

- BUDGET SUMMARY
- GLOBAL EVENTS AND MARKETS
- AGRICULTURE
- FRONTIER MARKETS

	<u>1/1/07</u>	<u>1/1/08</u>	<u>1/1/09</u>	<u>1/1/10</u>	<u>5/4/10</u>	<u>1/7/10</u>	<u>5/10/10</u>	<u>1/1/11</u>	<u>5/4/11</u>
FTSE 100	6220	6457	4434	5403	5744	4917	5636	5900	6007
FTSE All Share	3221	3287	2209	2751	2944	2543	2912	3063	3117
Dow Jones (US)	12463	13265	8776	10428	10927	9774	10945	11578	12394
S&P 500 (US)	1418	1468	903	1115	1178	1031	1161	1258	1333
Nikkei 225 (Japan)	17225	15308	8860	10546	11286	9383	9519	10229	9616
APCIMS Balanced	2950	3024	2416	2724	2881	2636	2864	2978	2997

### Leading Growth Equities

BHP Billiton  
BG Group  
HSBC  
Intercont. Hotels  
Petrofac  
Reckitt Benckiser  
Rolls Royce  
Shire  
Standard Chartered  
Tesco  
Unilever  
Xstrata

### Higher Yielding Equities

AstraZeneca  
Aviva  
GlaxoSmithKline  
Land Securities  
National Grid  
Reed Elsevier  
Royal Dutch Shell  
J Sainsbury  
Scottish & Southern  
United Utilities  
Vodafone Group

### Smaller Companies

Cookson  
Domino's Pizza  
Genus  
Greene King  
Greggs  
London & Stamford  
Persimmon  
Telecity

### Overseas Companies

BASF  
Becton Dickinson  
Coca Cola  
Johnson & Johnson  
Microsoft  
Nestlé  
Roche  
Syngenta

### Investment Trusts/ Unit Trusts & Overseas Funds

Blackrock Latin America IT  
Henderson TR Pacific IT  
JPM Indian Inv Trust  
Monks Inv Trust  
Polar Capital Tech Trust  
Templeton Emerging IT

## THE RE-WRITING OF HISTORY THREE CHEERS FOR WILL AND KATE

### THE WORLD

One day we shall look back at these chronicles in disbelief as the history of the world changes.

We still have a Conservative/Liberal coalition Government, bank base rates of 0.5%, British troops at war in Afghanistan and global warming (or cooling depending upon the time of year), but the events that have happened over the last 3 months will prove to be a complete re-writing of the history books.

**Natural Disasters** of floods in Queensland, earthquakes in New Zealand and Japan, followed by the Japanese tsunami (an iconic photograph of the 21<sup>st</sup> Century) and now damage to the Japanese nuclear power plants threatening a complete nuclear disaster, with memories back to 1945 of Hiroshima and Nagasaki.

**Revolutions** in Egypt, Tunisia, The Yemen and Libya, with boiling unrest in Syria, Bahrain, Jordan and indeed the whole of the Middle East and North Africa (as you read this chronicle I shall be on holiday in Oman!). We have been sucked into the Libyan Civil War as our own Tornado fighters from RAF Marham destroy the Libyan air force and we watch on, with Colonel Gaddafi holding on by his blood stained fingertips, recalling that other iconic photograph of Mr Blair giving him an old fashioned 'Russian bear hug' (urrgh!).

Japanese Stockmarkets crashed as their industry stopped in a flash. Oil prices rocketed. The world watched on in utter disbelief. Where is the Qatar air force? Where is Turkey? Who is in charge, the UN or the US, or indeed the UK? Where are the revolutionary leaders, or are they just a mob? Where does Al Qaeda come into all this? Where will it all end?

Iceland, Ireland and Greece have nearly gone bust and now we have Portugal and probably Spain to follow.

We must accept that we now live in a global economy, with rocketing oil, metal and food prices as war rages, which we in the UK cannot control, but must live with. We must pray that these revolutions against dictatorships will make the world a better and safer place in the end. I believe that it will.

Thank God we live in England, despite 'The Big Society'.

