Access (CWA). For clients who request postal documents the minimum fee is £15.00 and a maximum of £50.00.

Our dealing commission per deal is 1.65% of the first £10,000 value and 0.5% thereafter on any excess, with a minimum of only £10.

For the **Managed JISA**, the annual cost is approximately 1.5% of the value per annum. Part of this is charged within the fund the JISA is invested in and the other part will be charged by us and will appear on your Pilling statement. Our dealing commission per deal is 1.65% of the first £10,000 value and 0.5% thereafter on any excess, with a minimum of only £10.

Child Trust Fund (CTFs)

A CTF is a savings and investment account created by the government for children to encourage saving. For every child born between the 31st August 2002 and the 1st January 2011 the government would have sent a savings voucher to the registered contact.

There are two types of CTF, a non-stakeholder CTF and a Stakeholder CTF.

Pilling & Co offer both types of CTF, the non-stakeholder CTF allows the registered person to make the investment decisions for the funds in the CTF whilst the Stakeholder CTF is run on a discretionary management basis by Pilling & Co.

Family, friends, local authorities and charities can contribute up to **£9000** to the fund. The first subscription year starts on the day the CTF is opened and ends the day before the child's next birthday. Immediately after the child's birthday another £9000 can be contributed and so on in subsequent years between the child's birthdays.

Key features include: -

- **choice of non-stakeholder or stakeholder CTF**
- **low administration fees**
- **minimum commission only £10 on non-stakeholder CTF**
- **free transfers from other managers**
- **invest up to £9000**
- **optional Dividend Re-Investment Plan "DRIP" (non-stakeholder)**

The half yearly custody fee for your Non-Managed Pilling CTF is just 0.25% of the value with a minimum of £12.50 and a maximum of £45.00 for clients registered to use our on-line portal Client Web Access (CWA). For clients who request postal documents the minimum fee is £15.00 and a maximum of £50.00.

Our dealing commission per deal is 1.65% of the first £10,000 value and 0.5% thereafter on any excess, with a minimum of only £10.

The annual cost for the **stakeholder CTF** is a maximum of 1.5% of the value per annum. The fund manager will charge 0.38% within the fund which will not appear on your statement. Pilling & Co will charge 1.12% custody fee which will appear on your statement.

Our dealing commission per deal is 1.65% of the first £10,000 value and 0.5% thereafter on any excess, with a minimum of only £10.

If you would like more information please ask for our CTF brochure which gives full terms and conditions together with an application and transfer form.

Self Invested Personal Pension (SIPPs)

Self Invested Personal Pensions (SIPPs) were launched in 1989 to let independent minded investors choose and control their own investments. There is no income tax on income arising on investments in the SIPP and no capital gains tax on profits.

There are many benefits. Here are a few examples :-

- There are no hidden bid/offer spreads, initial units, transfer or early retirement penalties.
- The full fund value is available on death before age 75 which, if unvested, can normally be paid as a lump sum **free of Inheritance Tax** (subject to lifetime allowance).
- You receive **tax relief** at your marginal rate on personal contributions (subject to HMRC limits and your tax status).
- Your pension fund accumulates **free of income tax or capital gains tax** for the chance of greater growth.
- Up to 25% of your pension fund (subject to lifetime allowance) may be taken as a tax-free cash sum at retirement. Additional lump sums may be taken subject to tax.
- You do not have to actually retire from work to take your benefits (vesting) - a pension may normally be vested at any time after your 55th birthday.
- You need not buy an annuity from an insurance company but can draw an income from your fund while, within certain limits, keeping full investment control. This is called Income Drawdown and there are different rules depending upon when payments began and how much is being drawn.
- Using Income Drawdown, you can take the maximum tax-free cash from the SIPP, while reducing the immediate pension income (to zero if you wish) until a higher level is needed. This can assist capital growth and reduce your tax bill.
- You can leave a pension fund after your death for the benefit of your spouse or, to your chosen inheritors. Depending on how you arrange your nomination of beneficiaries you may be able to leave your pension fund to your children outside of your estate and without suffering inheritance tax (IHT).

Pilling & Co offer a low cost SIPP in conjunction with A J Bell Investcentre, our pension trustees. You can deal in your SIPP as often as you wish providing there are sufficient funds in the account to do so. Our dealing charges are 1.65% on the first £10,000, 0.5% on the next £90,000 and 0.4% on any balance per deal, with a **minimum of only £10**.

