



**Cornwall Finance &
Investment Services**
Independent Financial Advisers

Harlyn House
Bonython Road, Newquay
Cornwall TR7 3AW

Tel. 01637 839098
Email: mark@cfislive.co.uk

A View From The Cliff

Dear clients and friends, I would like to wish you all the very best this winter and present this edition of our newsletter, A View From The Cliff.

In this newsletter we hope to :

- Share our own views, alongside those of our investment partners, on the world of personal finance.
- Provide market analysis, giving our understanding of current economic situations, future opportunities and threats to the world markets.
- To inform you of our new charging structure and how the new Financial Services regulations will effect how we are paid for our services.



Cornwall Finance and Investment Services are delighted to announce that this Christmas we have sent no Christmas Cards!

Instead we have donated the money on behalf of our clients to St. Petrocs, a fantastic local charity which helps people who are homeless and vulnerable.

We hope you agree that this is not only environmentally friendly but is in keeping with the spirit of goodwill and giving.

The Financial Services Authority does not regulate Taxation Advice, Trust Advice, Will Writing and some forms of mortgages.



Principal Mark Ridgman. Authorised and regulated by the Financial Services Authority





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Market Analysis

Parmention Investment Partners, stock brokers and fund managers (www.parmention.co.uk) are amongst our most favoured investment professionals and we are most grateful to them or their contribution below. The article is the opinion of Parmention Investment Partners, and does not constitute investment advice

As 2012 draws to a close, it is pleasing that stock markets have delivered a positive return. The FTSE has risen by 11.2% in the first eleven months of the year along with other major equity markets (the MSCI World Market index rose by 10.2% in sterling terms). But have the major economic problems faced by many economies been resolved in the past year? Take the United States, there are some tentative signs that its economy may be picking up with a recovering housing market and falling unemployment. And the re-election of President Obama has removed political uncertainty. The “fiscal cliff” of tax rises and government spending cuts is leading to a fear that the combination will put the US back into recession. Hopefully a deal will be agreed with all parties claiming some sort of political victory. Perhaps more importantly was the Autumn announcement that the Federal Reserve will “print” as much money as it takes to get the economy recovering. This was significant for two reasons; firstly the commitment to print money was open ended and secondly that interest rates would not rise until there are clear signs that the economy is on the mend.

Similarly in the UK and Europe the central banks have agreed to continue to support economies. For the UK it was another round of quantitative easing and for Europe it was “to do whatever is necessary” to maintain the currency union. The underlying problems of each have not been solved. How to maintain growth in the UK whilst implementing an austerity programme to cut debt remains a challenge for the coalition government. For Europe, the difficulties of having a monetary union without a fiscal union endure. Neither problems will be resolved quickly and both are likely to continue to dominate the headlines for the foreseeable future.

Given the above difficult outlook, it is sometimes easy to forget that the world economy is forecast to grow in 2013, with the emerging markets once again growing faster than the developed world. These developing economies did not suffer a financial crisis and their consumers are not saddled with high debt levels. Although exports from the emerging to the developed world will act as a brake on growth, countries such as China are gradually moving away from export to consumer led growth. This is likely to be a recurrent theme as these economies mature and will provide opportunities for companies say in the UK that can sell to this nascent consumer class.

No doubt 2013 will throw up challenges and we are unlikely to experience a smooth rise from stock markets. However challenges also provide opportunities to invest for the longer term and there are some tentative reasons for optimism. Governments are committed to solving the long term problems in their respective economies and interest rates are likely to remain low for the foreseeable future. Plus the promising prospects for emerging markets and the continued rise in the wealth of their populations should provide many favourable investment opportunities and reward long term investors.

Parmention Investment Solutions + Cornwall Finance & Investment Services = Tailored ,Risk Quantified Investment Solutions. Equity ISA from only £1,800.00



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Market Analysis

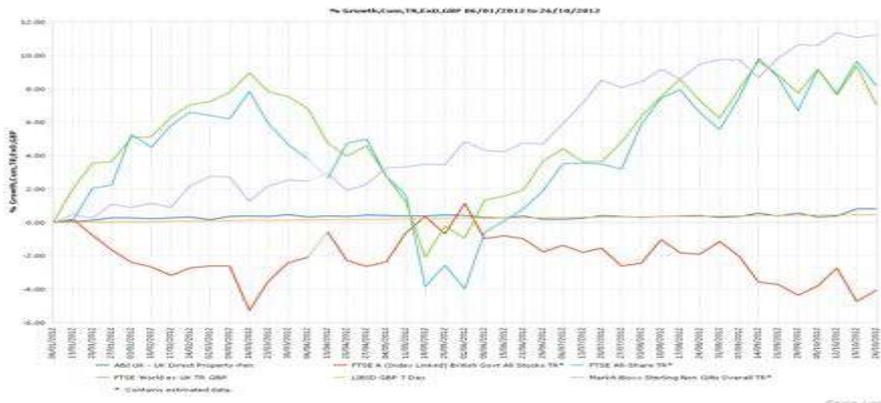


[With Germany in charge things look better for Europe]

Cornwall Finance and Investment Services agree on the whole with the opinions expressed by Parmenion. We are most grateful for the support of all of our investment partners who have provided our clients with some excellent returns over very difficult times recently. We believe times are more settled than at this time last year although the slower than usual economic recovery will be a continued theme over this year and next with austerity blighting those with least.

For those with resources to save the Investment Process developed by Mark over many years, has helped clients gain from a wide range of assets; whilst accurately controlling your investment's risk of loss. This is why we are so careful to establish a comprehensive, ongoing understanding of our clients needs, feelings and attitudes, so we can create the asset allocation and investment portfolios for you.