## THE BUDGET

Amidst the doom and gloom of blaming previous Labour Governments and banking mismanagement to land us in an inextricable hole of debt, there are shimmers of light at the end of the tunnel, with corporate profits rising and coalition predictions of lower taxes one day.

The present economic picture has been painted in a very dour state and is even worse than forecast:

- 1) Estimated growth for 2011 at 1.7% against a predicted 2.1%.
- 2) Public borrowing at £146bn (and borrowing forecasts have been revised upwards by 14% on average over the next 5 years).
- 3) RPI at 5.5%, CPI at 4.4% and the Government predicting inflation to stay between 4%-5% for this year (falling to 2% by 2013).
- 4) Unemployment rising to 8.2% from the predicted 7.8%.
- 5) And bank base rates remain at 0.5%, to keep Government interest payments down (nothing to do with private wealth or Corporate Britain).

With growth down to 1.7%, inflation up to 5.5% and bank base rates at 0.5%, nobody can win and this is the classic formula for 'stagflation'.

And yet, this Government is beginning to show signs of helping Corporate Britain:

- 1) Corporation tax to fall by 1% + 1% to 26% and then eventually falling to 23% in 2014, to be funded by a windfall tax on banks.
- 2) Top rates of income tax remaining at 50%, but a pledge to eventually bring this down.
- 3) The standard personal allowance for income tax will rise from £6,475 to £7,475 and will eventually reach £10,000 (and so it should).
- 4) 1p off 'fuel duty', rather than an inflationary increase, to be funded by a North Sea oil tax.
- 5) New enterprise zones and funding for science, we have heard it all before, but it is great news for the Norwich Research Park that they will receive £26m.

6) And then all the other 'flannel' about:

Cracking down on tax avoidance.  
The removal of 43 complex tax reliefs.  
Less red tape on money laundering.  
Charitable giving to reduce inheritance tax.  
Consultation on merging NIC with income tax.

Thank goodness:

**ISAs** subscriptions will rise from £10,200 to £10,680 (yes £10,680).

**Junior ISAs** are expected to be launched in the Autumn of 2011.

**Capital Gains Tax** individual exemptions will rise from £10,100 to £10,600 and Trust exemptions will rise from £5,050 to £5,300, with higher rates of capital gains tax (and for Trustees) to remain at 28% (but without indexation).

In conclusion, though the UK economy is in dire straits, the coalition is determined to re-build finances, meaning that there will be austerity for the next 3 years.

Inflation is out of control, largely due to world events which are outside the Government's control. They are predicting inflation to fall to 2%, but how can you possibly predict in this uncertain world and we shall believe it when we see it.

Conservative ideals of corporate taxation falling and the prospect of individual taxation following, give us some hope that there is light at the end of the tunnel.

Despite all the 'doom and gloom', Corporate Britain is producing higher profits, increasing dividends and even the banks are still alive, albeit in hibernation.

But remember, there will be a General Election in 4 years time and by then economic Britain will be blooming. It always does before a General Election. I just wonder where we all will be with the Middle East and North Africa, and if David Cameron and Nick Clegg are still bosom buddies, and whether Red Ed is still in charge having sent his whole Party to sleep of utter boredom.

## MARKETS

The performance of world markets is shown on the front of this Newsletter, but it is amazing that despite the events of the last 3 months the FTSE100 has actually risen:

<u>1<sup>st</sup> January 2011</u>	<u>5<sup>th</sup> April 2011</u>	<u>Quarterly High/Low</u>	
		<u>08/02/11</u>	<u>16/03/11</u>
5900	6007	6091	5598

The significant points are:

- 1) The long term stability of leading UK Equities in the FTSE, where approximately 70% of FTSE100 profits are derived from overseas.
- 2) Profits are rising, as are dividends, and balance sheets have been substantially replenished.

3) FTSE100 stocks do not look expensive with:

Average P/E	13.9x
Average yield	3.0% net
Average dividend cover	2.4x
compared to bank base rates of	0.5% gross
10 year Gilt gross redemption yields of	3.7% gross

4) Many of the FTSE stocks are in Mining and Oil, dealing with China and India and benefiting from 'higher prices' and 'growing economies'.