The administration fees payable to Investcentre are :-

Initial Costs	£120 plus VAT
Annual Costs Value up to £100,000	£180 plus VAT
£100,000 to £200,000	£220 plus VAT
over £200,000	£260 plus VAT
For transferred-in pensions £60 plus VAT (per scheme max £300 plus VAT)	
Drawdown pension (Charges in advance)	
up to age 75	£150 plus VAT
over age 75	£250 plus VAT
Register for flexible drawdown	£150 plus VAT

For a SIPP brochure please speak to our Pensions section on **0161 819 4836** or visit our website **www.pilling.co.uk** where a full brochure can be viewed or downloaded.

Portfolio Management

Our advice covers all areas and is not restricted to a limited range of “in-house” investments. We can advise you in depth on investments once we have details of your personal financial background and what your aims and objectives are. Indeed, it is our policy to observe this basic principle to ensure that our advice suits your needs. As there is no “set in stone” structure we can offer you a personalised “tailor made” portfolio.

Investment Management Service

There is still a need for good stockbroking advice for clients who wish to retain ultimate control over their own investments. Working hand in hand with a dedicated Stockbroker who knows the market can add considerable value.

From information that you give us we work out your requirements and consider your view of risk. In some cases we might suggest broader investment areas as well as looking at Capital Gains and Inheritance Tax Planning. Our Investment Managers have the skills to discuss specialist investments such as ISAs, Self Invested Pensions and certain other tax efficient products as well as stocks and shares.

Pilling & Co offers this service on a fee basis. The management fee is 0.75% plus VAT per annum of the value of the portfolio up to £250,000 and 0.5% plus VAT on any excess, and is charged proportionately every six months.

The minimum portfolio value for an investment managed account is **£75,000** with no maximum. You can include ISA and SIPP accounts with ordinary accounts to reach the minimum figure, as well as combining a spouse’s portfolio. We do stress however, that all these accounts must be with Pilling & Co and in our nominee company.

Our Investment Management Service gives you :-

- **Your personal Investment Manager**
- **Portfolio monitoring**
- **On line valuations**
- **Six monthly in depth portfolio reviews**
- **Regular economic report**
- **Portfolios built from “scratch”**
- **Corporate actions advice (e.g. Rights issues etc)**

Discretionary Management Service

Many Pilling & Co clients choose to have their investments managed by the firm on a discretionary basis. This is where tactical decisions are made by us and acted upon without delay. Some of our clients work abroad and are happy that their interests are being looked after when they are away. Others simply wish to rest easy knowing that their assets are receiving professional care and attention and they can make as much or as little contact as they like.

The account will be managed strictly in accordance with the investment objectives agreed with you. You may have restrictions to place on the account, for example, on ethical or risk grounds. These will be recorded on your file before any investment decisions are taken and will be followed. Your situation may change in the future and your investment objectives may be different. You can change the way your account is managed at any time by simply informing your Investment Manager of your new needs. Once again ISAs and SIPPs can be combined to make up the minimum portfolio size of £75,000.

Our Discretionary Service gives you :-

- **Our highest level of service, managing investments under a “contract of care”**
- **Your personal Discretionary Manager**
- **Six monthly report including an economic and portfolio review, statement of transactions and a reconciliation of performance**
- **On line valuations**
- **Portfolios built from “scratch”**

Your discretionary manager has no restrictions on the investments for your portfolio. There is no agenda pushing us to invest your money in certain brands or products. With investment opportunities in different sectors or markets, we have the freedom, (providing your investment restrictions are not breached), to seize these opportunities for you.

Pilling & Co is pleased to offer you this service on a fee basis. The management fee is 1.0% plus VAT per annum of the value of the portfolio up to £250,000 and 0.5% plus VAT on any excess, and is charged proportionately every six months.

As a discretionary client, we still send you contract notes immediately, confirming all your dealing transactions. Every six months we send you a full report including a statement of transactions and reconciliation of performance. You also have access to on line valuations so you can always see your account position.

To open an Investment Management or Discretionary Management account, please complete the **New Client Form** at the back of this brochure and our **Client Agreement** which is available separately. When returning these documents please give us as much detail as possible including full details of your investments and personal financial circumstances which will make our advice as suitable as possible.

AIM Portfolio

All too often, inheritance tax (IHT) is something many people do not start thinking about until it is difficult to do something about it. Under current legislation bequests made to a deceased's spouse or to recognised charities escapes inheritance tax (IHT). Otherwise the first £325,000 (**frozen until April 2028**) of assets bequeathed on death and, the first £175,000 of a deceased's main residence left to a direct descendant, attracts no IHT and everything over this figure attracts tax at 40%.

