STOCKS | FUNDS | INVESTMENT TRUSTS | PENSIONS AND SAVINGS

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SHARES

WE MAKE INVESTING EASIER

BUMPER **EDITION**

Lloyds' dividends under threat

Retail: festive winners and losers

PayPoint's major breakthrough

TOP TEN FOR 2017

OUR BIG STOCK PICKS

Our views on 2016's **BEST PERFORMING SHARES**

SHARES SPOTLIGHT **SPECIAL REPORT ON** MINING, OIL & GAS

HOW MUCH DOES IT COST TO OBTAIN *FINANCIAL ADVICE?*

A good year to invest

The UK is one of the world's best performing stock markets in 2016

For all the twists and turns in the world during 2016, it has been a pretty good year for investors. Running the numbers on the FTSE All-Share index, 348 stocks have delivered a positive share price return, versus 267 with a negative performance according to SharePad.

Fifty-six stocks in the FTSE 100 delivered a positive performance in 2016 versus 44 losers. The FTSE 100's 12.4% year-to-date gain (up to 19 December) is better than the S&P 500 in the US, DAX in Germany, CAC 40 in France, S&P BSE 100 in India, Nikkei 225 in Japan and Hang Seng in Hong Kong.

A significant number of the ideas we've put forward in *Shares* have turned out to be cracking investments this year. We hope this winning streak continues well into the future.

With that in mind, we've spent the past few weeks whittling down a long list of stock suggestions for our annual tips of the year portfolio.

We've achieved 8.6% annualised share price gains for the portfolio over the past five years, versus 4.6% from the broader stock market as measured by the FTSE All-Share.

The final list of 10 companies for the 2017 portfolio can be found in this issue of *Shares*.

On that note, I would like to thank you for your loyal support over the past three months as we transitioned from a print to digital-only publication. The feedback has been very positive and we look forward to bringing you a wide array of articles, videos and more in 2017.

I wish everyone a Merry Christmas and a Happy New Year. The next issue of *Shares* is published on Thursday 12 January 2017.

COMPETITION TIME – VIP TICKETS TO ARSENAL FOOTBALL MATCH

We've got two tickets to give away for the Arsenal vs Watford football match on Tuesday 31 January 2017 at London's Emirates Stadium.

The winner of our competition will get two Premium Club level seats, a three course meal, champagne on arrival and free drinks both at half time and after the match.

To stand a chance of winning, name three football teams whose shares have traded on a stock market in the UK – either now or in the past.

Email yourviews@sharesmagazine.co.uk with your answer. Please write ARSENAL COMPETITION in the subject line.

The winner's name will be revealed in the 12 January issue of *Shares*. Good luck!

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BROKER RATINGS EXPLAINED:

We use traffic light symbols in the magazine to illustrate broker views on stocks.

Green means buy, Orange means hold, Red means sell.

The numbers refer to how many different brokers have that rating.

Eg: 4 2 1 means four brokers have buy ratings, two brokers have hold ratings and one broker has a sell rating.

The traffic light system gives an illustration of market views but isn't always a fully comprehensive list of ratings as some banks/stockbrokers don't publicly release this information.

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CLICK ON PAGES NUMBERS TO JUMP TO THE RELEVANT STORY

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2. Reporters will inform the editor on any occasion that they transact shares, derivatives or spread betting positions. This will overcome situations when the interests they are considering might conflict with reports by other writers in the magazine. This notification should be confirmed by e-mail.

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Cataloging Christmas retail winners and losers

Fashion victims, online winners and the weak pound are key retail themes

Momentum continued in November according to the latest ONS Retail Sales figures (15 Dec), with strong consumer spending boosted by Black Friday and Cyber Monday in the run-up to Christmas.

Yet with the GfK Consumer Confidence Index falling by five points in November, and inflationary pressures building, *Shares* is cautious about the retail sector heading into 2017 and urges caution around select names ahead of January's traditional flurry of trading statements.

MILD DECEMBER

Another unusually warm autumn and a mild December may spell trouble for fashion retailers this Christmas. *Shares* sees scope for profit warnings from high street clothing purveyors triggered by mild temperatures, which are distinctly unhelpful for **Marks & Spencer (MKS)**, **Next (NXT)**, **SuperGroup (SGP)** and others when seeking to shift winter ranges.

On the flip-side, the relentless growth in online spending continued during November according to the ONS. As demonstrated by its latest sales guidance upgrade (14 Dec), pure-play online fashion retailer **Boohoo.com (BOO:AIM)** and larger peer **ASOS (ASC:AIM)** look well-placed to deliver strong festive turns.

FESTIVE SPARK

Another interesting area is electricals, where January's third quarter update from **AO World (AO.)** is worth putting in diaries. We think the scene is set for a bumper festive period, as shoppers spend on washing machines, televisions and computers in a final hurrah ahead of likely price hikes next year.

This also augurs well for **Dixons Carphone (DC.)**, whose half year results (14 Dec) to 29 October showed like-for-like sales up 4%.

