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AUTUMN 2009 - CONTENTS

1. ISAs & FundsNetwork
2. Octopus Absolute Return Fund
3. Schroder Income Maximiser
4. Income & General Funds
5. 2009 Performance Funds & Meteor
6. Inheritance Tax
7. Structured Products
8. Absolute Return Funds
9. Artemis Strategic Assets
10. Henderson News Star, Re-registration and ToB

ISA CHANGES

Anyone aged 50 or over on or before April 5th next year will see their ISA allowance jump a further £3,000 to £10,200 from October 6th.

Millions of over aged 50 investors will be able to shelter another £33 billion away from the grabbing hands of the tax-man as from October. However recent research has shown that nearly three quarters of those that it applies to don't understand or are not aware of the changes and how they benefit the investor.

The new ISA Rules are as follows:

- The amount you can invest tax-free is rising to £10,200 from £7,200.
- The new limit applies to anyone 50 or over on next April 5, from October 6. For everyone else, the limit rises on April 6th 2010.
- You can either invest the full amount in a stocks and shares ISA, or save up to half (£5100) in cash.
- You can open up one cash ISA and one stocks and shares ISA in each tax year – with the same or different providers.
- If you have invested in an ISA this tax year, you can top it up to the new limit, but must stay with the same firm. You don't have to invest in the same share, fund or asset class.

If you have already made your current tax-year ISA, you don't need to top up into the same fund as you already hold, but you must use the same fund manager. For example, if you have invested into a Jupiter fund then your top up must be with Jupiter. However, if you have used a fund supermarket, such as Fidelity's FundsNetwork, you can split your allowance with as many fund providers as you like within this platform.

Any investment that can be sheltered from the Inland Revenue is worth having, but you have to invest your increased allowance before April 5th next year otherwise it will be lost.

If you are one of those who are worried that the market has raced ahead too quickly but would still like to make the most of your ISA allowance. Then one way to take advantage of the future market conditions and not to 'lose your shirt' would be to save monthly. You then have the benefit of 'pound-cost-averaging'. If markets move up so does your investment value. However, if markets fall, you will be purchasing more units for your money, only to benefit to a greater degree when markets recover.

FUNDNETWORK

Over the past couple of years we have been trying to encourage our clients to make full use of the excellent fund platform FundsNetwork. FundsNetwork is run by Fidelity and is like a supermarket, whereby you can buy investments from any of the 1,100 funds run by 65 fund managers at no additional cost.

When using FundsNetwork you can purchase most funds at 1% or no cost at all, and you can switch your investments between any of the FundsNetwork funds instantly and at only 0.25% charge.

Re-registration

If you have any investments, be they ISAs or unit trusts, either through ourselves or any other adviser, you can re-register them with FundsNetwork at no cost and receive a £25 cash-back bonus from ourselves (terms apply). This would put your investments under the same admin roof which has numerous benefits.

This offer sounds too good to be true but I can assure you it is well worth taking up. I have used FundsNetwork for a number of years and have been extremely pleased. You can deal on line, look at up-to-date valuations and make new investments using the Seymour Sinclair discounts all at no additional cost to you.

Piers Rouse – Managing Director

OUR OFFER

As well as the £25 special Re-registration offer Seymour Sinclair give up 100% of any initial commission payable on ISA investments made through Fundsnetwork. We also take no initial commission of fund switches or ISA transfers.

Our aim is to help investors deal at the lowest cost on ISA investments.

FundsNetwork gives you peace of mind

In the current uncertain climate, investing might seem even more complicated than before – but award-winning FundsNetwork can give you peace of mind and all important security.

As the UK's leading investment platform, FundsNetwork pioneered the development of web-based investment in the UK, giving investors the opportunity to diversify their investments quickly and easily from a wide range of funds, ISAs, investment bonds and SIPPs.

It is important to remember that, as a client of FundsNetwork, you are automatically protected by the Financial Services Compensation Scheme (FSCS), which guarantees insurance, investments and deposits for all UK-based clients up to the value of £50,000 for each investment company.

**Contact us today for full details of our FundsNetwork Special Re-registration offer
See page 8 of newsletter for further details**

CAPITAL GROWTH FUND – HIGHLIGHT

OCTOPUS
INVESTMENTS

OCTOPUS
INVESTMENTS



Piers Rouse
Managing Director

When **Octopus Investments** launched their **CF Octopus Partner Fund Absolute Return** (then called the Dynamic Fund) back in March 2008, I wrote to a number of our clients who were looking for capital growth without undue risk. One of the reasons I liked this fund was because it had been designed to perform well both in good and bad market conditions and as we all know, last year was a shocker! The other reason I considered this fund worthy or a closer look, was because when it was first launched the staff at Octopus themselves raised and invested more than £500,000 of their own money. This showed their faith in the fund and the manager who was to run it. They have been handsomely rewarded over the past year or so. After an initial quick rise the fund fell back during last summer as did all funds, but soon started to recover and has continued upward ever since.

Last November I wrote again in some detail about this fund to all our clients. I felt that if this fund could ride out such a disastrous investment climate and make money, then the fund manager must be getting things right and the fund worthy of a closer look. At that time the fund had risen by over **+27%** since its launch whilst the Absolute Return Sector average had fallen **-2.20%** and the FTSE 100 Index performance was **-28.90%** over the same period. As you can see from the graph, the fund has continued to grow and has finally started to come onto the radar of many of some of our competitors and money inflows are increasing. As you know, we do not give investment advice or recommend funds, but I still feel that this fund is worthy of consideration.

This fund should be considered lower risk, but obviously investments can fall as well as rise. It does not pay an income and cannot yet be purchased through FundsNetwork, but hopefully this will change.

