



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

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# A View From The Cliff

Dear Clients, we hope you have enjoyed the best summer weather for 7 years. We have the pleasure to present the latest edition of our newsletter, A View From The Cliff..

In this newsletter we will:

- Share our own views on the changes in the recent budget and their impact on your financial planning.
- Provide market analysis and our understanding of current economic situations, future opportunities and threats to the world markets.
- Inform you of any changes to our services and outline our service proposition.



## 25 Years of Service

In April 1989, Mark Ridgmont commenced his career in financial service, which makes this his 25<sup>th</sup> year of financial planning.

In July 2012 Hannah Ridgmont joined Cornwall Finance & Investment Services as a Trainee, extending our ethos of customer care to new generations.

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



Principal Mark Ridgmont. Authorised and regulated by the Financial Conduct Authority. Registered in England No. 512118





## **THE BUDGET**

The Budget held few surprises on taxation, with many of the changes well-flagged, the main changes affecting most of our clients are in:

**Income Tax** Chancellor of the Exchequer George Osborne finally fulfilled the coalition promise of a £10,000 personal tax allowance – for individuals born after April 1948—the allowance will increase from £8,105 to £9,440 in 2013/14 and to £10,000 in 2014/15. It will then increase in line with the consumer prices index. However, a fiscally neutral budget saw the Chancellor take as well as give and the basic rate limit was reduced from £34,370 in 2012/13 to £32,010 in 2013/14 and to £31,865 in 2014/15. Individuals will therefore start to pay 40% income tax at a progressively lower threshold. The highest rate of income tax will, however, still fall from 50% to 45% from 6 April 2013.

**Changes to Isa limits** There is an overall investment limit of £11,520 for 2013/14, up from £11,280, with a cash maximum of £5,760. For Junior ISAs the overall limit has risen from £3,600 to £3,720 and the government also announced its intention to consult on options to allow the transfer of child trust funds into Junior ISAs.

**Pension limit changes** The annual maximum contribution allowance reduces to £40,000 and the lifetime allowance to £1.25m from 2014/15.

**Inheritance Tax** The nil-rate band remains frozen at £325,000 until April 2018, three years longer than previously stated, to help fund the cap on care costs for older people.

**Capital Gains Tax** The Government will proceed with tax breaks on ‘employee shareholder’ employment status. Individuals adopting this status are eligible to receive between £2,000 and £50,000 worth of capital gains tax-exempt shares. There were also plans to reduce the income tax and National Insurance liabilities arising when employee shareholders receive shares, with the first £2,000 worth tax-free.

**Business Taxation** The Chancellor announced a one percentage point reduction in the main rate of corporation tax, which will fall to 20% during 2015, and will give the UK what he described as “the lowest business tax of any major economy in the world”. Measures were introduced to clamp down on tax evasion and avoidance and the levy on banks will be increased to 0.142%. Elsewhere, stamp duty was abolished on shares traded on growth markets such as AIM.





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## Market Analysis

### What a Difference 6 Months Makes

Three investment houses have been asked for their views on the rest of 2013. We thought it would be fun to have this in the form of a tweet—congratulations to Peter Dalglish (of Parmenion Capital Partners) for condensing his into the 140 characters!

The views expressed below are those of Investec Investment Management and Parmenion Capital Partners and are provided for general information only. Please seek personalised advice before acting on any suggestions made.

### Investec Investment Management

After the tremendous rise in stock markets over the last six months it was unsurprising to see a pull-back in June. At least the “sell in May” brigade are happy they got it right this year (for a change). Short term the markets are likely to stay volatile, but the reality is shares are trading at discounts to their long-term average ratings, the economic news is getting better (apart from Europe where at least it is stabilising) and investors still are hugely underweight. Which all adds up to more gains over the coming years.

Henry Rising—Investec Investment Management—01.07.2013

### Parmenion Investment Management

Peter Dalglish Managing Director Parmenion Investment Management - Will Central Banks unwind QE? Markets will be volatile, even as the real economy picks up.

Peter Dalglish—Parmenion Investment Management—14.06.2013



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## Market Analysis—Continued

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### Brewin Dolphin

Stock Markets around the world have suffered a period of turbulence since late May, reversing some strong gains in the first quarter of the year. The FTSE 100 index rose by 15 percent from the beginning of the calendar year to its peak on 22<sup>nd</sup> May. Japan's TOPIX Index rose by a staggering 75 percent in local currency terms.

A month is a long time in capital markets, and it is easy to forget the optimism that abounded up to this point; optimism that the Abe administration in Japan had finally put in place a monetary policy framework to end the sluggish growth that has dogged its economy for so many years. There were hopes that the incoming Chinese leadership were putting in place measures to stabilise the slowdown in its economy and news of gathering momentum in the US economy helped cheer markets.

Much of this optimism is still in place, but have been obscured by fears that the US Federal Reserve, the Central bank, intends to slow down its vast quantitative easing programme. This has provided to huge support to bond markets, and has in turn helped bolster equity market valuations. Markets do not respond well to uncertainties, particularly when they are of this scale and come at a time when historically markets tend to be more volatile. While it is fair to say that equities may have a bumpy summer, the long term outlook remains set fair.

Important Information: The opinions expressed in this article are not necessarily the views held throughout Brewin Dolphin Ltd. No Director, representative or employee of Brewin Dolphin Ltd accepts liability for any direct or consequential loss arising from the use of this document or its contents.

Jonathon Croggon - Brewin Dolphin— 28.06.2013

### A Word from Mark

We are very grateful for the contributions of Jonathon Croggon (Brewin Dolphin) Henry Rising (Investec Investment Management) and Peter Dalglish (Parmenion Investment Management). It is always interesting to see a consensus view emerging. Our aim will continue to be ensuring that our clients funds are placed with the most appropriate fund managers. We are confident in the success of this approach as our clients continue to draw value, income and/or growth, despite the World's uncertainties.