We therefore feel all clients should have a well balanced portfolio of top quality long term Equities, while retaining 'liquidity' for safety and in order to take opportunities to pick up stocks when markets fall sharply on exceptional circumstances, as we have done recently for many clients.

Over recent years we have avoided most retailers with the exception of the Supermarkets (where consumers have to spend money). This has been the correct policy with many individual retailers having a tough time as public spending dries up, taxes rise and inflation increases. However, following recent share price weakness in the retail sector, with Dixons, HMV etc and even Marks & Spencer suffering, we shall be watching retailers very carefully in future months as there is a price for everything. Similarly, much the same applies to the house building sector. The time to get into cyclical shares is when nobody is looking, and then be brave and be patient. We shall keep clients informed.

#### **'FOOD FOR THOUGHT' (by William Mellor)**

As the developing world becomes more affluent, we often think of the implications for the oil price since non-OPEC countries now account for more than half of the world's global oil consumption. However, it is also worth considering the effects this will have on food products and soft commodities.

According to the United Nations Population Division, the world's population grows by 1 billion about every 12 years and is forecast to hit 9.2bn by 2050, with much of this global population growth in emerging economies. Furthermore, as incomes in economies such as India and China continue to rise, the crescent middle classes are rapidly shifting from a vegetable based diet to an animal based diet. Meat is an incredibly resource-intensive form of food as it takes approximately 6.5kg of grain and 15,000 litres of water to produce just 1kg of beef. Therefore, given environmental factors such as the recent wildfires in Russia and the floods in Australia, there is significant pressure on the world's agricultural industry to increase its output to 'meat' this growing demand. As such, we continue to believe stocks involved in enhancing crop yields such as:

**Syngenta (which we have favoured for some time)**

offer an attractive way to benefit from the structural demographic trends in emerging markets. By the same token:

**Genus (a new addition to our smaller company list)**

should benefit as its breeding technology helps to enhance production of meat and dairy products.

Additionally, as the developing world becomes more affluent and disposable income levels rise, the expanding middle classes will gradually trade-up to branded products rather than consuming locally produced generic substitutes. This applies to the wider household product industry as well as food and beverages. We therefore believe those developed economy stocks with global franchises and strong brand portfolios, such as:

Coca-Cola (Coca-Cola, Fanta, Sprite)  
Diageo (Bushmills, Guinness, Smirnoff)  
Nestle (KitKat, Nescafe, Perrier)  
Reckitt Benckiser (Airwick, Cillit Bang, Finish)  
Unilever (Domestos, Hellmann's, Colman's of Norwich)

are well positioned to benefit from these demographic trends over the longer-term.

Finally, as announced in the recent Budget, the Norwich Research Park is to receive a £26m Government donation in order to deliver innovation and growth. Since the Norwich Business Park has one of Europe's largest single-site concentrations of research involved in agri-food, it is encouraging that Norfolk is at the forefront of global food innovation, as we seek to address the issues raised above.

## **GLOBAL MARKETS (by William Mellor)**

In the face of recent events, global markets have generally been remarkably resilient. Japan's flagship index, the Nikkei 225, understandably shed approximately 20% of its value in the days following the earthquake, but has since rebounded somewhat to levels around 10% below those seen before the disaster, which is hardly surprising given the impact which is expected to be felt on the nation's economy.

At the same time, while global markets joined in the selloff in the immediate aftermath, the Dow Jones Industrial Average, Nasdaq Composite, DAX 30, CAC 40 and Hang Seng indices are all above their 10th March 2011 levels.

When considering the implications for global industries going forward, it is obvious that there are expected to be lasting effects on some sectors, such as nuclear power and the semiconductor industry. Conversely, it appears likely that resource companies could benefit from increased production as building materials such as steel (iron ore) and copper are required. Similarly, the loss of power from nuclear reactors is expected to result in increased demand for liquefied natural gas, which is abundant in the export hub of Australia.