Chief executive Seb James has braced investors 'for the possibility of more uncertain times ahead' due to potential currency impacts and weaker consumer confidence post-Brexit. Nevertheless, *Shares* remains confident the Carphone Warehouse-to-CurrysPCWorld owner will deliver news of brisk Christmas business when updating the market (24 Jan).

Finally, in the groceries space, where shoppers are yet to feel the pinch of rising inflation, **Tesco (TSCO)** could emerge as one notable winner. Its value sales grew 1.6% year-on-year and its market share rose to 28.3% in the 12 weeks to 4 December according to Kantar Worldpanel.

SHARES SAYS:
Be cautious with regard to the high street fashion purveyors. Cosy up to pure-play online retailers and bet on Tesco to take further market share. (JC)

RETAIL REPORTING CALENDAR
January 2017

Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3	**4**	5	6	7
8	**9**	**10**	**11**	**12**	13	14
15	16	17	**18**	**19**	20	21
22	23	**24**	**25**	26	27	28
29	30	**31**				

4 Jan – Next (NXT)
Week commencing 9 Jan – Majestic Wine (WINE:AIM)
10 Jan – Morrisons (MRW), Boohoo.com (BOO:AIM)
11 Jan – Sainsbury's (SBRY)
12 Jan – Primark (parent is Associated British Foods), ASOS (ASC:AIM), Booker (BOK), Debenhams (DEB), Dunelm (DNLM), Marks & Spencer (MKS), SuperGroup (SGP), Tesco (TSCO)
18 Jan – Burberry (BRBY)
19 Jan – Halfords (HFD), Pets at Home (PETS)
24 Jan – Dixons Carphone (DC.)
25 Jan – WH Smith (SMWH)
31 Jan – Ocado (OCDO)

Source: MoneyAM, Company's own announcements

Lloyds' dividends threatened by MBNA deal

Spare cash will be needed to fund credit card business acquisition

Lloyds Banking Group (LLOY) looks unlikely to pay a special dividend previously forecast by analysts.

Its £1.9bn acquisition of MBNA's consumer credit card business, announced on 20 December 2016, will effectively use up all its excess capital up to the end of 2017.

Shore Capital had forecast 4p per share dividend for the current financial year – split into 2.55p ordinary payment and 1.45p special dividend.

'It is likely that the anticipated special dividend may therefore be missed or reduced in order to finance the deal, albeit we would expect further surplus capital to be generated in subsequent years,' says Shore Capital analyst Gary Greenwood.

Investment bank Jefferies also believes a special dividend is now out of the question and forecasts a 'mere' 2.7p ordinary dividend. That implies a 4.2% yield on the 64.34p share price at the time of writing.

The acquisition is subject to regulatory approval and will see Lloyds' share of the UK credit card market increase from 15% to 26%.

Lloyds claims the acquisition should boost annual revenue by 4% and earnings by 3% and 5% in the first and second full years respectively following completion.

Greenwood notes Lloyds is essentially doubling its exposure to credit cards ahead of a potential Brexit-linked slowdown in the UK which could see an increase in bad debts. (TS)

Rentokil on a roll as it nets £437m

SHARES IN **RENTOKIL (RTO)** enjoyed a boost after it punted non-core assets into a joint venture with family business Haniel in exchange for €520m (£437m) in cash and an 18% stake in the new business. Rentokil's plan to refocus on its world-leading pest control and hygiene business while offloading lower quality business units has seen its stock price double in two years. (WC)

BP's contrasting acquisitions

OIL MAJOR **BP (BP.)** is bolstering its production base and boosting exposure to exploration. It is paying circa $2bn in shares for 10% of Abu Dhabi's ADCO onshore oil concession. A further $1bn will get 62% of exploration projects owned by **Kosmos Energy (KOS:NYSE)**. Kosmos was **Tullow Oil's (TLW)** partner in the massive Jubilee discovery offshore Ghana in 2007. (TS)

Avanti pulls off funding rescue

SATELLITES NETWORK OPERATOR **Avanti Communications (AVN:AIM)** is no longer up for sale after bondholders supported a $242m funding deal that appears to secure its near-term future. The agreement includes $130m of fresh cash plus the deferral of $112m worth of interest payments. The shares jumped 10% to 23p on the news, albeit still a far cry from the 320p levels of two years ago. (SF)

SigmaRoc seals first deal in construction strategy

Cash shell to acquire profitable unit of £25bn building materials giant

A Channel Islands construction firm previously owned by one of the world's biggest building materials businesses will join the UK stock market early in 2017.

Cash shell **SigmaRoc (SRC:AIM)** is paying £45m for Ronez, a profitable quarries-to-road paving group with operations in Jersey and Guernsey. The deal is structured as a reverse takeover which means the acquirer is smaller in size than the target.

Ronez is being acquired from £25bn construction giant **LafargeHolcim (LHN:VTX)**.

The shares will continue to trade under the name of SigmaRoc despite Ronez being its only asset alongside some cash. That's because SigmaRoc intends to buy more construction businesses in the UK and Western Europe, so its name will be the identity of the holding company.

