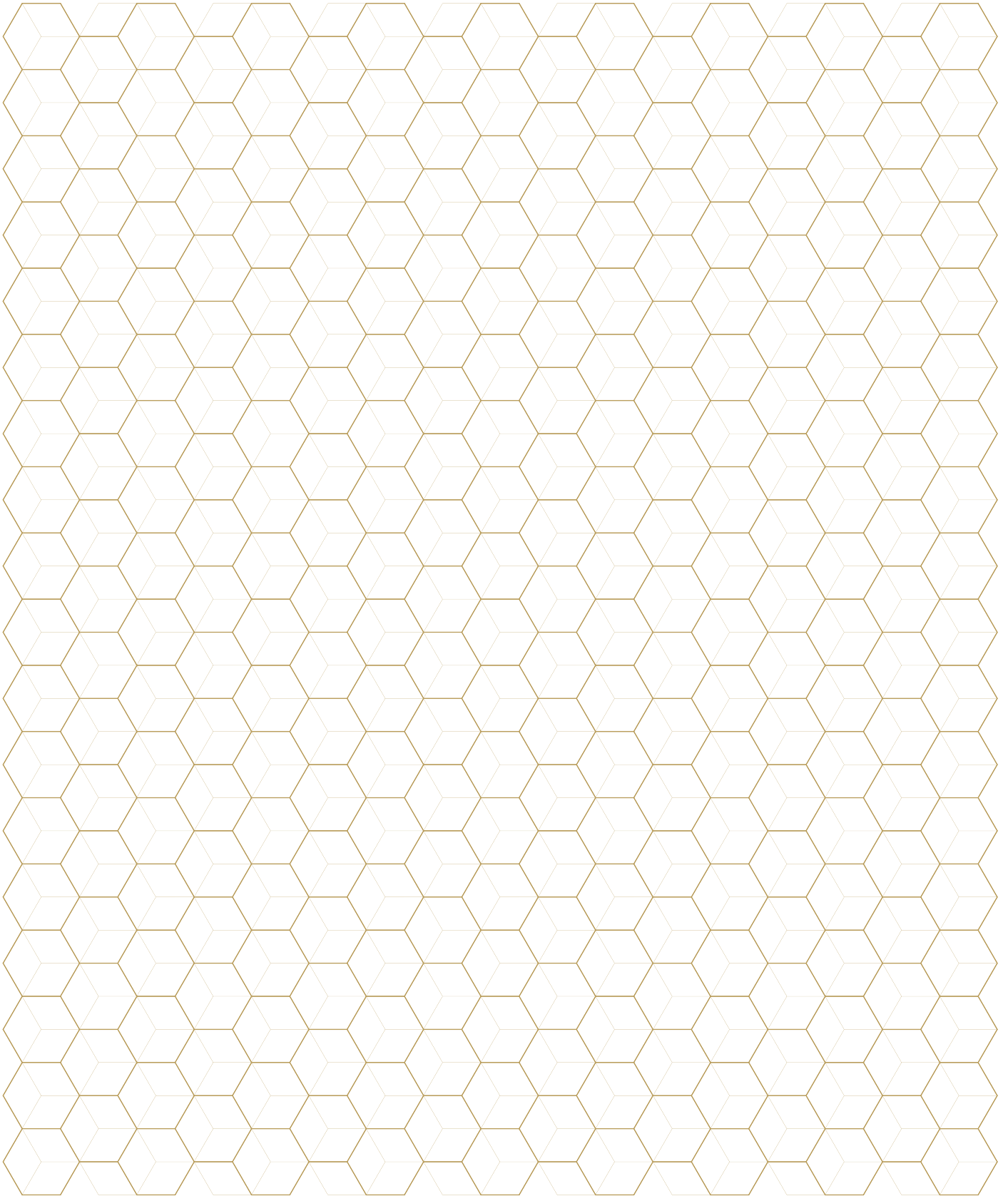


PILLING IDEAL PORTFOLIOS (PIPS) BROCHURE



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ABOUT US

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 and have also forged excellent working relationships with many Solicitors, Accountants and IFAs.

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 Junior ISAs (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.

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.

THE PILLING IDEAL PORTFOLIOS

As a stockbroking and wealth management firm our Investment Managers have regular contact with the country's leading fund management groups. It is difficult for a single fund management group to have sufficient expertise across all sectors and geographic areas. So we research which fund managers are best in each particular area and “cherry pick” the best for you.

THE PILLING IDEAL PORTFOLIOS (PIPS) ARE SIX PORTFOLIOS OF FUNDS CAREFULLY SELECTED BY OUR INVESTMENT MANAGERS.