In addition to this, events in the Middle East and North Africa continue to concern investors, who fear that the increased oil price could hamper global economic growth. This is particularly the case as China continues to hike interest rates to prevent its economy from overheating. However, this does create opportunities for upstream oil producers to benefit, and increased capital expenditure in this sector should drag oil service companies with them.

We continue to look for opportunities in overseas markets, where appropriate. While we believe that the US and European Union are facing difficulties, German export fuelled growth looks set to endure as long as Germany can continue to support its troubled neighbours. Moreover, emerging markets continue to look attractive for long term growth, with many economies benefiting from abundant resources and increasing population, urbanisation and industrialisation.

## **FRONTIER MARKETS - NOT FOR THE FAINT HEARTED (by William Barratt)**

In newsletters past I have endorsed the case for Emerging Markets and many client portfolios have a degree of exposure to these markets, either through individual companies which conduct business with the BRIC (Brazil, Russia, India, China) nations, such as Standard Chartered, Unilever, Vodafone and of course the Mining Sector, or through Investment Trusts which invest in specific countries/emerging economies as a whole (Templeton Emerging Markets).

Whilst we believe there is significant scope for growth from the high profile emerging economies, for clients prepared to take on greater risk, we also believe there are attractive propositions further down the scale. Frontier markets are defined as:

*'Markets in which you can invest but have a lower market capitalisation and liquidity than the more developed emerging markets.'*

These markets include countries such as Egypt, Nigeria, Vietnam, Kazakhstan, Qatar, Saudi Arabia and Argentina which have much to offer the global economy and yet are 'behind the curve' on both valuations and recognition. This list of countries is far from extensive but each have significant exposure in our favoured Trust:

### **Advance Frontier Markets Fund.**

North Africa makes up a large proportion of the Frontier market universe and therefore clients may feel with the current political problems in Libya, The Ivory Coast and Egypt this is an ill-timed comment. However, whilst not wanting to play down tragic situations overseas, it is our belief that the shake out of dictatorships from these countries will ultimately make them more attractive propositions for overseas investment, which will help fuel domestic growth in the future.

Therefore, whilst an investment in Frontier markets is not for the faint hearted and will carry considerable risk, on a longer term view we are happy to side with a Trust which invests in a portfolio of companies from these developing countries. On a discount basis we would achieve this through a holding in the Advance Frontier Markets Fund.

## **FIXED INTEREST**

<b>Bank Base Rates</b>	still remain artificially low at 0.5% gross.
<b>10 Year Gilt</b>	Gross redemption yields are unattractive at 3.7%.
<b>Corporate Bonds</b>	Gross redemption yields on medium dated Investment Grade Corporate Bonds are approximately 4%.
<b>Preference Shares</b>	Yield 7.8% net to tax payers, which is attractive, but there is risk in liquidity and these are undated.

We therefore still prefer:

### **Index Linked Gilts**

which do stand near their highs, but RPI is now at a 20 year high of 5.5% and thank goodness we have been 'recommending' Index Linked Gilts and ignoring Government predictions of inflation at 2% (what nonsense they have talked - and we have all known it!).

### **CORPORATE ACTIONS**

Although there have been few corporate actions of note during the last quarter, we have seen:

#### **Merger completion**

International Power merger with certain assets of GDF Suez

#### **Takeover**

Northern Foods takeover by Boparan Holdings

whilst more recently it has been announced:

#### **Merger proposal**

London Stock Exchange merger with TMX Group (Canadian Stock Exchange)

#### **Takeover Proposal**

Forth Ports takeover by Arcus European Infrastructure Fund

We shall of course keep clients fully informed as and when any action is required.

With companies strengthening balance sheets and having much larger cash deposits and liquidity, we believe there will be increased merger and acquisitions activity during 2011/2012/2013.

### **COMPLIANCE (by Martin Warren)**

#### **Boiler Rooms**

We have written previously in our newsletter regarding the increasing number of unauthorised firms contacting the public to buy shares which are worthless. These firms are known as boiler rooms and they are becoming more and more prevalent. Please be very cautious if you are contacted by a firm who you have not spoken to before or you have not asked to speak to regarding shares. Remember if it sounds too good to be true it probably is.