It believes there are lookalike opportunities to Ronez, with large construction groups selling non-core but profitable and cash generative businesses.

EFFICIENCY TARGET

SigmaRoc is paying nine times the £5m EBITDA (earnings before interest, tax, depreciation and amortisation) generated by Ronez in 2015. While that looks a fairly high price, SigmaRoc argues the business could be run more efficiently by a smaller operator so EBITDA can easily be improved.

Chief executive Max Vermoken says the Channel Islands have ongoing demand for construction activity, particularly for sea defences and road work. 'It is economically inefficient to import building materials to the Channel Islands so local operators like Ronez have a stable market in which to operate,' he adds.

Ronez is a vertically integrated business, whereby its quarries produce aggregate material, it sells ready-mix concrete and asphalt, and it undertakes road surfacing. Ronez has a monopoly position in many of these product and service lines in the Channel Islands.

The business made £2.5m pre-tax profit in 2015 and SigmaRoc intends to pay dividends in the future.

BIG NAMES

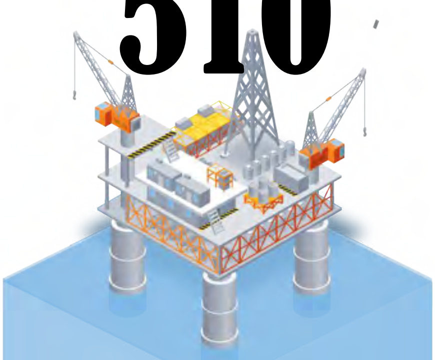
The group has raised £50m to fund the acquisition, attracting some high profile investors. Once the deal completes, major investors will include asset manager **Miton (MGR:AIM)** and Pula which is the investment vehicle for Stephen Lansdown, the co-founder of FTSE 100 financial services group **Hargreaves Lansdown (HL.)**.

The shareholder register also includes Bailiwick Investments, a Guernsey-based investment fund which also has a stake in AIM-quoted aggregates business **Breedon (BREE:AIM)**.

SHARES SAYS:

SigmaRoc shares are currently suspended until the deal completes on 5 January. At that point it will undergo a 104:1 share consolidation and recommence trading. We think the company's new asset and strategy looks very interesting, so get ready to buy once the shares come out of suspension. (DC)

510

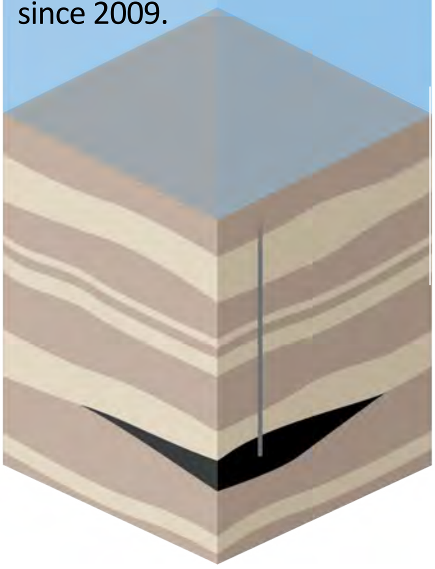


US OIL DRILLING RIGS

RIGS DRILLING FOR oil in the US increased by a total of 12 in the week to 16 December to 510 but are still down year-on-year by around 6%.

Baker Hughes' rig count data is a closely watched indicator of activity in crude markets and while the measure has increased by 20% in the US since the end of September it is still close to its lowest level in four decades.

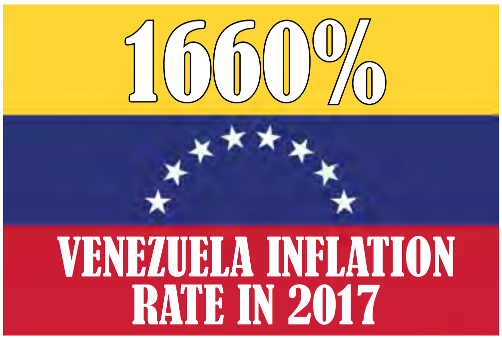
Absent an improvement in oil prices in 2017, there could be renewed concerns over the financial health of US exploration and production companies amid reports the sector has burned through $151bn (£121bn) of cash since 2009.



PAYMENT SERVICES PROVIDER **Paysafe (PAYS)** has launched a share buyback programme of up to £100m to scare off short-sellers which crashed the company's share price.

A commentary posted online which mainly recycled old news to raise questions about Paysafe's business model saw the mid cap stock's share price plunge by as much as a quarter in mid December.

Now Paysafe's management team and board say the company's value on the stock market undervalues its future potential and that it would continue to buy back shares 'well in excess of the current share price'. Paysafe trades at 360p. (WC)

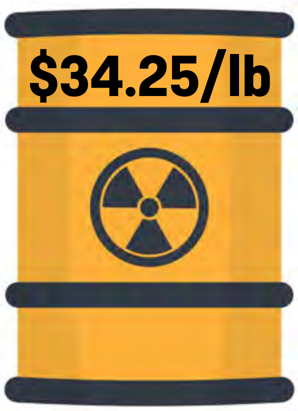


VENEZUELA HAS BEEN grabbing world media headlines with stories of hyper-inflation. Rucksacks full of cash have been required to pay bills at restaurants or supermarkets, according to press reports.