An exemption to this are shares in companies that qualify for Business Property Relief (Business Assets). Companies that qualify for such relief are those that are not listed on a recognised Stock Exchange. Most importantly the AIM market is not recognised stock exchange for this purpose, although companies utilising these platforms are quoted and may be traded. Business assets are: -

- Exempt from IHT if the initial investments into AIM were purchased at least two years before the time of death and remained in AIM securities up to the date of death.
- Subject to capital gains tax (CGT) at 10% for basic rate taxpayers and 20% for higher rate taxpayers on gains in excess of the annual exemption (**£6,300 for 2023/24 reducing to £3,000 for 2024/25**). Where these investments are made inside an ISA they are not subject to CGT.

There are some AIM companies that currently do not qualify for these reliefs, these include companies dealing in property, investments and general financial instruments (i.e. investment companies) and cash shells. There are over 700 companies listed on AIM, as at March 2023. This makes it possible for us to create and manage on a discretionary basis, a portfolio to take advantage of these far reaching tax breaks.

We do have to point out that AIM securities are regarded as **high risk** and trading liquidity cannot be guaranteed. Investors should only contemplate investing in such equities if they can afford to lose any of the capital committed.

The discretionary account will be managed on a "contract of care" basis with the performance benchmarked against the AIM All Share Index. You will receive quarterly valuations and a comprehensive half yearly report and reconciliation. The minimum initial investment for the AIM portfolio is **£30,000**. The account can be liquidated and the sale proceeds paid to you at any time. In such an event, our normal dealing commission would be levied as well as the management charge on a pro rata basis.

Charges

An annual management fee of 1% plus VAT will be charged on the value of the portfolio, taken half yearly. Dealing commission and custody charges will apply at our standard rate as described later in this brochure.

If you would like to proceed with the AIM portfolio, simply complete the Client Agreement in the AIM brochure and return it to us or if you wish to talk to somebody first, our investment managers will be pleased to speak to you on **0161 819 4825**.

Pilling Ideal Portfolio (PIP)

The stockmarket can be a testing environment in which to consistently make money. With a large number of underperforming collective funds waiting to trap the unwary, the Investment Management Department at Pilling & Co launched two Pilling Ideal Portfolios (PIPs) in August 2001. These two portfolios are the **Ideal Income** and **Ideal Growth**. Following the success of these portfolios two more were added in August 2002, the **Ideal Higher Income** and the **Ideal Aggressive Growth (formerly Select Opportunities)**. We added a fifth portfolio, the **Ideal Overseas Growth** which was launched on the 25th April 2005 and last but not least, the **Ideal Conservative** on the 1st July 2016

The “Ideal” portfolios each use a collection of Unit Trusts, OEICs and Investment Trusts carefully selected and monitored by our Investment Managers. Each portfolio is distinct in its objective. Portfolio Attributes: -

- **Income PIP**—aims to provide an income return comparable to the FTSE 350 High Yield Index with growth over medium and longer term by medium risk exposure to world equity and fixed interest markets via unit trusts, OEICs and investment trusts.
- **Growth PIP**—aims to provide a balanced return of growth and income superior to the FTSE All-Share Index over medium and longer term by exposure to world equity and fixed interest markets via a medium risk portfolio of unit trusts, OEICs and investment trusts.
- **Higher Income PIP**—aims to produce a level of income ahead of the yield on the FTSE Actuaries UK Gilts All Stocks and the FTSE 350 High Yield (equity assets), with reduced relative volatility in capital performance. Investments will be made across a spread of assets that may include Unit Trusts, OEICs, Funds and Investment Trusts focusing on fixed interest securities, equities, property and infrastructure. Gearing and use of covered options may be utilised in certain funds where this is expected to result in enhanced yield.
- **Aggressive Growth PIP**— aims to provide long term capital growth superior to the FTSE All-Share Index through exposure to equity and fixed income markets, together with unlisted investments, via a medium to high risk portfolio of unit trusts, OEICs and Investment Trusts.
- **Overseas Growth PIP**— aims to provide predominantly long term capital growth superior to the FTSE All World Index (Ex UK) through the active management of a diversified portfolio with exposure to equity and fixed interest markets, via a medium to high risk portfolio of unit trusts, OEICs and investment trusts.
- **Conservative PIP**— aims to target a positive capital return of cash plus 3.5% (not guaranteed) over the medium term with a focus on capital preservation, across the market cycle. The investment style is focused on generating low volatility of returns relative to the stockmarket. This will be achieved by utilising principally absolute return funds, alternative assets, fixed income and multi asset investment strategies with a minimum exposure to equities, via a portfolio of unit trusts, OEICs and investment trusts. The benchmarks are the FTSE Private Investor Conservative Index and the FTSE All-Share Index.