#### **Client Data Reports**

Thank you to all our clients who have completed and returned these forms to us. Your up to date information is vital to ensure we continue to provide you with suitable advice at all times. If in future your circumstances do change please let us know so we can update our records.

#### **ISAs**

As previously mentioned, the ISA allowance will rise to £10,680 from 6<sup>th</sup> April 2011 and with higher tax rates, ISAs remain attractive for most of our clients.

## JUNIOR ISAs

Junior ISAs are expected to be launched in the Autumn of 2011. We feel these will be very attractive to clients with children who wish to build up 'tax free funds' for their children's lifetime. Junior ISA regulations have recently been announced and we shall update clients in due course once the final regulations are agreed. This is extremely good news and extremely important.

## FEES & COMMISSIONS

Despite ever increasing inflationary pressures, we can confirm Barratt & Cooke will not be increasing our charges, and commissions and fees will remain frozen at this stage.

## IN CONCLUSION

We live in a 'funny old world', where unpredictable global events dominate world economies. However, it is important to 'sleep at night' and with the balance of:

Owning your own home  
With liquidity in deposits and in Gilts  
A wide spread of leading Equities  
Together with global Equities and Trusts

this should ensure a good night's sleep.

## I'M BACK

Like the Fiscal Year, the Shrieval Year draws to a close and I reflect on the great events, the judiciary and the fabric of Norfolk. But above all I look back at all those charities where Norfolk really was part of the 'Big Society' long before David Cameron discovered it.

I thank all those members of staff and clients who made this unique sabbatical year possible.

I have learnt to delegate, to see the bigger issues and look forward to returning to Barratt & Cooke firing on all cylinders, as the genuine Executive Chairman approving all the major decisions on:

Investment strategy and major investment calls.

Delegation of the right Advisor for the right clients and monitoring their performance.

Ensuring the top quality Barratt & Cooke service throughout.

At last spring has arrived and we can now look forward to 'The Royal Wedding'.

Three cheers for Will and Kate.

**C W L Barratt**  
**5<sup>th</sup> April 2011**

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## Equity Suggestions - 5<sup>th</sup> April 2011

		<u>Price</u> <u>5/4/11</u>	<u>Net*</u> <u>Yield</u>	<u>52 Week</u> <u>High</u>	<u>Low</u>
AEROSPACE & DEFENCE	Rolls-Royce PLC Ordinary Shares	627p	2.3%	675p	533p
BANKS	Barclays PLC Ordinary Shares	287p	1.9%	394p	253p
	HSBC Holdings PLC Ordinary Shares	647p	3.8%	740p	595p
	Standard Chartered PLC Ordinary Shares	1671p	2.8%	1975p	1484p
	Diageo PLC Ordinary Shares	1200p	3.0%	1266p	1024p
BEVERAGES	National Grid PLC Ordinary Shares	589p	6.4%	666p	475p
ELECTRICITY	Scottish & Southern Energy PLC Ord Shares	1295p	5.2%	1315p	1005p
	Tate & Lyle PLC Ordinary Shares	590p	3.9%	604p	408p
FOOD PRODUCERS	Unilever PLC Ordinary Shares	1885p	3.8%	2009p	1662p
FOOD RETAILERS	Tesco PLC Ordinary Shares	390p	3.5%	455p	365p
	J Sainsbury PLC Ordinary Shares	333p	4.4%	397p	308p
	William Morrison PLC Ordinary Shares	280p	3.4%	307p	255p
HOUSEHOLD PRODUCTS	Reckitt Benckiser PLC Ordinary Shares	3268p	3.5%	3678p	2995p
LIFE ASSURANCE	Aviva PLC Ordinary Shares	444p	5.7%	481p	290p
MEDIA	Reed Elsevier PLC Ordinary Shares	543p	3.8%	594p	458p
MINING	BHP Billiton PLC Ordinary Shares	2527p	2.5%	2647p	1678p
	Rio Tinto PLC Ordinary Shares	4413p	1.5%	4717p	2751p
	Xstrata PLC Ordinary Shares	1500p	0.3%	1579p	832p
OIL & GAS	BG Group PLC Ordinary Shares	1563p	0.8%	1595p	967p
	Royal Dutch Shell PLC Ordinary 'B' Shares	2260p	4.7%	2300p	1550p
OIL SERVICES	Petrofac PLC Ordinary Shares	1538p	1.9%	1697p	987p
PHARMACEUTICAL	AstraZeneca PLC Ordinary Shares	2897p	5.5%	3389p	2750p
	GlaxoSmithKline PLC Ordinary Shares	1218p	5.3%	1324p	1088p
	Shire PLC Ordinary Shares	1811p	0.4%	1844p	1318p
PROPERTY (REITs)	Land Securities PLC Ordinary Shares	747p	3.0%	780p	543p
TELECOMMUNICATIONS	Vodafone Group PLC Ordinary Shares	176p	4.8%	185p	127p
	Inmarsat PLC Ordinary Shares	625p	4.0%	822p	562p
TRAVEL & LEISURE	Intercontinental Hotels PLC Ordinary Shares	1259p	2.1%	1440p	982p
UTILITIES	United Utilities PLC Ordinary Shares	590p	5.6%	635p	501p
	Pennon Group PLC Ordinary Shares	630p	3.7%	657p	479p