Invest through Seymour Sinclair and the initial charge is only 1% after our discount.

Initial Charge – normally 5.5% but reduced to just 1% after Seymour Sinclair Discount

Management Fee – 1.5% p.a.

Minimum investment £1,000 or £50 per month

Available as an ISA

Fund Size £140m

www.octopusinvestments.com

**Contact Seymour Sinclair for brochures and applications.
info@seymoursinclair.co.uk**

FUND NEWS

Octopus Partner Absolute Return Fund delivers 40% return in first year – 23/3/2009

Octopus Investments Ltd, one of the UK's fastest growing alternative investment specialists, is delighted to announce that the CF Octopus Partner Fund Absolute Return has delivered a 30% return to investors within its first year and continues to be ranked the top performing fund within its peer group.

The Fund's performance is in stark contrast to the 36% decline recorded by the FTSE All-Share over the same period

Commenting on the Fund's leading position, David Crawford, Investment Manager of the Fund, said:

"We are delighted with the Fund's performance and the substantial returns our investment approach has generated for investors since launch. Unlike traditional equity funds, the CF Octopus Partner Fund Absolute Return has greater manoeuvrability and can benefit from stocks both rising and falling in value. Finding the right long/short strategy and ensuring a good diversification of assets has been key to its success."

"The Fund is designed to maintain its performance in the future and I am confident that it is well positioned to further capitalise on investment opportunities created by the ongoing economic turbulence."

Latest News on the Fund August 2009

David Crawford has recently taken out a 15% short position on the FTSE 100 following fears of a near-term correction.

This short position is in addition to the 25% short exposure on a number of stocks in the fund. His portfolio currently has 90% in long positions, bringing total net market exposure to 50%.

He has recently been overhauling the portfolio within the fund and adding new stocks less correlated to the recovery. He has been running the fund on a long basis since March, enjoying significant gains on a number of rallying stocks.



David Crawford - Octopus Fund Manager

David is a fund manager at Octopus. He has more than 10 years of investment experience and joined

Octopus in 2006, having previously worked at Hermes Investment Management and M&G Investments.

Whilst at Hermes, David co-managed a £500m UK smaller companies portfolio which demonstrated significant out performance of the FTSE Small-Cap and AIM benchmark.

David graduated from Durham University with a first class Honours degree in Chemistry.

However, while he managed to avoid the dip in June, his fund did not fully participate in the July rally, but performed at a steady pace.

"I am in two minds – with a lot of people calling for a pullback, it may mean we do not get it right and push up further from here and surprise people", says Crawford.

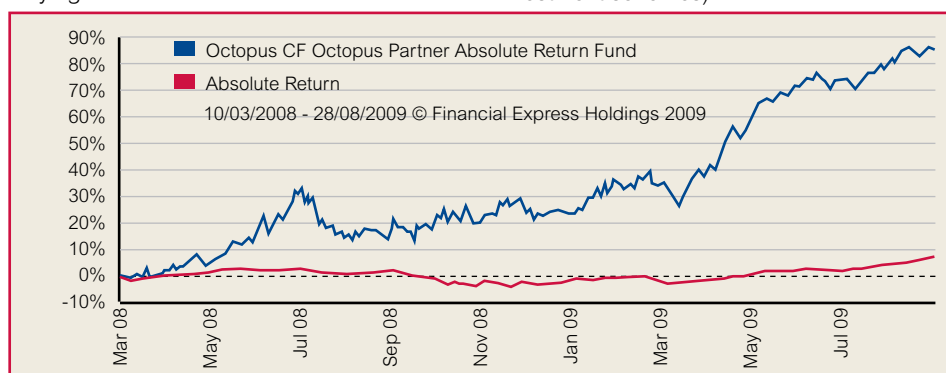
"Although, probably more rationally, you could argue things have gone a bit too far. I have therefore taken some protection in the portfolio by taking out a FTSE 100 future which effectively means I am short of the market and protected from any falls".

The fund is the standout performer in the IMA Absolute Return sector over one year to 3rd August, climbing 55% against an average of 7.8% rise.

How is this performance achieved? Long and short

The Absolute Return fund manager David Crawford, utilises a long/short strategy within the UK stock market. What this means is that the fund manager can choose to take 'short' positions in shares, so that the value of this holding increases as the share prices fall. He can, of course, take a 'long' position on other shares so that the holding increases in value if these shares rise in value. A fund with a long and short strategy increases the fund manager's arsenal of investment options with which to generate value, and allows him to profit from a rising and falling market.

The Fund invests primarily in a portfolio of equities and equity related securities of companies with a UK listing (including through derivatives and units in collective investment schemes).



Past performance overview Fund vs. Sector 1/9/09. This fund was launched on 10th March 2008 and by 1st September had risen by over 80%

INCOME FUND – HIGHLIGHT

Schroder Income Maximiser – 7% p.a.



If you are looking for an income fund, the **7%* target** yield of Schroder Income Maximiser should attract the interest of any income seeking investor. The fund, which launched in November 2005, has passed its three year milestone with a good performance record in both strong and weak market conditions and we're confident it can continue to deliver.

Since the market environment has weakened, the lower risk profile of the fund, relative to the market and other equity income funds has mitigated the impact of falling share prices to some extent. **The target yield of 7% p.a. has not only been maintained but exceeded.**

How can Schroders achieve enhanced income when interest rates are close to rock bottom?

Well first they put together a portfolio of income generating shares. This is managed by **Ian Lance and Nick Purves**, who share a strong track record through their management of the Schroder Income Fund.

Then comes the clever part - By giving up some of the potential capital gains on the stocks in the portfolio over a certain level, Schroder boost the fund's income significantly.