- Growth PIP
- Aggressive Growth PIP (formerly Select Opportunities PIP)
- Income PIP
- Higher Income PIP
- Overseas Growth PIP
- Conservative PIP

When selecting a fund or trust it is essential to know:

- The fund manager and his ability.
- The portfolio strategy both current and looking ahead.
- Sector and/or geographic weightings.
- Tracking error, where applicable, and volatility.
- Gearing strategy (for investment trusts only).
- Discount/premium situations (for investment trusts only).
- Currency hedging strategy for overseas fund.

We continually monitor these points by having regular meetings and dialogue with managers.

The PIPs can be bought in your Pilling ISA & SIPP portfolios. They can also be bought via a Pilling Nominee Account. Due to the spread of investments we suggest the minimum investment should be £20,000 per PIP. You may add further money to the PIP later if you wish providing it does not breach any contribution limits for ISAs and SIPPs.

PIPs are only available on a discretionary basis which means that we make changes to the portfolio when we think it best to do so. You will be sent contract notes when any changes are made and we provide you with a full report on the progress every six months.

Changes may be prompted by:

- An underperformance within a sector
- A sector falling out of favour
- A change in the management of the fund
- A change to the economic environment

THE MANAGEMENT AND MONITORING OF OUR PIPS

Our PIPs are managed within our Investment Management Department where our five managers collectively have over 100 years of portfolio management experience. This is important since it means that between them they have experience of all kinds of markets.

In addition they have experienced a diversity of economic and monetary conditions from the hyper-inflation of the 1970s to the near deflationary level now; from the 17% Bank of England minimum lending rate of the early 1980s to the all-time 0.5% low now; from monetary tightening and credit restricting periods to the current period of loose monetary policy and quantitative easing.

These changing economic and monetary conditions have shaped the way the markets and individual sectors have performed. In order to have optimised portfolio returns investment managers must have been able to have read the runes in order to plot a successful course.

Within our PIPs we use collective investments – unit trusts, OEICs and within some models, investment trusts. With a proliferation of funds to choose from however, great care has to be taken to select the very best and ensure that those selected remain optimal in terms of performance. The vast majority of funds are run more for the benefit of the fund management groups than investors.

In order to ensure that the best of breed of funds are selected we have direct access to the managers via meetings and regular telephone and web dialogue. We do not simply look at the performance track records that the managers have achieved, we analyse how such performances have been achieved and assess the probability for them to be sustained.

We look at each manager's ability to read market trends and examine their top down approach. Of perhaps greater importance is to examine their stock picking ability. We like to deal with managers who have the ability to understand company accounts and who can identify instances of 'creative accounting'.

Over the course of a year we have a very large number of meetings and webcasts with fund managers and specialist analysts and this enables us to sustain outperformance and to cull the very small number of funds that may threaten to let us down.

A point worth stressing is that since Pilling & Co is not one of the mammoth sized players in portfolio management we are able to take advantage of the few small funds managed by successful boutiques that have the ability to significantly outperform. Asset managers who look after billions have to overlook these since they cannot obtain sufficient exposure to cover all of their clients. Many investment trusts are being overlooked by big name asset managers for this reason and this gives us a significant advantage.

We have had great success with our PIPs since 2001 when the Income and Growth models were launched and we continue to make every endeavour to keep such performance going.

CHARGES

If you would like to sell existing holdings to raise cash to invest in a PIP, we will charge our normal commission of 1.65% on the first £10,000 and 0.5% on any balance, per bargain. Additionally, our normal commission will be charged on purchasing the investments in the PIP and, any switching of investments thereafter.

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.

Our management charge is also lower than our normal discretionary rate at 0.5% plus VAT per annum on the value of your PIP assets. This is levied proportionately every six months at the time of our report.

The individual funds also charge annual management fees which will be reflected in the unit price. Details of these charges will be available on the managers websites.

PERFORMANCE

12-month performance (%) to 22nd February each year vs the benchmark						
	2026	2025	2024	2023	2022	2021
Growth	21.0%	11.4%	5.3%	-1.0%	-5.9%	4.5%
Aggressive Growth	14.6%	12.9%	10.4%	-9.6%	-0.8%	14.9%
FTSE All Share	22.4%	11.9%	-2.9%	3.6%	10.9%	-8.9%
Income	22.2%	14.6%	2.7%	1.3%	7.3%	-6.1%
Higher Income	20.7%	6.0%	-0.4%	-0.5%	6.4%	1.7%
FTSE 350 Higher Yield	26.6%	14.2%	-7.6%	7.9%	15.2%	-13.0%
FTSE Actuaries UK Gilts	2.3%	-1.8%	-3.1%	-21.3%	-6.3%	-4.0%
Overseas Growth	12.8%	20.9%	17.5%	-1.7%	-7.5%	6.9%
FTSE All World ex UK	12.4%	15.0%	15.0%	3.5%	5.7%	9.5%
Conservative	10.3%	8.5%	-1.2%	-4.1%	5.0%	1.6%
FTSE Private Investor Conservative	5.1%	5.1%	2.4%	-3.7%	0.5%	2.4%
<p>Past success should not be seen as a reliable indicator of future performance. The figures above are before account fees.</p>						