### SMALLER COMPANIES/SPECIAL SITUATIONS

BIOTECHNOLOGY	Genus PLC Ordinary Shares	950p	1.3%	984p	677p
BREWERY	Greene King PLC Ordinary Shares	445p	4.9%	504p	373p
FOOD	Domino's Pizza PLC Ordinary Shares	413p	2.1%	591p	320p
FOOD RETAIL	Greggs PLC Ordinary Shares	520p	3.3%	530p	416p
GENERAL INDUSTRIAL	Cookson Group PLC Ordinary Shares	701p	1.6%	725p	364p
OIL & GAS	EnQuest PLC Ordinary Shares	138p	-	160p	87p
HOUSE BUILDERS	Barratt Developments PLC Ordinary Shares	112p	-	141p	69p
	Persimmon PLC Ordinary Shares	464p	1.6%	520p	336p
IT SERVICES	Telecity PLC Ordinary Shares	517p	-	546p	363p
PROPERTY (REITs)	London & Stamford PLC Ordinary Shares	132p	4.0%	134p	110p

### OVERSEAS STOCKS\*\*

		<u>Price</u> <u>5/4/11</u>	<u>Gross*#</u> <u>Yield</u>	<u>52 Week</u> <u>High</u>	<u>Low</u>
BEVERAGES	Coca Cola Common Stock	4141p	2.7%	4154p	3031p
CHEMICALS	BASF	5436p	3.5%	5455p	3486p
	Syngenta AG Shares	20515p	4.2%	21692p	14849p
FOOD PRODUCERS	Nestlé SA Registered Shares	3546p	3.5%	3785p	3253p
HEALTHCARE PRODUCTS	Johnson & Johnson Common Stock	3675p	3.6%	4066p	3495p
MEDICAL EQUIPMENT	Becton Dickinson & Company Shares	4941p	1.9%	5279p	4086p
PHARMACEUTICAL	Roche Holdings AG Genusscheine NPV	8896p	5.0%	11892p	8321p
TECHNOLOGY	Microsoft Common Stock	1592p	2.4%	1935p	1393p

\* These yields are estimated and not guaranteed. \*\* Nominee clients only.

# Dividend income may be subject to local Government withholding tax (currently 35% in Switzerland, 15% in the USA and 26.375% in Germany).

Source: FT and [www.proquote.com](http://www.proquote.com)

These are core stocks for a portfolio, but we will be using selective limits where appropriate.