The International Monetary Fund predicts that Venezuela's inflation could average 475% in 2016.

If you think that sounds awful, wait until you hear the IMF's forecast for next year. It estimates inflation hitting 1,660%.

Unemployment rates are expected to hit 21.4% which is nearly three times the 7.4% rate seen in 2015.



Uranium price slump

URANIUM, THE KEY fuel for nuclear power stations, was among the worst performing commodities in 2016.

In a strong year for industrial metals, precious metals and most energy products, uranium declined 45% in dollar terms during 2016 to $34.25 per pound as key consumers of the radioactive material pared back demand.

In Japan, two reactors were shut down because of opposition to their use following the 2011 Fukushima nuclear disaster.

And in France, reactors are out of action because of safety checks meaning the country is likely to rely mainly on fossil fuels over the winter.

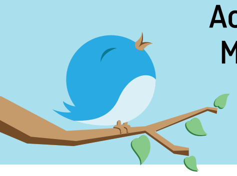
140 characters: Politicians on Twitter

INVESTORS ARE USED to stock market volatility but increasingly face a new challenge – rogue politicians on Twitter.

In September 2015, the Nasdaq Biotechnology index fell by 5% on a tweet from Hillary Clinton which said: 'Price gouging like this in the speciality drug market is outrageous' and promised to 'take it on.'

US President-elect Donald Trump complained on Twitter about Lockheed Martin's 'out of control' costs on 12 December 2016.

According to *The Guardian*, Lockheed Martin's share price drop amounted to $28.6m of market value per character tweeted.

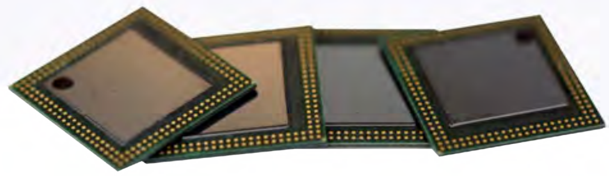


$3.3trn Year-to-date M&A

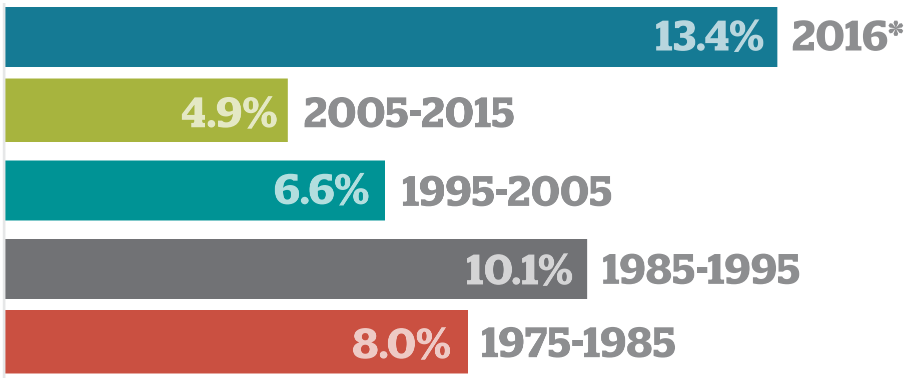
SOFTBANK'S £24BN purchase of London-listed technology giant ARM was the biggest takeover on the UK stock market in 2016 but it is a drop in the ocean compared to the $3.3trn of deals done worldwide.

Global deal values announced so far in 2016 look set to finish the year lower than the $4.4trn in 2015, according to analysis by consultants at Allen & Overy.

Despite the ARM deal and a number of big ticket purchases in North America including AT&T/Time Warner, deals valued at more than $10bn are down year-on-year while mid-sized deals increased.



FTSE All-Share: Annual returns after inflation



Source: Barclays Equity Gilt Study 2015, Shares *Year to 16 Dec minus 1.2% November CPI inflation. Includes dividends.

BEST & WORST - UK SMALL CAP FUNDS

Fund	Year-to-date (%)
Cavendish AIM Fund B	25.0%
Old Mutual UK Smaller Cos. Focus U1	24.1%
SVS Church House Deep Value Fund B	21.3%
Jupiter UK Smaller Companies	20.6%
MI Discretionary Unit Fund Income	19.3%
Franklin UK Smaller Companies Fund A	-3.8%
Investec UK Smaller Companies A	-4.1%
Legal & General Smaller Cos. Trust E	-4.7%
Kames UK Smaller Companies A	-4.9%
SF Webb Capital Smaller Cos. Growth A	-7.6%

Source: Morningstar, UK Small Cap Funds
Note: Excludes different fund classes with same manager and investments

FTSE 350 IN ONE YEAR

BEST PERFORMERS

	COMPANY	(%)
1	Ferrexpo	809.8
2	Hochschild Mining	324.2
3	Evraz	323.0
4	KAZ Minerals	314.7
5	Anglo American	307.3
6	Vedanta Resources	232.1
7	Glencore	218.2
8	Petra Diamonds	117.4
9	Acacia Mining	113.1
10	Electrocomponents	107.5