It's not for those looking for pure equity exposure – performance may lag in strongly rising markets because gains are capped. But there is a real upside for equity investors who'd appreciate a smoother ride. While the fund is exposed to equity market risk, its returns should be less volatile than those of a standard equity income fund. There's also real potential for outperformance in flat, falling or gently rising markets.

- **A target yield of 7%* – significantly higher than traditional equity income funds.**
- **Stocks are selected by highly experienced income fund managers.**
- **Schroder Structured Products team sells some potential capital growth to boost the yield.**
- **Lower volatility than traditional equity income funds.**
- **Quarterly income payments.**
- **The fund has exceeded its income target of 7% p.a. each year**
- **The fund's total returns were similar to the underlying Schroder Income Fund when the market was strong in 2006-2007 and rose by around 25%. This demonstrates the fund's ability to deliver growth in a rising market, despite selling stock upside above a certain level.**
- **Now that the market is recovering the fund has outperformed its sector average by over 10%.**

Year	2006	2007	2008
Delivered Yield	7.40%	7.30%	8.70%

Equity Income Sector % performance over the past 3 years Figures supplied by Trustnet 1/9/09

Rank	Fund	Focus	Yield %	6 months	1 Year	2 Year	3 Years	5 Years
1	Schroder Income	Equity	6.31	49.50	11.30	-0.80	9.80	53.50
2	Schroder Income Maximiser	Equity	7.00	42.90	7.30	-2.10	9.30	n/a
3	SJP Equity Income	Equity	4.70	45.50	6.50	-4.60	6.50	50.70
4	Natwest Equity Income	Equity	4.90	29.50	0.20	-9.90	-0.50	49.20
5	Aviva Inv UK Equity Income	Equity	5.08	26.80	-0.80	-10.20	-0.70	48.60
6	BlackRock UK Income	Equity	3.97	35.50	1.30	-9.00	-1.70	36.50
7	JOHCM UK Equity Income	Equity	4.86	47.00	11.70	-7.50	-1.70	n/a
8	Threadneedle UK Equity Alpha Income	Equity	6.50	16.90	-8.40	-12.80	-2.00	n/a
9	Threadneedle UK Equity Income	Equity	5.40	20.90	-6.90	-12.50	-2.40	39.70
10	Neptune Quarterly Income	Equity	6.80	11.20	-9.30	-14.50	-4.30	n/a
Sector Average				30.20	-9.50	-21.00	-13.70	23.70

Available as an ISA or Unit Trust. Minimum investment is £1,000. Monthly savings from £50 per month. Annual Management Charge is 1.50%



Initial ISA charge of 5.25% is discounted down to 0% after Seymour Sinclair Discount via FundsNetwork

1 Source: Schroders, the fund delivered an annual yield of 7.4% as at 08/12/06, 7.3% as at 30/11/07, and 8.7% as at 30/11/08. 2 Source: Lipper Hindsight, period showing 19/05/06 – 21/05/07. * The target yield quoted is net of basic rate tax. Higher tax payers will be liable for further tax deductions. The target yield quoted is an estimate and is not guaranteed – 3 Based on bid-bid, net income reinvested, from 26/5/06 to 28/5/09. Fund Size as at 31/3/09 £250million

INCOME FUNDS - For Income Seekers

In our spring newsletter we highlighted M&G income funds as those to considering and it is pleasing to see that their Bond funds continue to pay a good yield and have shown reasonable growth over the years. The yields on these funds are higher than those available from bank and building society

society deposit accounts and invested via an ISA, are tax free.

Corporate Bond and Sterling High Yield funds are designed to deliver a regular income whilst keeping risk firmly under control. Bond Funds take a more cautious approach than most equity based funds and generally avoid

headline-grabbing higher yielding stocks with their riskier profile. In the recent past these funds have done very well and income yields are attractive.

With most corporate bond and high yield funds we are able to mitigate any initial charges by the discounts we offer.

TOP 10 CORPORATE BOND FUNDS % PERFORMANCE OVER THE PAST 5 YEARS

Figures supplied by Trustnet 1/9/09

Rank	Fund	Focus	Yield %	1 Month	3 Month	6 Month	1 Year	2 Years	3 Years	5 Years
1	M&G Strategic Corporate Bond	Fixed Interest	4.76	4.40	11.10	17.60	22.40	28.20	27.00	41.40
2	M&G Corporate Bond	Fixed Interest	4.66	4.20	10.30	15.50	15.50	18.60	17.20	31.30
3	Schroder Long Dated Corp Bond	Fixed Interest	4.89	7.60	14.70	17.40	16.40	14.00	10.40	30.20
4	Invesco Perpetual Corporate Bond	Fixed Interest	5.56	3.90	11.30	20.70	8.70	10.30	10.30	21.90
5	Schroder Corporate Bond	Fixed Interest	6.60	4.60	12.00	17.40	16.30	11.20	9.50	20.50
6	Jupiter Corporate Bond	Fixed Interest	4.80	5.30	11.50	13.20	8.00	9.00	7.50	17.00
7	Fidelity Money Builder Income	Fixed Interest	4.81	4.60	11.00	17.00	9.20	8.90	7.30	19.30
8	Henderson Long Dated Credit	Fixed Interest	4.82	8.70	15.20	17.10	11.50	11.30	5.40	19.60
9	Stan Life Inv AAA Income	Fixed Interest	2.75	4.10	5.80	3.90	4.50	7.50	5.30	16.30
10	Cazenove UK Corporate Bond	Fixed Interest	4.50	4.20	9.70	11.10	5.80	7.20	5.20	15.20