## INVESTMENT TRUST & UNIT TRUST/OEIC SUGGESTIONS

		<u>Price</u> <u>5/4/11</u>	<u>Net*</u> <u>Yield</u>	<u>52 Week</u> <u>High</u> <u>Low</u>		<u>Disc**</u> <u>to NAV</u>
REASONABLE YIELD	Perpetual Income & Growth Inv Trust	254p	3.7%	263p	200p	1.6%
	Edinburgh Investment Trust	450p	4.6%	471p	360p	(1.4%)
WORLDWIDE GROWTH	Bankers Investment Trust	415p	2.9%	428p	336p	13.6%
	Caledonia Investments	1733p	2.1%	1934p	1520p	19.2%
	Scottish Mortgage Investment Trust	742p	1.6%	750p	533p	9.7%
	Monks Investment Trust	359p	0.3%	364p	275p	11.9%
SMALL COMPANIES	Schroder UK Mid Cap Fund	260p	2.2%	276p	180p	16.6%
	Invesco Perpetual UK Smaller Co's Trust	196p	2.2%	206p	147p	20.0%
EMERGING MARKETS	Templeton Emerging Markets Inv Trust	675p	0.6%	690p	496p	7.2%
	Henderson TR Pacific Inv Trust	193p	1.5%	213p	157p	10.3%
	Blackrock Latin America Inv Trust	729p	2.2%	789p	565p	1.4%
	Advance Frontier Markets Fund	47p	-	51p	39p	9.6%
	JP Morgan Indian Investment Trust	441p	-	505p	373p	9.2%
MINING FUND	Blackrock World Mining Inv Trust	792p	0.8%	830p	523p	16.6%
TECHNOLOGY	Polar Capital Technology Trust	353p	-	395p	266p	3.7%
INFRASTRUCTURE FUND	HICL Infrastructure Fund#	118p	5.1%	121p	112p	(5.7%)
PRIVATE EQUITY	3i Group PLC Ordinary Shares	283p	1.1%	344p	247p	-
ENVIRONMENTAL	Impax Environmental PLC Ord Shares	124p	0.6%	131p	106p	13.1%

\* These yields are estimated and not guaranteed

\*\* Taken from the FT 5<sup>th</sup> April 2011

# Yields paid gross

Source: FT and www.ft.com

### FIXED INTEREST STOCKS

<u>Base Rates</u>	<u>UK</u>	<u>US</u>	<u>Europe</u>
	0.5%	0.25%	1.0%

### Government Stocks

#### Conventional

No suitable stocks

<u>Index Linked</u>	<u>Price</u>	<u>Gross Interest Yield</u>	<u>Equivalent Gross Redemption Yield*</u> Tax Rate		<u>Dividend Dates</u>	<u>Redemption Date</u>
			Nil	40%		
2.5% Treasury Index Linked 2016	319.8	2.1%	2.5%	1.6%	Jul/Jan	26 Jul 2016
1.25% Treasury Index Linked 2017**	128.9	1.1%	2.9%	2.4%	May/Nov	22 Nov 2017

\* Assuming that future RPI inflation averages 3% to redemption

\*\* Price adjusted for inflation (please note the published price may be significantly different as it does not include accrued inflation)

### Euro Sterling Bonds

(only for clients in Nominees and ISAs)

	<u>Price</u>	<u>Gross Interest Yield</u>	<u>Gross Redemption Yield</u>	<u>Dividend Dates</u>
Lloyds Banking Group 5.5% 2016 (min £2,000)	101.6	5.4%	5.2%	Mar/Sep
Intercontinental Hotels 6% 2016 (min £50,000)	103.7	5.8%	5.4%	Dec
Close Brothers 6.5% 2017 (min £50,000)	103.2	6.3%	5.8%	Feb/Aug

### High Yield Preference Shares

	<u>Price</u>	<u>Net Yield</u>	<u>Equivalent Gross Yield @ 20% Tax</u>	<u>Dividend Dates</u>
General Accident 8 $\frac{7}{8}$ % Cumulative Preference Shares	112.75p	7.9%	9.8%	Jan/Jul
Standard Chartered 8 $\frac{1}{4}$ % Non-Cumulative Pref Shares	116.5p	7.1%	8.9%	Apr/Oct
Ecclesiastical Insurance Office 8 $\frac{5}{8}$ % Non-Cum Pref Shares	111.75p	7.7%	9.6%	Jun/Dec

Note: Depending upon availability, similar Fixed Interest Stocks can be selected.

Source: Bloomberg prices

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