

## Some of our Services

- ISAs
- CTFs
- SIPPs
- Stakeholder
- Discretionary Management
- Investment Management
- Execution only
- Free Nominee
- Monthly Newsletter
- Quarterly PEptalk
- Probate Valuations

## SHADOW STAKEHOLDER CTF

A CTF is a savings and investment account created by the government for children to encourage saving. The government sends a savings voucher for a minimum value of £250 to the registered contact for every child born after the 31st August 2002. Additional contributions can be made each year of up to £1200 by friends and relatives.



Pilling & Co are aware that many of you may want to invest in a similar way for your other children who do not qualify for a CTF. This is why we have launched the: -

### “Shadow Stakeholder CTF “

The “Shadow Stakeholder CTF” will, as much as possible, be identical to the real stakeholder CTF in terms of charges and structure but does not attract the same taxation regime. It will be invested in the **Baillie Gifford Managed Fund** (details available in our CTF brochure) at the special terms agreed with them for our normal stakeholder CTFs.

You are not restricted by the amounts you can invest in the “Shadow Stakeholder CTF” or by the other restrictions associated with a CTF as it is not a government accredited product.

However, you should be aware that if the income generated from the investment in the "Shadow Stakeholder CTF" exceeds £100 per annum the whole income would be taxed on the parent who acts as the bare trustee (holder of investment on child's behalf).

Investments will be held in our nominee company, an agreement for which is enclosed and should be completed by the person with parental responsibility and returned together with the application form and a cheque payable to Pilling & Co.

Investment into the Baillie Gifford Managed Fund will only be made on certain days during the month to mirror with the investment of the CTF vouchers. You will receive a contract note once the investment has been made.

If you require any further information or have any questions, please do not hesitate to ring us on **0161 819 4850** where there is always somebody who will be pleased to help you.

## CHARGES AT A GLANCE

### **Shadow Stakeholder CTF**

No commission is charged on purchases in the stakeholder CTF as we are paid commission by the fund managers.

Sales are charged at 1.65% on the first £10,000 and 0.5% thereafter.

The Annual Fee is 1.5% of the value of the fund which is charged by the fund managers. A percentage of this fee is rebated to Pilling & Co.

**Please note that the value of your investments and the level of income produced can fall as well as rise and you may not get back the full amount that you invested. Past performance is not a guide to future returns.** Any opinions expressed should not be construed as advice for investment in any product or security featured. Some shares may use part of the capital invested to provide an income. If you are uncertain about the suitability of any investments you should take independent advice (including tax advice) before investing. The information herein is based on current Inland Revenue rules which are subject to change. Any opinions or information provided has been based on sources we believe to be reliable. Pilling & Co staff and/or principals may hold investments featured. All investments are subject to our current terms and conditions and charges which we reserve the right to change. Whilst every effort is made to ensure accuracy we cannot be held liable for errors or omissions. A copy of our internal complaints procedure is available on request together with the Financial Ombudsman Service (FOS) leaflet explaining their operation. Pilling & Co is registered under the Data Protection Act as a controller of information.

Pilling & Co is authorised and regulated by the Financial Services Authority No 141242 and are members of the London Stock Exchange and A.P.C.I.M.S CTS0809

## PILLING & CO SAFE CUSTODY AND NOMINEE SERVICES FOR "SHADOW CTF"

This letter is issued in accordance with the safe custody and client asset rules of the Financial Services Authority (FSA) which require, amongst other things, that all new and existing clients of UK regulated financial services firms be informed of the arrangements and risks involved in registering their investments in the name of a nominee company and authorising the firm to hold their cash in a deposit style facility.

### **Custody of Your Investments - Nominees**

Any financial product purchased through us (except bearer stock) will be registered in the name of our nominee company, St Anns Square Nominees Limited (SASNL), and may be held in certificated form at our offices or with an overseas nominee / custodian approved by us (and subject to an annual risk assessment in accordance with FSA rules) or held to our order within CREST, the Stock Exchange's paperless settlement system.