TOP 10 STERLING HIGH YIELD FUNDS % PERFORMANCE OVER THE PAST 3 YEARS

Figures supplied by Trustnet 1/9/09

Rank	Fund	Focus	Yield %	1 Month	3 Month	6 Month	1 Year	2 Years	3 Years	5 Years
1	Schroder Monthly High Income	Fixed Interest	9.75	3.10	12.00	30.10	15.30	7.20	8.20	23.50
2	Investec Monthly High Income	Fixed Interest	8.81	4.00	12.40	27.70	5.00	3.70	6.80	27.50
3	Scot Widows High Income Bond	Fixed Interest	6.40	2.10	8.00	17.30	3.10	4.80	5.90	17.30
4	Threadneedle High Yield Bond	Fixed Interest	9.20	2.80	13.10	32.40	6.00	2.50	5.80	26.30
5	M&G High Yield Corporate Bond	Fixed Interest	5.95	3.50	10.60	26.40	8.30	3.30	4.30	19.50
6	JPM Global High Yield Bond	Fixed Interest	8.27	1.60	10.20	34.10	-1.30	-1.20	4.00	15.40
7	AXA Global High Income	Fixed Interest	12.00	3.00	11.10	28.30	1.20	-0.20	3.00	15.80
8	Stan Life Inv Higher Income	Fixed Interest	8.88	3.20	11.40	23.40	5.60	-0.60	2.60	23.80
9	AEGON High Yield Bond	Fixed Interest	16.23	4.60	16.10	40.10	2.30	-0.90	1.90	20.70
10	Baillie Gifford High Yield Bond	Fixed Interest	8.50	3.70	14.60	38.50	0.40	-3.60	0.60	23.20

GROWTH FUNDS - Also Worth considering

FIDELITY - Special Situations

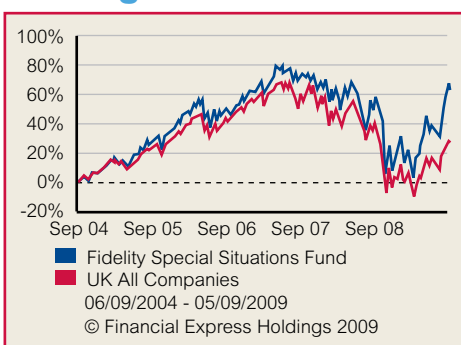
If you are looking for a fund to take advantage of the recent market recovery then you might like to consider the Fidelity Special Situations. This fund of £2.5bn is currently run by the excellent manager, Sanjeev Shah who took over in Jan 2008. Prior to this, the fund had been run since launch back in December 1979 by the legendary fund manager Anthony Bolton.

This could have been a most difficult managerial takeover as Anthony Bolton is one of the most respected managers in the industry. However, the fund performed very well over the past year and has raced ahead recently, providing a growth return in excess of 50% over the past six months.

For over 25 years Fidelity has led the "special situations" style of investing, which involves looking for undervalued shares. It is the most successful mutual fund in the UK since its launch in 1979.

Of course past performance is not a guide to future returns but this success has come from a rigorous contrarian approach that involves going all out to profit from UK companies that are unfashionable, undervalued and unloved by the market. Typically, many of these companies are small or medium-sized.

The Initial charge is only 0.5% after Seymour Sinclair Discount bonus through FundsNetwork



SVM - UK Opportunities

If you are considering something a little racier, then this fund is well worth a closer look. In the past six months as markets have started to recover, this fund has led the way.

The fund manager, **Neil Veitch** has had 11 years experience prior to joining SVM. Neil holds a BA (Hons) in Economics, an MSc in Investment Management and is qualified as a Chartered Financial Analyst (CFA) so he knows a thing or two about the industry.

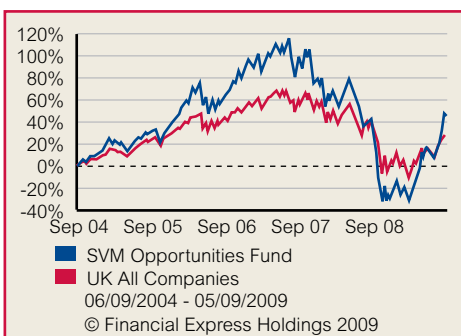
Although the fund sits in the UK All Companies Sector it is actually made up of smaller companies and as such has benefitted hugely from the recent market confidence.

Although down -1.3% over the past 12 months (which is very good compared with most funds), it is **up over 100% over the past six months.**

I have followed this fund closely and although still relatively small at only £43 at the end of July it is coming onto the radar of many investment advisers and will grow with popularity.

Neil Veitch also runs the SVM European fund which is also one of the leading funds in that sector.

The Initial charge is 0% after Seymour Sinclair Discount bonus through FundsNetwork



2009 PERFORMING FUNDS – Has Your Portfolio Moved With The Times?

Many investors have been scared away from investment markets over the past year and sought the sanctuary of bank and building society deposit accounts, only to find that these can also be not as secure as they were.

You can see in the table below that some of the best performing funds over the past six months have been in the Emerging Market sector.

Had you invested in, for instance, Jupiter China fund over the past six months, you would have seen a 60% increase on your investment. To achieve the same return from a standard deposit account would take 30 years at the current deposit rates. These funds are not for everyone as they can fall just as quickly as they can rise, and therefore should only be considered for only a part of your investment portfolio.

One way to take advantage of these markets and not to 'lose your shirt' would be to save monthly. You then have the benefit of 'pound-cost-averaging'. If markets move up so does your investment value. However, if markets fall, you will be purchasing more units for your money, only to benefit to a greater degree when markets recover. Remember, if you are aged over 50, you do not have to wait until the 6th October to invest up to the new ISA maximum of £10,200. You can start now by investing monthly.

Many of the emerging markets, like the BRIC (**Brazil, Russia, India & China**) economies have not got themselves into the mess that the US and Europe have managed spectacularly to achieve.