WORST PERFORMERS

	COMPANY	(%)
1	Next	-33.5
2	Card Factory	-33.7
3	McCarthy & Stone	-34.1
4	IG	-37.3
5	EasyJet	-39.1
6	International Personal Finance	-43.4
7	Essentra	-46.2
8	Restaurant Group	-49.9
9	Sports Direct	-50.8
10	Capita	-58.2

* Excluding Equity Investment Instruments, Nonequity Investment Instruments
Date to 16/12/2016
Source: Thomson Reuters Datastream

PayPoint in parcels deal breakthrough

Partners reach agreement to grow Collect+ joint venture

A new deal with joint venture partner Yodel adds a scoop of brandy sauce on to the tasty Christmas pudding that is **PayPoint (PAY)**.

After a year-long stand-off on how to take forward Collect+ – the click, collect and returns parcels service at local shops – the partners have agreed on a new license-based model.

In 2015, Yodel pushed through price increases in the 50:50 partnership which caused a dispute on how best to run the business.

Now the partners have agreed on a setup which sees Yodel meet delivery costs and both partners rewarded for introducing new parcels into the network. The Collect+ brand will also be opened up to other delivery operators under licence.

ATTRACTIVE OPTIONS

Growth in Collect+ is one of many attractions to the investment case at retail payment terminal provider PayPoint.

PayPoint One, a new terminal which can replace a retailer's checkout system, is among the most exciting. It could prove an attractive and low cost option for smaller retailers looking to introduce or replace in-store electronic tills and card payment units.

Fees paid to PayPoint for using the system range from £10 to £20 a week depending on whether the customer already uses PayPoint and which package they choose. The addressable market for the product is in the region of 30,000 retailers indicating potentially significant revenue from the new product.

ASSET SALES

PayPoint is also in the process of selling its mobile payments division, proceeds of which will be returned to shareholders.

The company separately plans to return £25m a year to shareholders for the next five years, equivalent to 36.6p a year. That is over and above ordinary dividends planned in the year to 31 March 2017 of 45.8p.

In total, the targeted shareholder payouts, which are not guaranteed, could total half the company's current £625m market value over the period.

For the year to 31 March 2017, analysts at Liberum estimate PayPoint will pay out 100p in dividends including ordinary and special dividends and returns of capital from disposals. PayPoint has already paid 27p per share of that amount.

Liberum analysts expect a further 74.5p of payouts in PayPoint's 2018 financial year and 78.4p in the following year.

Key risks include the pace of change in an innovative payments industry which could increase competition and erode PayPoint's market share, revenue and earnings, as well as cause losses to shareholders.

SHARES SAYS: ↗

PayPoint is a rare business that can grow and return significant amounts of capital to shareholders at the same time. We rate it as a very high quality business. Buy at 921p. (WC)

BROKER SAYS: 4 2 1

Velocys unveils big growth plan

Strategy update reveals significant potential

A long-awaited strategy update (13 Dec) from small-scale gas-to-liquids (GTL) play **Velocys (VLS:AIM)** offers a window into considerable upside which critically should not be diluted by big capital raisings.

We added the stock to our *Great Ideas* portfolio in September. The shares were then trading close to all-time lows at 30p and have since rallied 20.8% to 36.23p.

TECHNOLOGICAL EDGE

The £52m market cap has technology which can convert neglected and otherwise sub-commercial deposits of natural gas into more valuable and transportable liquid fuels.

GTL is a refinery process to convert natural gas or other gas-based hydrocarbons into liquid synthetic fuels. GTL applications have, in one form or another, existed for nearly 100 years but currently can only be commercially deployed at large plant sizes (30,000 barrels per day) which require upfront capital investment of $3 billion or more.

Velocys' small scale GTL technology, based on the well-established Fischer-Tropsch (FT) process, can operate efficiently at anywhere between 1,000 to 15,000 barrels per day.

HEAVYWEIGHT BACKING

Backed by Russian oligarch and Chelsea FC chairman Roman Abramovich, the company's first GTL plant at a landfill site in Oklahoma is currently in the equipment test phase known as 'commissioning'.

The ENVIA Energy GTL Plant is a joint venture between Velocys, **Waste Management (WM:NYSE)**, **NRG Energy (NRG:NYSE)** and Ventech Engineers.

Once up and running early in 2017 it should act as a showcase for the technology and support progress on a pipeline of other projects.

Incoming chief executive David Pummell initiated a review earlier in 2016 and the results now reveal

an addressable market of 29 plants in North America over the next five years.

The company hopes to deliver an average of one or two plants a year which, in its words, would be 'sufficient to establish Velocys in its key markets and generate sustainable business'.

SQUARE THE CIRCLE

In order to speed development, the company is looking to take greater control of projects.

Historically it pursued an asset and capital light strategy based on licensing its technology for GTL reactor equipment and chemical catalysts.

Earlier this year it made a $9m loan available to ENVIA, secured against the plant, giving it additional equity in the venture.