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## Summer 2013 Wall of Numbers

81%

Regret a financial decision they have made in the past without seeking advice.

BUT

95%

Of people said they felt they had directly benefited from meeting with an IFA

£11,520

2013/4 ISA Allowance

£40,000

2013/4 Max pension contribution

£3,720

2013/4 Junior ISA limit

£9,440

2013/4 Income Tax Nil rate band

£1,387.4 billion

General government gross consolidated debt at nominal value (Dec. 2012)



(THE FIGURES ABOVE REFER TO PAST PERFORMANCE. PAST PERFORMANCE IS NOT A RELIABLE INDICATOR OF FUTURE RESULTS.)

**Predicted World Economic Growth \$5,900,000,000,000 (5.9 Trillion)**



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## The Problem With Children...

Whilst being one of life's principle joys, children can be very demanding.

### When they are newborn...

That precious bundle of joy miraculously arrives, (if you're lucky enough to be a man) and promptly takes over your life. I remember being able to hold my newborn children in only one hand. It was then when it hit me most how totally dependent they were on me.

### CF&IS are there to help:

Financial protection is crucial for all young families, CF&IS can assist with:

**Life Assurance**  
**Income Protection**  
**House Purchase Advice,**  
**Mortgages and Re-Mortgages**

### Then they want to go to university...

With tuition fees at around £9,000.00 (2013) per annum, if your toddler starts to exhibit the signs of intelligence it could prove very expensive later on.

Tailored to your budget we can offer:

**Family Society Savings Plan**  
**Collective regular savings plan**  
**Equity Release Mortgages**

### Then they need somewhere to live...

Interest rates are likely to stay low for some time. This is good, because The Bank of England predict that 10% of mortgage borrowers would find themselves in difficulty with only a 2% rise in base rates. This has strengthened our opinion that house prices are overvalued.

When it comes to finding a home we can assist with:

**House Purchase Mortgages**  
**Secured Loans for deposits from the Bank of Mum & Dad**

### Then they give you Grandchildren

You have struggled long and hard to build your wealth, a new generation appears and you may want to help your increased family, before or after you die.

Whether it's maintaining your standard of living or passing on your wealth we can arrange:

**Equity Release**  
**Estate Planning**  
**Inter-Generational Gifting**  
**With Investment Planning**

**THINK CAREFULLY BEFORE SECURING OTHER DEBTS AGAINST YOUR HOME. YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE.**

There may be a fee for Mortgage advice. The precise amount will depend upon your circumstances but we estimate that for most clients it will be around £385

To understand the features and risks of Equity Release please ask for a personalised illustration.







## Cornwall Finance & Investment Services: Our Ongoing Services:~ 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 (on request)**
- **Discounted Wills and Trust**
- **Free Mortgage Review for a Family Member**

The minimum annual fee for this service is £1,000.00

## 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 (on request)**
- **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.**

Our single report fee is a maximum of £587; our implementation fees are a maximum of 3.75% of the fund value.

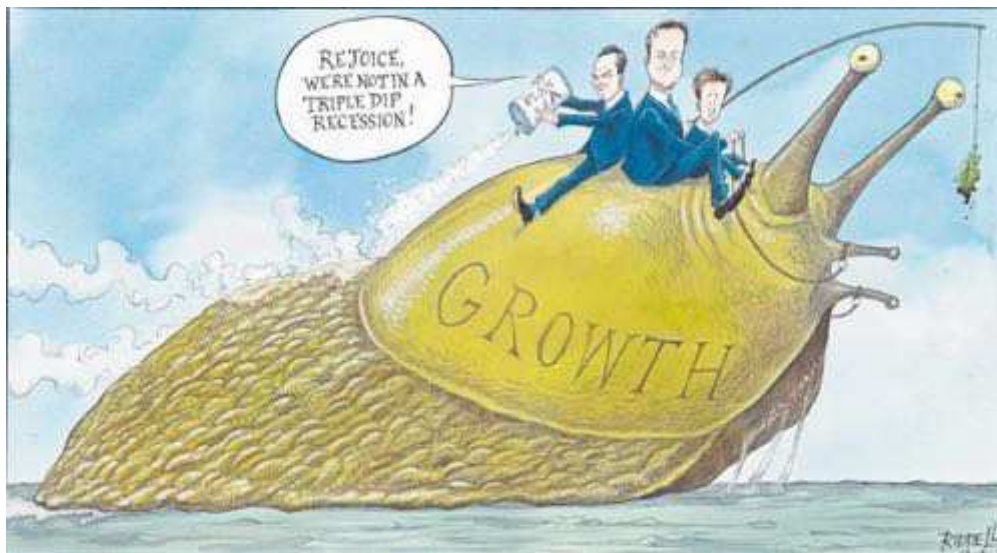




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We hope you found this newsletter of interest and look forward to speaking with you all soon.

Your views matter to us, so if there is anything you would like to see in our Winter 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](mailto:mark@cfislive.co.uk)

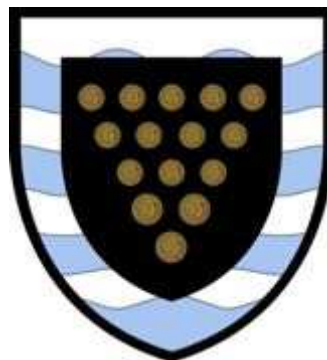
We hope you to see you soon and hope you have an enjoyable and warm summer

**Mark Ridgment**

**& The Team**

**Cornwall Finance**

**& Investment**



**Services**



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