They have not had to borrow massive amounts of money to dig themselves out of the financial hole we have got ourselves into.



For instance even today 29th May, news that the India economy grew by 6.7% in 2008/9 whereas our, Europe and USA economy is all but at a standstill. In China, Russia and Brazil the story is the same. Now could be the time to reconsider your portfolio and not be so heavily invested in the UK, Europe and the US.

Remember that BRIC funds can bring high rewards but also be volatile so you can lose money in these funds just as quickly. But by using FundsNetwork, you can move your funds out quickly and at 0.25% charge.

TOP 20 FUNDS % PERFORMANCE OVER THE PAST 1 Year Performance out of a total of 2733 funds. Figures supplied by Trustnet 1/9/09

Rank	Fund	Focus	Yield %	1 Month	3 Month	6 Month	1 Year	2 Years	3 Years	5 Years
1	Neptune Japan Opportunities	Equity	0.12	1.90	6.50	19.50	76.60	99.20	81.90	129.50
2	Octopus Partner Absolute Return	Equity	0.61	4.40	10.10	40.10	64.60	n/a	n/a	n/a
3	AXA Framlington Japan Smaller Cos	Equity	0.24	12.60	33.70	47.10	50.20	11.50	n/a	n/a
4	SF t1ps Smaller Companies Growth	Equity	0.00	10.10	14.00	56.40	45.50	n/a	n/a	n/a
5	M&G Japan Smaller Companies	Equity	0.74	14.60	26.70	53.90	41.60	21.40	-7.90	-4.30
6	Close Special Situations	Equity	0.39	20.00	24.90	113.60	32.70	1.80	28.40	n/a
7	Melchior Asian Opportunities	Equity	0.00	1.20	10.30	66.20	32.50	-29.40	10.30	n/a
8	L&G Dynamic Bond	Fixed Interest	5.50	3.30	13.00	27.90	30.60	33.10	n/a	n/a
9	Jupiter Financial Opportunities	Equity	0.90	7.20	11.00	21.30	29.20	20.20	29.30	114.20
10	Invesco Perpetual Japan	Equity	0.76	5.60	15.20	40.90	26.50	28.10	22.00	47.30
11	Investec Global Bond	Fixed Interest	3.73	4.70	7.50	2.40	25.00	53.30	49.90	41.60
12	Melchior Japan Opportunities	Equity	0.01	10.10	23.70	45.20	24.80	-32.20	-38.20	-18.80
13	GLG Japan Core Alpha Ret	Equity	0.44	6.10	11.60	41.30	24.30	28.70	19.70	62.90
14	CF Mermaid	Mixed Asset	1.16	4.70	5.40	13.00	24.00	34.80	34.00	73.00
15	Old Mutual Global Strategic Bond	Fixed Interest	5.20	5.40	12.70	16.80	23.90	46.10	44.40	48.7
16	Fidelity Inst South East Asia	Equity	0.77	1.60	12.40	56.60	23.70	16.60	64.30	158.70
17	CF Morant Wright Japan	Equity	0.21	5.20	9.50	21.60	23.30	15.60	3.40	31.40
18	M&G International Sovereign Bond	Fixed Interest	1.67	3.70	4.40	-7.40	22.70	49.60	47.20	44.00
19	Close Beacon Investment	Equity	0.00	11.90	22.40	99.80	22.50	-19.70	-13.60	-3.60
20	M&G Strategic Corporate Bond	Fixed Interest	4.76	4.40	11.10	17.60	22.40	28.20	27.00	41.40

With most of these funds we give discounts that will mitigate most or all the initial charges when you invest through FundsNetwork.

Meteor Senior Life Settlements Sterling Fund – For INCOME or GROWTH – 8% pa

Uncorrelated, low volatility returns targeting a yield of 9-10% pa.

If you are looking for an opened ended investment that pays a regular income and an investment that is not linked to the stockmarket or interest rates you might like to consider this fund. The fund is a sub fund of EEA Life Settlements Fund which as their advert says "Doing What It Says On The Tin" The EEA Life Settlements Fund has achieved 41 consecutive months of positive returns. Unaffected by the volatility in traditional investment markets, it provides the ability to reduce portfolio 'risk' but maintain 'reward'.

Available as an ISA or direct investment - Minimum £7,000 - Income paid monthly, quarterly, half-yearly or annually. **3% CASH-BACK OR DISCOUNT BONUS FROM SEYMOUR SINCLAIR**

The United States life insurance market is estimated to have total insurance coverage of approximately US\$18 trillion. The value of policies purchased by the Life Settlements industry is considered to be in the region of US\$12 billion annually. We believe that there is a sustainable and rapidly evolving opportunity for Life Settlements to become a significant asset class appealing to a wide range of private and institutional investors.

Other News

JUPITER is launching two onshore unit trusts for Philip Gibbs, an **international financials fund** and a **global absolute return** vehicle, subject to FSA approval. Gibbs' £1.3bn Jupiter Financial Opportunities fund posted a positive return in 2008, gaining some 7.2% despite a 47.9% decline for the FTSE Financials index. Over one year 24 August, the fund is up 35.3%, according to Morningstar. This gain in such extreme market conditions and his experience running both a hedge fund and broader investment company mandate are the reasons why the group has decided to launch the two new portfolios for Gibbs. The fund will mark the first time UK retail investors will be able to access a generalist mandate from Gibbs in an open-ended unit trust.

Arbuthnot Banking Group unveiled its structured products arm on 10 September, with the launch of an income product. Founded by former Keydata consultant Adrian Neave, **GILLIAT FINANCIAL SOLUTIONS** will roll out a monthly income vehicle, providing a net annual income. The return of capital will be made even if the FTSE100 Index falls by up to 50%. There are three income options linked to different indices. FTSE 100 - **6.50% AER**, S&P GSCI-ER Index - **7.2% AER**, FTSE EPRA/ NAREIT Developed Europe Index - **7.5% AER**.