- Generally, all CREST eligible stock dealt through us will be held within the CREST system in a form that enables identical stocks, although registered in the name of SASNL, to be identified as being attributable to individual clients. However, there may be occasions when identical stocks are pooled together within CREST, or at another custodian, as one block under the title of SASNL only. These cannot then be attributable to any individual client. The only evidence of beneficial ownership will therefore be an electronic bookkeeping entry at Pilling & Co. In these circumstances you are warned that, in the event of an un-reconcilable 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.
- Bearer or other non-registered investments are normally held as Pilling & Co "A/c Client" by one or more third parties such as banks, clearance systems and overseas agents. Where third parties or any other persons holding your investments in their own name or for the account of Pilling & Co (A/c Client) are not connected with us, we do not accept responsibility for their safe custody obligations.
- Please note that overseas custodians may not provide the same level of protection as UK based firms. Overseas jurisdictions may have different settlement, legal and regulatory requirements and there may also be different practices for the separate identification of safe custody investments.
- You should also be aware that dividends on stock held overseas would initially be paid into the bank account of the custodian concerned before onward transmission to us. The legal and regulatory regime applying to banks in overseas jurisdictions may be different from that operating in the UK. In the event of the failure of an overseas bank your money may be treated in a different manner from that which would apply in the UK.

### **Statements and Entitlements**

- At least once every 12 months we will send you details of all investments held on your behalf by us or any other third party.
- We will account to you promptly for all dividends, interest payments and other rights and benefits accruing to you (unless otherwise directed by you).
- We will not be responsible for taking up any rights, exercising any conversion or subscription rights, dealing with takeovers or other offers or capital re-organisations, exercising voting rights, exercising options, claiming or distributing shareholder perks, company reports or other shareholder communications.
- However, where your investments are held in the name of SASNL we will use our best endeavours to ascertain and execute your requirements regarding the above only if practical to do so but in any event we cannot be held liable for any loss or inconvenience if your response prevents us from meeting any deadlines.

## **Charges and Right of Lien**

Currently we do not make any annual charges for **holding** investments in safe custody or nominees. **Transfers out** of stocks not purchased through us or purchased through a different Pilling & Co account are subject to a charge of £20 + VAT per security. Please note that we reserve the right to change this policy subject to at least 10 working days written notice to you. We also 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 (subject to any statutory notice period). Our right to sell will arise immediately you fail to make payment of any amount due to us, for any reason. We may then sell any of your investments as we may think fit and will not be liable to you for any losses from our choice or timing of the sale. You will remain liable to us for any balance if the sale proceeds do not cover all the amounts you owe us.

## **Your Money**

We can only deal with your money in accordance with the client money regulations of the FSA 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 FSA 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. This also apply to 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 from that which would apply in the UK.

## **Third Party Instructions**

Unless otherwise agreed in writing, we will 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.

## **Legal and Regulatory Status**

- Pilling & Co is an unlimited partnership and is authorised and regulated by the FSA.
- SASNL is a completely separate legal entity from Pilling & Co.
- Your investments enjoy trust status and do not form part of the assets of either SASNL or Pilling & Co.
- The contractual and regulatory arrangements between SASNL and Pilling & Co oblige us to accept full responsibility for every aspect and activity of SASNL.
- Although SASNL is not separately authorised by the FSA it is subject to its regulation via Pilling & Co and thereby within the jurisdiction of the statutory complaints (Financial Ombudsman Service) and compensation schemes.
- For the additional protection of our clients we also maintain voluntary financial risks insurance cover of up to £1 million per claim.

# Shadow Stakeholder CTF APPLICATION FORM

## Details of the person with parental responsibility for the child

Title First Names (in full)

Surname

Permanent Residential Address

Postcode

Tel (Home)

Tel (Work)

Fax

Tel (Mobile)

E-Mail

## I apply to open a Shadow Stakeholder CTF for :-

Child's title First Names

Child's Surname

Child's Address

Post Code

Child's Date of Birth

I enclose my cheque payable to Pilling & Co for £

I declare that

- I am 18 years of age or over.
- I have parental responsibility for that child.
- I authorise Pilling & Co to hold the child's subscriptions, investments, interest, dividends and any other rights or proceeds in respect of those investments and cash.
- I agree to Pilling & Co's Terms & Conditions.

Signed

Date