Alex Brooks, analyst at investment bank Canaccord Genuity, comments: 'Breaking ground to mechanical completion at ENVIA-1 took just 20 months. We have long believed greater control of projects by Velocys should lead to faster progress, and management intends to "square the circle" of control without significant incremental capital, with strategic partnerships.'

SHARES SAYS: ↗
Canaccord has a price target of 110p. Keep buying.

BROKER SAYS: 2 0 0

FreeAgent looks to the small to get bigger

Micro-business accounting apps supplier looks to expand channel

Statistics suggest 90% of the UK's 5.5m businesses employ less than 10 staff and half of them are still using basic spreadsheets or even paper, pen and mental arithmetic to run their accounting and tax planning functions.

Accounting software and mobile applications provider **FreeAgent (FREE:AIM)** sees a rich opportunity in targeting business which still use antiquated methods of adding up the numbers.

Having floated on AIM on 16 November at 84p, the company provides micro-businesses with a cloud-based accounting tool kit that provides 'real-time' tax liability tracking, video training, call and webchat support and more.

Most of the big accounting software firms concentrate on larger companies, leaving FreeAgent to mop up with its pay-monthly suite.

Using channel partners has been a very successful growth strategy to date. The company is also developing a similar relationship with an undisclosed high street bank.

Half year results to 30 September show strong revenue growth, up 36% to £3.6m, and soaring subscribers, 18% higher at 51,865.

It is investing heavily to power that growth. Administration costs rose two-thirds to £4.2m leaving a £1.1m operating loss.

Analysts at N+1 Singer see positive earnings before interest, tax, depreciation and amortisation (EBITDA) of £0.9m in the year to 31 March 2017, and a maiden pre-tax profit of £1.5m the year after.

SHARES SAYS:

The key will be managing costs while feeding the growth engine and keeping customer churn (currently 1.5%) under control. One to watch at 85.5p. (SF)

Earnings reverse warning for ECSC

REVENUE IS FORECAST to increase rapidly at newly-floated cyber security group **ECSC (ECSC:AIM)**, yet profit is expected to be very lumpy according to a new report by house broker Stockdale. It believes ECSC will move from £0.3m pre-tax profit in 2016 to a £2m loss in 2017 as a result of a sharp upturn in operating costs. It expects a return to profit in 2017. (DC)

Big Sofa jumps 26% on IPO

BIG SOFA TECHNOLOGIES (BST:AIM) enjoyed a successful IPO (initial public offering) on 19 December with its share price rising 26% to 21.5p in the first few hours of trading. The company provides video analytics to consumer brands and market research agencies, although earnings are minimal. It made £452,913 revenue in the 15 months to 30 April 2016 and a £964,010 loss before tax. (DC)

Tungsten cashed up on drive to profit

TUNGSTEN (TUNG:AIM) HAS secured the sale of its banking unit in a move that should help it avoid a capital raise. Tungsten's invoicing product secured average price increases of 40% for the year ahead as it seeks a move into monthly profitability during 2017 while its lending unit financed £60.1m of invoices in the six months to 30 October 2016. (WC)

TOP TEN FOR 2017

Every December we publish a list of stocks carefully chosen by *Shares*' team of journalists. We consider these to be our best ideas for stocks to buy and hold throughout the coming year.

This year we've picked 10 companies that have the right qualities to shine in 2017.

You will find a mixture of top quality businesses, recovery stories and companies with favourable market conditions.

We will update on these stocks throughout the year in our *Great Ideas* section of the digital magazine and on our website.

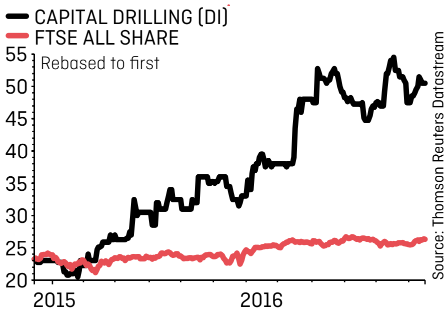
CAPITAL DRILLING (CAPD)

Share price: 49.9p
Market cap: £67.3m
EPS Dec 2017: 0.8c (0.6p)
PE Dec 2017: 83.2
Dividend Dec 2017: 4.4c (3.5p)
Dividend yield: 7%
Source: Shares, FinnCap

The increase in most commodity prices this year is driving renewed confidence in exploration spending by miners. That bodes well for a recovery in earnings at mining service group **Capital Drilling (CAPD)**.

The business should benefit from a structural shift in the mining industry whereby companies are beginning to conclude asset disposal programmes and focus once more on increasing output and/or restarting growth projects.

Capital Drilling undertakes drilling work on both exploration prospects and operational mines. We believe its share price re-rating has only just begun in earnest.



SPARE CAPACITY

It should enjoy the benefits of operational gearing where any increase in revenue should essentially fall straight to the profit line. Only 43% of its fleet was being used, as of late October 2016. Therefore it has plenty of spare capacity to use existing drill rigs should it win additional contracts.