Neave says the group will also be bringing to market growth plans both capital-at-risk products and capital-protected plans, covering a range of underlying asset classes and risk profiles.

INHERITANCE TAX

Octopus Secure Inheritance Tax Service

OCTOPUS
INVESTMENTS



THE PROBLEM

Millions of people now potentially find themselves facing a substantial Inheritance Tax liability.

Nobody likes the idea of the Government taking 40% of their hard earned assets when they die. But that's what can happen. When you die, HM Revenue & Customs can claim 40% of your estate above a threshold of £312,000*.

There are a number of ways to limit your exposure to inheritance tax. However, these can be risky, take years to implement or mean that you permanently lose control of and access to your money.

That's why so many people are choosing the Octopus Protected ITS.

It's a simpler, more flexible way to reduce your inheritance tax liability. It provides you with control over your assets, the potential for attractive long-term returns and peace of mind that the value of your initial investment is protected when you die.

**The threshold above which your estate is liable for inheritance tax (based on the tax year to 5 April 2009). £3.8 billion was paid in inheritance tax last year, with the average estate faced with a bill of more than £111,000. Source: HM Revenue & Customs, 2008*

COVER FOR THE FIRST TWO YEARS

If you're looking to shield your assets from the impact of inheritance tax from day one, ITS can help you achieve it.

You will need to hold onto your investment for two years before it is outside your estate. However, it may be that you wish to remove the financial impact of inheritance tax from day one of your investment. Octopus can achieve this by providing you with an insurance policy that will pay out the value of the inheritance tax bill (i.e. 40% of the amount you invest), should you die within the first two years.

The **Octopus Secure Inheritance Tax Service ('ITS')** aims to provide you with a fast, flexible solution to inheritance tax with a high degree of capital security.

It offers investors four clear advantages:

LOWER RISK - The Fund will be investing in companies that qualify under the rules relating to business property relief. These investments will all offer a high degree of capital protection.

GROWTH OR INCOME - The Fund has been designed to give you a choice of growth or Income. For those clients seeking growth of their investment, the net growth is estimated to be 3% per year.

Clients opting for income will receive an expected net return (after all charges) of 3% per annum. Additional income can be generated by drawing down on the capital.

SPEED - Unlike gifts and simple transfers, which generally take seven years before they're fully exempt from inheritance tax, investments made through the Fund are exempt after just two years (provided the investments are held at the time of death).

CONTROL - Unlike some other solutions, you retain access to your investment. If your circumstances change and you want to dispose of your holding, you can – although money withdrawn may not be shielded from inheritance tax.

An investment in the Octopus Secure ITS is not suitable as a short-term investment and should be held for at least two years. You can invest from £30,000 in the Fund and there is no maximum investment.

To speak to an Octopus fund manager, call on 0800 316 2298.

The initial charge of 5.5%, will be reduced to just 3% after Seymour Sinclair Discount.

STRUCTURED INVESTMENT PRODUCTS

There are some investment advisers who say they do not promote structured products, relying solely on equity based investments to produce income. There are of course benefits to this approach, just as there are in the use of structured products.

One of the arguments used against these products is that, if they have been designed to produce income they leave no room for capital growth. But this could be the same with any investment deposit account where the income produced is taken in full.

Structured products have become very attractive recently due to the fall in global markets. Many will return a multiple of any rise in the markets, whilst allowing for up to a 60% fall in markets before any value loss is applied. There are some products that pay a

regular income and guaranteed to repay the capital at the end of the term.

So we believe there is a place for structured products in a portfolio and over recent years, the Structured Product market has grown considerably with the number of products available increasing significantly from 191 plans in 2000 (equivalent to £2.64 billion sales volume) to 740 plans in 2007 (equivalent to £6.71 billion sales volume).

Often returns can be more attractive than those from other investment types and the use of structures to provide protection in volatile markets.

Since products are "manufactured" to meet market requirements, there is scope for an almost endless variety of products that can be bought to market in order to meet the needs of a wide range of investment objectives.

Diversification reduces the exposure of investor's portfolios to individual markets, sectors and geographic regions.

It's our experience that investors like products that they feel they can understand and which have relatively simple terms and conditions.

Counterparty is an integral part to any Structured Product and is usually a well-known, high quality Investment Bank or Retail Bank. On this basis, the better the reputation and credit worthiness of the Counterparty, the lower the level of risk to investors.

Tax efficient structures - Structures can be developed to cover a range of tax requirements. Often structured products can be held within ISA or Pension wrappers to benefit from the allowances available and to keep the returns free from liability to Income and Capital Gains Tax.

**To find out the latest structured products on the market, go to: www.trustnet.com/StructuredProducts.aspx
On most structured products we give a 2% cash-back bonus**

INVESTEC – Structured Guaranteed Plans

If it is your view that the FTSE 100 Index is unlikely to halve over the next five years than the plans offered by Investec could be just what you are looking for. Investec have a number of structured products currently available and I have chosen two to highlight.

Choose a plan with a capital guarantee:

Five year plan - 6% pa gross

Three year plan - 4.75% pa gross

Capital Guaranteed FTSE 100 Income Plan

- **100% capital guarantee at maturity.**
- The plan's objective is to generate income without risking the initial capital deposit – the deposit is simply returned at maturity.
- Regular income payments provided the FTSE 100 doesn't halve at any time during the investment term. Monthly and quarterly income options are also available.
- If the FTSE 100 halves at any point during the investment term all future income payments will cease.