PIP MODELS

PILLING IDEAL PORTFOLIO: GROWTH	
<p>INVESTMENT AIM:</p> <p>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.</p>	<p>KEY FACTS: Launch Date: 23 August 2001 ISA/SIPP compliant £20,000 minimum</p> <p>PORTFOLIO CO-ORDINATOR: Mike Talbot/Alistair Hodgson</p> <p>PORTFOLIO MANAGERS: Pilling & Co Investment Managers</p>
Medium risk, balanced return but growth biased, mainly UK investments	

PILLING IDEAL PORTFOLIO: AGGRESSIVE GROWTH FORMERLY SELECT OPPORTUNITIES	
<p>INVESTMENT AIM:</p> <p>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.</p>	<p>KEY FACTS: Launch Date: 23 August 2002 ISA/SIPP compliant £20,000 minimum</p> <p>PORTFOLIO CO-ORDINATOR: Nigel Moore</p> <p>PORTFOLIO MANAGERS: Pilling & Co Investment Managers</p>
Medium and High risk, growth return, mainly UK investments	

<p>PILLING IDEAL PORTFOLIO: AGGRESSIVE GROWTH FORMERLY SELECT OPPORTUNITIES</p>	
<p>INVESTMENT AIM:</p> <p>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.</p>	<p>KEY FACTS: Launch Date: 23 August 2002 ISA/SIPP compliant £20,000 minimum</p> <p>PORTFOLIO CO-ORDINATOR: Nigel Moore</p> <p>PORTFOLIO MANAGERS: Pilling & Co Investment Managers</p>
<p>Medium and High risk, growth return, mainly UK investments</p>	

<p>PILLING IDEAL PORTFOLIO: INCOME</p>	
<p>INVESTMENT AIM:</p> <p>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.</p>	<p>KEY FACTS: Launch Date: 23 August 2001 ISA/SIPP compliant £20,000 minimum</p> <p>PORTFOLIO CO-ORDINATOR: Alistair Hodgson</p> <p>PORTFOLIO MANAGERS: Pilling & Co Investment Managers</p>
<p>Medium risk, balanced return but income biased, mainly UK investments</p>	

PILLING IDEAL PORTFOLIO: HIGHER INCOME	
<p>INVESTMENT AIM:</p> <p>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.</p>	<p>KEY FACTS:</p> <p>Launch Date: 23 August 2002 ISA/SIPP compliant £20,000 minimum</p> <p>PORTFOLIO CO-ORDINATOR:</p> <p>Alistair Hodgson</p> <p>PORTFOLIO MANAGERS:</p> <p>Pilling & Co Investment Managers</p>
Medium risk, income return investments	

PILLING IDEAL PORTFOLIO: OVERSEAS GROWTH	
<p>INVESTMENT AIM:</p> <p>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.</p>	<p>KEY FACTS:</p> <p>Launch Date: 23rd April 2005 ISA/SIPP compliant £20,000 minimum</p> <p>PORTFOLIO CO-ORDINATOR:</p> <p>Terry Applegate</p> <p>PORTFOLIO MANAGERS:</p> <p>Pilling & Co Investment Managers</p>
Medium and High risk, growth return, non-UK investments	

<p>PILLING IDEAL PORTFOLIO: CONSERVATIVE</p>	
<p>INVESTMENT AIM:</p> <p>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 benchmark is the FTSE Private Investor Conservative Index.</p>	<p>KEY FACTS: Soft Launch Date: 1st Jan 2015 Actual Launch: 1st July 2016 ISA/SIPP compliant £20,000 minimum</p> <p>PORTFOLIO CO-ORDINATOR: Nigel Moore</p> <p>PORTFOLIO MANAGERS: Pilling & Co Investment Managers</p>
<p>Medium/Low, Capital preservation focus</p>	<p>(This is not an income product)</p>

WHAT TO DO NEXT

If you would like to proceed simply complete the PIP Form from our website at pilling.co.uk and return it to us.

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

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. Alternatively contact us by email at info@pilling.co.uk.

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 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.

