

NEWS

Reeves blazes trail with adviser kitemark

Michelle McGagh

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Andrew Reeves, director of Wellingborough-based The Investment Coach, has become the first adviser in the UK to obtain the ISO 22222 certificate that promotes business operations and treating customers fairly (TCF).

Reeves, who is already a certified financial planner (CFP) and chartered financial planner, decided to get the certificate to improve the operations manual in his business.

He is one of only three advisers who have achieved the kitemark so far, which is awarded by Standards International, after being involved in a pilot project. Dr Robin Keyte, principal of Towers of Taunton, also achieved the certificate.

'For me it was about sorting out my operations manual. I was keen to get the processes sorted out so someone could come into the business and follow our process easily,' said Reeves.

The ISO is designed to help advisers bring process to their business and implement TCF principles. Reeves found it also helped his business to look more closely at ethical investing.

He has adapted the process taught by ISO and has created a secure online site so that clients can access their key features documents.

'Having an ISO standard does not automatically make you a good adviser. I don't think it should be made the minimum qualification in the retail distribution review but should be used in conjunction with other exams,' said Reeves.



REEVES: ISO standard should not be minimum qualification

Alliance Trust NAV drops 4.6% as tough year bites

Britain's biggest investment trust Alliance Trust saw its net asset value fall 4.6% in the 12 months to the end of January, as a 'harsh year' for stock markets took its toll on the £2.9 billion trust, writes **Charlie Parker**.

Although the Dundee-based investment trust NAV performance beat the FTSE All-Share, which lost 6.6%, chief executive Alan Harden admitted to being disappointed with performance.

He said: 'Our immediate priority is to improve the company's investment performance and we have put in place greater flexibility, to magnify the effect of investment decisions and increase the tools at our disposal. Our new chief investment office Katherine Garrett-Cox has been instrumental in driving this and creating a stronger structure for decision-making.'

Harden said however that the trust has managed to find genuine opportunities despite the tough environment.

'Throughout the financial year, with increasing volatility in stock markets, we re-entered the market selectively to invest in well-run companies that were being unjustly marked down. By investing on what turned out to be some of the worst days of the year for markets we believe we have added to the potential for outperformance of our equity portfolio.'

The trust did benefit from the growth of its asset management and financial service subsidiaries which grew by 19%, although it has not explained the reason for the departure in March of Janet Pope, chief executive of Alliance Trust Savings.

As of 21 April the trust was trading at a discount of 17.6%, which Harden conceded was a problem. 'We believe that this level of discount undervalues our company. Our target is substantially to outperform a real return measure over the medium to long-term. Over both a three- and five-year period this objective has been achieved. However, we have underperformed our real return target on a one-year view,' he said.

Offshore bond withdrawals won't help non-doms

Non-domiciles hoping to use offshore bond withdrawals to bring money into the UK tax-free will still fall foul of the new regime, says Paul Kennedy, business development director for trusts and tax planning at Fidelity, writes **Michelle McGagh**.

An increase in the use of offshore bonds had been predicted as non-domiciles who have not paid the £30,000 levy try to protect their money from the UK tax man. But Kennedy says the tax-free 5% withdrawals associated with bonds will only remain if the money invested was previously subject to UK tax.

'If you have money abroad that is earning interest and you want to keep it out of the country because you don't want to pay a

charge, using an offshore bond is not a good idea,' he said. 'People will think that they can bring in 5% withdrawals every year but the law will state that if you buy a bond with un-taxed money then any withdrawals you bring into the country will be taxed.'

Kennedy says that those earning under £80,000 in interest every year on offshore investments or those who have below £1.5 million in offshore banks would be financially better off declaring all income remitted to the UK. 'The non-domiciles who will not benefit from the levy will be looking at ways to invest so that they have to pay the minimum amount of tax but they should be wary about offshore bonds,' he said.

Suffolk Life profits crash by 20% in 2007 but Sipp surge boosts new year

Suffolk Life, the specialist Sipp provider which is being bought by Legal & General, saw its pre-tax profits plummet 20% last year, managing to clock up just £1.24 million, writes **Christopher Marshall**.

The result, revealed in documents from Companies House, compares with the £1.55 million of pre-tax profits that Suffolk Life achieved the previous year.

Last year the firm initiated a strategic review, which saw it seal a deal with 52% of L&G's shareholders; the remainder are

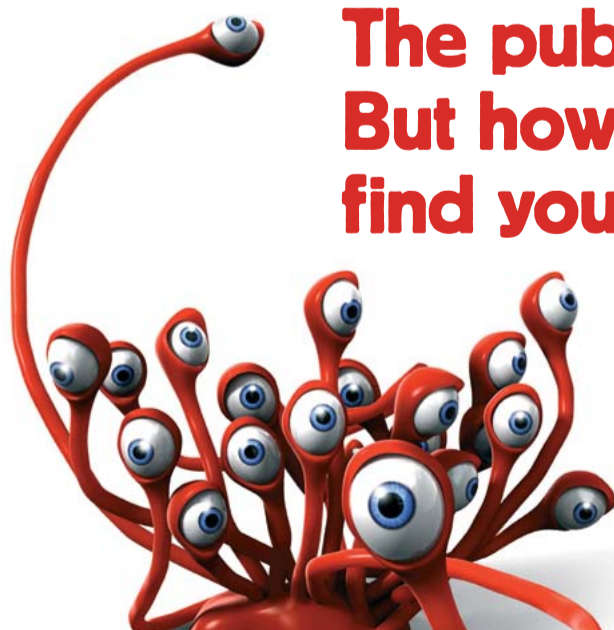
expected to be on board by 6 May. The deal, struck before Suffolk Life filed its results with Companies House, valued the Sipp provider at approximately £62 million.

Although Suffolk Life saw a fall in overall pre-tax profits, it managed to increase the number of Sipp under its administration by 30% to over 10,000, and funds under management by 38% to £2.9 billion.

Suffolk Life has been making significant changes to simplify its business; it no longer has any annuity contracts, and as of

February this year it no longer held any investment properties.

The group launched its MasterSIPP in October, which it believes will ensure continued growth in 2008. So far this year it has seen a surge in Sipp after owners of small businesses scrambled to avoid being hit by a rise in capital gains tax to 18% from 10%. It reported a near seven-fold increase in property completions in the last two weeks of the tax year compared with the same period in previous years.



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