Or a plan where the income is guaranteed 8% pa RPI Indexed FTSE 100 and RPI Combination plan

- Payments equivalent to 8% pa, RPI indexed and paid quarterly.
- Initial investment is at risk if the FTSE 100 halves at any point during the investment term.
- Maturity proceeds may be taxed as capital gains
- Available for ISAs, SIPP's and Direct investments.

**SEYMOUR SINCLAIR BONUS -
2% Cash-Back on 5 year plan and 1.5% on 3 year plans**

ABSOLUTE RETURN FUNDS – Could They Be Your Safe Haven

If investing into 'new world' funds feels too risky for you, you might like to consider an Absolute Return Fund. Both the Artemis and Octopus funds written about here come within this sector. Absolute Return funds seem to offer investors what many are looking for, i.e. they are able to make money both in good and bad markets and are relatively secure.

These funds burst onto the market about three years ago due to the change in regulations. This has allowed fund managers to invest into a combination of strategies and asset classes, including not only share, bonds and cash but also property and hedge funds. It has also allowed the manager to sell stocks short and buying long. (i.e. betting for or against the stock or market) It also allows you

the use of derivatives which means that the fund manager can make money even though the markets are falling.

One of the problems for investors is that although these funds seem to be a great idea and many have performed very well, there are some that have not and as the sector numbers has now ballooned and it has become difficult to decide on which fund to choose.

The reason for this is that these funds are all different in their approach and assets. For example JP Morgan Cautions Total Return fund is very diversified and invests into shares, bonds and the money market whereas others just concentrate only on bonds like Threadneedle. There are others that use derivatives such as BlackRock.

Over the past year it has been an ideal time to invest into Absolute Return Funds as most of those that are not showing positive gains have stood up extremely well when compared to overall market falls. Obviously, due to the nature of these funds, they will not rocket ahead as markets recover. They are conservative by nature and have been designed to give a good average return and ride out any future turbulent market conditions.

Although past performance is no guide to future rewards, Absolute Return funds do seem to achieve what they set out to do. However investors must choose carefully as some have not done what is written on the tin!

ABSOLUTE RETURN SECTOR % FUND PERFORMANCE Figures supplied by Trustnet 1/9/09

Rank	Fund	Focus	Yield %	1 Months	3 Months	6 Months	1 Year	2 Years	3 Years	5 Years
1	CF Octopus Partner Absolute Return	Equity	0.61	4.40	10.10	40.10	64.60	n/a	n/a	n/a
2	Threadneedle Absolute Return Bond	Fixed Interest	0.00	0.80	0.60	3.10	11.10	21.40	26.80	n/a
3	Stan Life Inv Global Ab Retn Strategies	Mixed Asset	1.79	4.80	8.90	14.70	9.70	n/a	n/a	n/a
4	CF Absolute Return Cautious Multi Ass	Mixed Asset	1.01	0.70	0.00	20.80	8.50	n/a	n/a	n/a
5	Cazenove UK Absolute Target	Equity	0.40	4.20	6.40	4.30	5.40	n/a	n/a	n/a
6	Insight Absolute Insight	Mixed Asset	1.36	1.40	3.30	6.00	5.10	7.30	n/a	n/a
7	Threadneedle Target Return Core	Fixed Interest	1.60	0.30	0.50	1.40	4.50	n/a	n/a	n/a
8	BlackRock UK Absolute Alpha	Equity	0.99	0.90	1.10	7.30	3.90	13.50	28.10	n/a
9	Baring Absolute Return Global Bond	Fixed Interest	0.00	-2.30	-0.80	11.00	1.60	18.90	20.30	28.50
10	Newton Real Return	Equity	3.49	2.80	1.20	4.60	0.80	7.70	17.30	46.00
11	SWIP Absolute Return Bond	Fixed Interest	1.80	0.60	3.10	4.90	-0.30	4.70	9.40	n/a
12	Marlborough ETF Absolute Return	Mixed Asset	1.09	1.20	1.80	-0.40	-0.50	0.80	6.40	n/a
13	Skandia IM Alternative Investments	Mixed Asset	0.00	1.00	1.20	3.20	-5.60	n/a	n/a	n/a
14	BlackRock European Absolute Alpha	Equity	0.00	0.20	0.40	n/a	n/a	n/a	n/a	n/a
15	CF Odey UK Absolute Return	Equity	0.00	6.60	10.30	n/a	n/a	n/a	n/a	n/a
16	Cler Med Absolute Return	Mixed Asset	0.00	2.00	3.60	6.50	n/a	n/a	n/a	n/a
17	Gartmore European Absolute Return	Hedge	0.20	0.90	4.00	9.30	n/a	n/a	n/a	n/a
ABSOLUTE RETURN PERFORMANCE %				1.90	3.70	8.10	4.20	9.10	17.80	46.30

ARTEMIS - Strategic Assets Fund – New Fund – For Stable Capital Growth

One of the best performing hedge funds of 2008 was the **Artemis Absolute Return Hedge Fund**. Unfortunately, it was wound up late last year. Over the past 12 to 18 months Hedge Funds have taken a hammering and been haemorrhaging money because of their poor performance. However, this Artemis fund stood out in an otherwise dismal sector and according to Bloomberg.com the fund achieved a growth **return last year of over 30%**. Considering that most hedge funds were way off the mark this is an unbelievable performance. This fund was a long-short equity fund and any manager that produced these types of returns in such a dire year is worth following. That manager was **William Littlewood**.



William is the manager of this new **Strategic Assets fund**, the first new fund that Artemis has launched for over four years. William Littlewood became well known back in 1991 when he managed the **Jupiter Income fund**. Under his guidance this fund rose by over 580% between late 1990 and 1999. A performance of close to 200% above his closest and most respected rival, Neil Woodford's Invesco Perpetual High Income Fund.