The pace of new work seems to be picking up. It has reported numerous contract awards over the past six months.

There are certainly positive signs in the market. For example, gold miner **Acacia Mining (ACA)** last month announced it would increase the amount of drilling in 2017 year-on-year by approximately 40% to 190,000 metres across its sites, and has budgeted $25m for the work.

Acacia is an existing client and has already asked Capital Drilling to undertake more exploration drilling in Kenya, as per a new contract award in September. Other clients include **Centamin (CEY)**, which remains very active in Egypt and parts of West Africa.

We see positive signs elsewhere in the industry, all pointing towards greater volumes of drilling work. For example, FTSE 100 diversified miner **BHP Billiton (BLT)** said it would spend $800m on exploration in its 2017 financial year.

At the lower end of the market spectrum, we note a recent report from accountancy firm BDO that found Australia-based junior miners increased their exploration spend quarter-on-quarter in the three months to September, only the second time in more than two years.

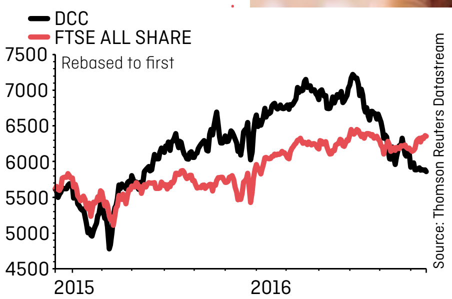
EARNINGS RECOVERY

Broker FinnCap forecasts Capital Drilling will make $4m pre-tax profit in 2017. In October it set a 70p price target for the next 12 months, implying 40% share price upside.

The dividend policy is paying 25% to 50% of free cash flow. Forecast payment of 4.4c (3.5p) implies 7% prospective yield for 2017. (DC)

DCC (DCC)

Share price: £58.50
Market cap: £5.17bn
EPS Dec 2017: 298.8p
PE Dec 2017: 19.6
Dividend Dec 2017: 113p
Dividend yield: 1.9%
Source: Shares, Jefferies



The energy, healthcare and technology products distributor ticks all the right boxes for a superior investment. It has a disciplined approach and only undertakes acquisitions or projects when it sees scope for a decent return on investment.

Recent share price weakness looks unwarranted and provides a good opportunity to buy a brilliant company at its cheapest level for nearly a year.

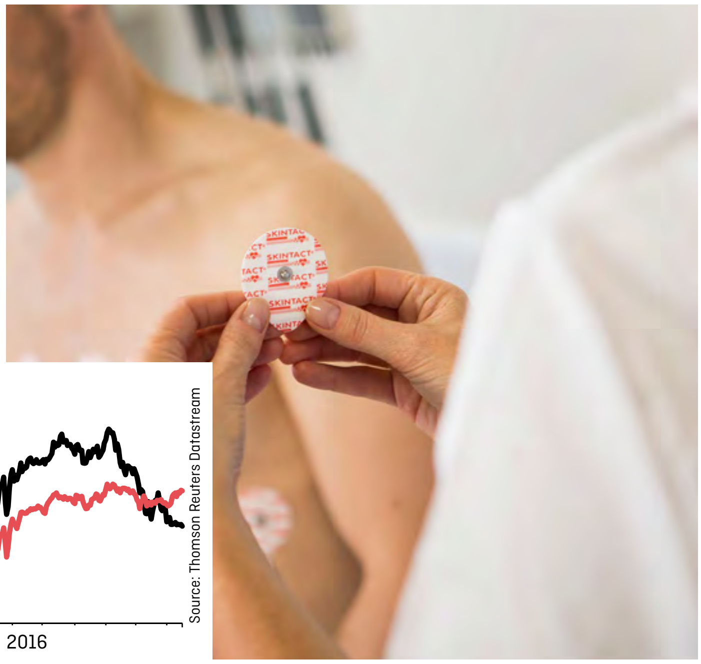
DCC has a superior track record for dividend growth. We calculate that £5,000 invested 10 years ago with all dividends reinvested would now be worth a fantastic £23,308.

Two thirds of DCC's profit comes from the energy sector. It distributes liquid petroleum gas and oil to customers across Europe. DCC also operates 825 retail petrol stations; some unmanned.

Furthermore, it markets and sells branded fuel cards to industrial and commercial fleets, giving them discounted fuel. This is a UK-only proposition at present, yet analysts expect DCC to roll out the offering across Europe given it is highly profitable and DCC can leverage its investment in retail networks.

HEALTHY FUTURE

The healthcare business has the highest organic growth potential, according to broker Canaccord Genuity. This division sells a range of own-branded and third party medical and pharmaceutical products to the likes of pharmacies, hospitals and doctors' surgeries. It also sells medical devices and consumables like gloves.



DCC provides contract manufacturing services to the health and beauty industry across Europe, mainly focused on areas like vitamins and skin care products. It is well placed to benefit from the trend among health and beauty brand owners to outsource non-marketing and sales operations.

The technology division sells products from over 350 suppliers to specialist retailers, grocers and resellers. This business is more cyclical than the rest of the group so earnings do occasionally dip.