A great deal of time and research is devoted to the area of collective investment funds by our Investment Managers so our efforts and long standing expertise should and does feed through to above average medium to long term returns.

PIPs are established on a discretionary basis in ISAs, SIPPs or general nominee accounts. We automatically carry out any changes to your portfolio for you, sending you contract notes for any transactions done. Our fee for this service is lower than our normal discretionary fee at just 0.5% plus VAT per year. You will receive half-yearly reports and quarterly valuations keeping you informed of performance and changes.

For further details of our PIP management service please telephone our Investment Managers on **0161 819 4825**, or e-mail them at investmentservices@pilling.co.uk

Charges at a Glance

Commissions & Charges

1. Dealing commission per deal, UK Equities, Preference Shares, Convertibles, Investment Trusts, Overseas Transactions, UK Gilts, Debentures, Loan Stocks and Unit Trusts/OEICS

Minimum	£10
1.65% on the first	£10,000
0.50% on the next	£90,000
0.40% on the excess over	£100,000

DRIP commission is charged at 0.5% with no minimum

UK purchases add 0.5% Stamp Duty

For certificated sales or purchases there is an additional charge of £20 per bargain

Although most overseas transactions can be accommodated within these rates, please enquire at time of dealing as additional charges may be applicable.

A US Compliance Charge of £10 will be applied on all purchases of US domiciled securities* (excluding DRIP trades).

2. Administration

Transfer-in stock	Free
Income distribution	Free
Rights issues, takeovers, open offers	Free
Statements & valuations	Free
Consolidated tax voucher	Free
Transfer stock out of nominees	£24 (per security, per transfer)
Cash withdrawal via BACs to bank	Free
Cash withdrawal by cheque	£5 plus VAT
CHAPS payments	£25 plus VAT
Probate/Certified Valuations (Nominees)	£12.50 plus VAT per stock (min £37.50)
Probate/Certified Valuations (own name)	£20 plus VAT per stock (min £60)
Certificated transfer of title	£20 plus VAT (per security, per transfer)
Returned cheques	£20 plus VAT
Safe Custody of Foreign Stocks	£tba enquire at time of deal

3. Custody Fee

0.25% charged six monthly in arrears on the total value of ALL your accounts with Pilling & Co. The fee has a **minimum of £25.00 and a maximum of £90.00** if you are registered for using our on-line portal Client Web Access (CWA). For clients who request postal documents the fees have a **minimum of £30.00 and a maximum of £100.00**. In other words, any value over £40,000 (non CWA) and £36,000 (CWA) is free so you may wish to consolidate your investments from other managers.

US domiciled securities* will attract an annual custody fee of £25 per security (capped at £200 pa) and will be charged six monthly in arrears.

* US domiciled securities exclude Global Depository/shares and American Depository receipts/shares.

What to do next

To open an account with Pilling & Co, simply complete the relevant application form contained in the brochure of the service you wish to open or, alternatively, you can download them from our website www.pilling.co.uk. Please ensure that you complete all sections of the form to enable us to process your application as swiftly as possible.

If you are not an existing client of Pilling & Co, you will also need to provide verification of identity documentation, details of which are on the application form. For existing clients the firm may conduct an online identity verification check.

To simply deal with no advice, please send the Application Form and any required identity documentation with either a cheque payable to Pilling & Co or share certificates with signed transfers. If you wish us to contact you before dealing please indicate this with your application and our dealing department will be happy to call you and discuss your requirements.

Feel free to call us with any questions you may have on **0161 832 6581** between 8.00am and 5.15pm on any business day when there is always somebody here to help you.

IMPORTANT NOTICE

PLEASE READ CAREFULLY

Pilling & Co Stockbrokers Ltd is registered in England and Wales No. 9220456 and is authorised and regulated by the Financial Conduct Authority (FCA) No. 652114 and are members of the London Stock Exchange.

A leaflet detailing our own internal Complaints Handling Procedure is available on request together with booklets describing the operation of the Financial Ombudsman Service (FOS) and the Financial Services Compensation Scheme (FSCS) and how to get in touch with them.

Information in this brochure is for guidance only. It is not a recommendation for any product or to join the Pilling Investment Management or Discretionary Service without proper consideration of your personal financial circumstances and investment needs. Whilst every effort is made to ensure accuracy, we cannot be held liable for any errors or omissions in this brochure. The past is not a guide to future performance, and the tax treatment of investments depends on individual circumstances and is subject to statutory change. Since the value of investments and the income they produce can go down as well as up, you may not always get back the full amount originally invested.