Littlewood's own market view is that the current recession will be deeper and longer than others in recent memory. However when the recovery comes he expects the market rise to be dramatic and those left in defensive positions or cash could miss out significantly.

The **Artemis Strategic Assets Fund** will sit in the IMA Active Managed sector and will aim to beat cash and the FTSE All Share over three years. The William is expecting to take advantage of changes in market conditions and will gradually increase selective long equity exposure as the economic backdrop continues to improve.



It is also highly likely that the market will demonstrate signs of recovery before it is detected in the economy. 'In bad times, the fund will look a bit like an absolute return fund, but in good times I will look to be 100% long to capture the recovery.'

The fund has just been launched on 22nd May 2009 at 50p and raised £145.2 million. This is a substantial sum to raise at this time which just confirms the faith investors have in this excellent fund manager and Artemis Fund managers. We have been pleased with the interest shown by our clients in this new fund.

The fund currently shows a **6.34%** increase on its launch price offer price as at 2/9/09 Available as an ISA or unit trust. AMC 1.5%.

The initial charge of 5.25% has been reduced to 0% by the Seymour Sinclair Discount Bonus through FundsNetwork

What Has Happened at NEW STAR?



Henderson has now completed the purchase of New Star and launched **Henderson New Star** as their new brand name. The fund range under this new identity offers access to one of the largest and most experienced retail fund management team. Few other groups can offer such depth of resource across the three main asset classes of equities, fixed interest and commercial property.

Those fund managers that have moved from New Star to Henderson have signed new three year contracts to achieve a strong stable management team and incorporate a long term incentive structure linked to fund performance.

The vast majority of New Star managers that Henderson wanted have moved across which is very good news for investors.

It is understandable that investors have had serious concerns about their investments with New Star due to its financial instability and turbulent stock markets.

The acquisition of New Star by Henderson has resolved these corporate concerns whilst the depth in investment talent from the combined group should take advantage of the general improvement in stock markets over recent months and onwards in the futures. We believe the future looks good for this new strong group and investors should now feel confident with the investment holdings.

The Henderson New Star Funds initial charge has been reduced by 4.5% on ISAs by the Seymour Sinclair Discount Bonus through FundsNetwork

FUNDNETWORK AND RE-REGISTRATION



Re-registration is a great way to consolidate your investments in one place – **FREE OF CHARGE!** Re-register your investments now and not only will you be able to take advantage of all the benefits of bringing your investments together in one place – **you'll receive £25 from us on qualifying re-registration applications** totalling £10,000 or more. One payment will be made for each investor, except for joint accounts where there will be a single payment of £25. This will be paid to the investor(s) by cheque as soon as it has been received from Fidelity.

You can re-register funds you bought outside an ISA, as well as ISAs - which will stay tax-wrapped. You won't be out of the market while your investments are being re-registered.

Your money stays invested in the same funds you hold now, managed by the same companies. All that changes is that they can now all be held together in one account. Just tell us which funds you hold with other companies and we'll do the rest.

Over 1,100 funds are available for re-registration. Don't forget that even if not all your funds are re-register-able, you'll still benefit from having most of your investments in one place - and more companies are joining all the time.

Once your funds are re-registered, they'll be displayed on the FundsNetwork website in Account Management alongside the investments you bought via Fidelity and FundsNetwork. Then you have the option to switch funds for a **maximum switching fee of just 0.25%** if you want to change your investments in the future.

FundsNetwork and Seymour Sinclair Investments reserves the right to withdraw this offer at any time and FundsNetwork will give two weeks' notification of termination to Seymour Sinclair Investments. Please check with Seymour Sinclair Investments for more information.

WHY FUNDSNETWORK

FundsNetwork is now used by more than 400,000 clients and over 13,000 Advisers in the UK. It offers more than 1,100 funds from 65 leading fund companies and gives you a fast and easy way to buy, monitor and manage your investments.

FundsNetwork has many advantages over single company plans. Investors are able to invest into an ISA using numerous funds from different fund managers. You can spread your investments and benefit from the strengths that different fund manager's offer.

The benefits of this type of diversification are clear in allowing

more tailored ISAs to be created, featuring "best of breed" fund combinations. And with a supermarket, all this is now available from a single provider, meaning just one application process. By exploiting new technology, FundsNetwork can offer all this, without any extra charges and what's more, to switch between companies and funds will only cost 0.25% rather than the 5% many companies charge.

Remember it costs you nothing to consolidate your funds to FundsNetwork

FundsNetwork Applications are available from us direct or on-line

SHOULD YOU REQUIRE BROCHURES AND APPLICATIONS ON ANY OF THE PRODUCTS MENTIONED

PLEASE CONTACT US ON: TELEPHONE: 020 8870 7072

E-MAIL: INFO@SEYMOURSINCLAIR.CO.UK INTERNET: WWW.SEYMOURSINCLAIR.CO.UK

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The investment products mentioned do not suit everyone and therefore if you are unsure as to the suitability of an investment you should seek expert advice. We will not make recommendations as regards investment products. Past performance has no bearing on the future performance of investments and taxation on products may change. Please note that no information will be provided by ourselves as regards tax positions on any type of investment as we are not tax experts and we recommend that investors contact their accountant or the investment company. In order to make an investment using our services we will require you to complete and sign an 'Execution Only Investment Confirmation Form'. This confirms that you understand our terms of business and the basis under which the investment is being made.

**** If You Are Unsure About Any Product, Its Benefits Or Tax implications, Please Do Not Invest ****

WEALTH WARNING: PLEASE REMEMBER THAT THE VALUE OF YOUR INVESTMENTS AND THE INCOME PRODUCED CAN FALL AS WELL AS RISE.

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