Our aim has always been, and will continue to be, ensuring that our clients funds are placed with fund managers who represent the best of their professions. And as a result draw value, income and opportunity from uncertainty and, wherever possible, preserve capital.



It's all in the mix - Asset Class Return 2012





2012

3p.

Rise in Fuel duty Scrapped

£325,000

Maximum Potential IHT exempt Gift

8.5%

Rise in Volume of UK Exports (June)

£50,000

Tax Year End Maximum pension contribution reduces

1%

UK growth in Q3

1/4

2018

Revised "end" of Austerity

10.1%

Increase in Chinese economic output in November

Estimated Number of IFA's set to leave industry in 2013 Not CF&IS!

86.8%

UK debt as a percentage of GDP (Q1)

21st

December

£11,280

Tax-free ISA allowance 2012-3

84%

EU Gender Directive implemented in the

UK

£9,440

Basic Personal tax relief

vs.
81%

Percentage of people who use an IFA and are happy with the state of their finances.

Vs.

Percentage of the general population who are not happy with the state of their finances





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The New Look IFA Service

The financial planning profession which I am proud to have belonged to for 24 years has evolved!

From the 31st December 2012 all firms who wish to continue to provide Independent Financial Advice, must comply with the new FSA guidelines set out in the **Retail Distribution Review (RDR)**:

- All advisers must be annually certified competent by training after attaining a Diploma in Financial Planning (L4 degree)
- Advisers must never receive commissions on investment products but have customer agreed service and remuneration packages.

This has meant that we have reviewed our services, the ways they are delivered and how we are paid for them.

Cornwall Finance & Investment Services are proud to say that our advisers are **qualified to provide independent financial advice.**

Our annual Certificate of Professional Standing has been issued through the Personal Finance Society part of the Chartered Insurance Institute and we are bound by their Code of Ethics.

As Independent Advisers, we have the freedom to choose from the entire UK market, it is this freedom that enables us to achieve the best added value for our clients. Our default position with all clients will therefore be to provide Independent Financial Advice. However, limited Restricted Advice will be available, for those with very basic needs.

From 2013 we will offer our clients four broad categories of service, this will ensure that the desired level of service is obtained and a fair fee is charged.

Please find descriptions of each category on the following page, we do not believe it is fair to alter your present service standards without first discussing them with you. We will discuss which service plan is right for you at our first review meeting in 2013.



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Cornwall Finance & Investment Services: Our Service

Prime Service

Designed for our clients, whose assets or financial planning needs require:

- **Bi-annual individual investment valuation reports**
- **A meeting with your adviser every six months.**
- **Online access to up to date information on your holdings**
- **Market updates and Newsletters**
- **Digital Document Storage**
- **Discounted Wills and Trust**
- **Free Mortgage Review for a Family Member**

Fees for this service are by individual negotiation.

Executive Service

Designed for our clients, whose assets or financial planning needs require:

- **Bi-annual individual investment valuation reports**
- **A meeting with your adviser every year**
- **Online access to up to date information on your holdings**
- **Market updates and Newsletters**
- **Digital Document Storage**
- **Discounted Wills and Trust**

The minimum annual fee for this service is £587.00.

Advanced Choice

Designed for our clients, whose assets or financial planning needs require:

- **Annual individual investment valuation reports**
- **Contact with your adviser every year**
- **Online access to up to date information on your holdings**
- **Market updates and Newsletters**

The minimum annual fee for this service is £378.00.

Entry Level

Aimed at those clients whose financial planning objectives initially only require a “one-off” service:

- **No ongoing servicing**
- **Additional advice and service available on request and subject to additional fees.**

Fees for the work carried out will be calculated and charged on an individual basis.

Fees can and will (as now), be offset, by initial commissions from policies of life assurance and/or met by fund-based charges paid to us by your investment provider.



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Cornwall Finance and Investment Services pledge to consistently innovate and develop our services, so that we can add value to your financial planning. In 1991 some of my clients may recall, I sent a Christmas newsletter, upon which was a photo of my newborn daughter Hannah. Hannah having this year received a First Class Honours Degree from Reading University has, we are very pleased to announce, joined Cornwall Finance & Investment Services as my assistant and trainee IFA.

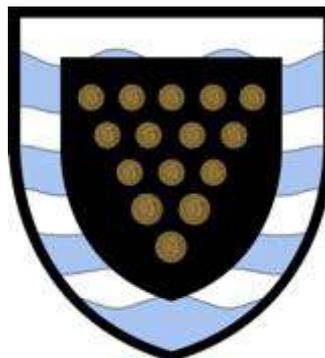
We hope you found this newsletter of interest and look forward to speaking with you all soon.

Your views matter to us, so if there is anything you would like to see in our Spring edition please let us know.

Should you have any questions please contact me on:
01637 839098, Mobile 07710 868377 or by email at
mark@cfislive.co.uk

We hope you to see you soon and send our best wishes for
2013!

**Mark Ridgment DipPFS, & The Team At
Cornwall Finance & Investment Services**



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Pre~Retirement Planning
Post Retirement Planning
Tax and Estate Planning
Corporate Financial Planning
Life & Health Assurance
Investment Planning
Health Insurance
Short Term Savings
Mortgage & Loan Advice

Contact Us:~

Tel:~ 01637 839098

Mobile 07710 868377

Email mark@cfislive.co.uk

Freepost—FPN4371

CF&IS, Harlyn House

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