There is also a waste management business in DCC although it only contributes a small amount to group profit.

STRONG BALANCE SHEET

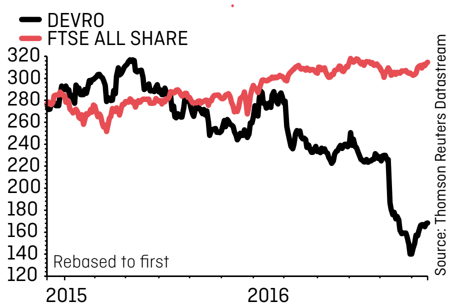
Analysts believe the best acquisition opportunities for DCC will be in the energy segment as large oil firms continue to sell non-producing assets to help reduce their high debt levels.

DCC has plenty of firepower to continue making acquisitions. Net debt at its half year stage was only £112.2m. In comparison, it generated £291.1m free cash flow in the financial year to 31 March 2016. (DC)

DEVRO (DVO)

Share price: 165.5p
Market cap: £282m
EPS Dec 2017: 15.3p
PE Dec 2017: 10.8
Dividend Dec 2017: 9p
Dividend yield: 5.4%
Source: Shares, Investec Securities

Sausage skins maker **Devro (DVO)** could serve up some sizzle in 2017. We believe the shares have been oversold following a recent setback and view the company as having tasty longer term growth prospects.



Devro supplies collagen casings for sausages, salamis and hams. It has a demonstrable ability to differentiate products in its global market place.

It is geared into burgeoning global demand for collagen casings linked to higher protein consumption in emerging markets.

Yet it also faces some challenging market conditions caused by geopolitical factors, changing eating habits and retailers putting the squeeze on meat suppliers.

TWO WARNINGS

In August, Devro cautioned that a transitional period would be needed to extract the benefits from £110m worth of new plant investment in the US and China to position it for growth in the future.

On 10 November, it warned 2017 profit would disappoint and debt, taken on to invest for growth in China and the US, was close to breaching commitments given to lenders.

Seeking to mitigate weaker volume trends in China, Russia and Latin America, the food producer warned it would accelerate restructuring plans and make investments in next generation products to improve its competitive position.

This investment will partially offset 2017 volumes which will now be 10% lower than previous expectations. The result is under-utilisation of manufacturing capacity and crimping margins.

Nevertheless, investors with risk-appetite might view this as a great time to pounce. Devro's disappointments are largely discounted on a grudging 2017 prospective multiple of 10.8 times and a 5.3% dividend yield based on Investec Securities' estimates.

RESILIENT PERFORMANCE

Analyst Nicola Mallard remains a buyer and her 270p price target implies 63% upside.

She forecasts £31.5m pre-tax profit (2015: £31.3m) for the 2016 financial year. This rises to £33m in 2017.

Directors including chief executive Peter Page and chairman Gerard Hoetmer wasted no time buying shares with their own money following the recent sell-off.

Devro might even draw takeover interest should the share price weakness persist. Spanish rival **Viscofan (VIS:MC)** is one name potentially in the frame. (JC)

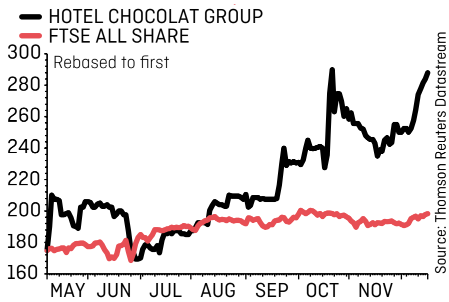
HOTEL CHOCOLAT (HOTC:AIM)

Share price: 281.5p
Market cap: £321.7m
EPS June 2017: 7.4p
PE June 2017: 38
Dividend June 2017: 1.5p
Dividend yield: 0.5%
Source: Shares, Liberum Capital

Don't be put off by **Hotel Chocolat's (HOTC:AIM)** low dividend yield and high price to earnings ratio. We believe it is a very interesting investment proposition with the potential for rapid earnings growth.

The premium British chocolatier and omni-channel retailer is taking share from sleepy incumbents such as Thorntons. It has enjoyed earnings upgrades in 2016 and we believe that trend will continue in 2017.

Guided by co-founder and chief executive Angus Thirlwell, Hotel Chocolat offers customers accessible luxury at affordable prices through its own stores, cafes and boutiques.



EARN AGAIN AND AGAIN

It boasts a strong digital business that includes the innovation-driving, recurring revenue-delivering 'Tasting Club'. This is a subscription service where circa 70,000 members pay £22.95 a month to be the first to try the company's newest chocolate products.

One of few chocolatiers to actually grow cocoa, its competitive advantages feature a vertically-integrated supply chain and strong intellectual property in the form of internally-created recipes.

The £321.7m cap offers exposure to double digit earnings growth through the roll-out of stores, which act as showrooms that prompt customers to subsequently make future orders online.

The business is also strongly cash generative, which means it can self-fund expansion and progressive dividends are on their way.

LARGE OPPORTUNITY

Spearheading the rise of craft-style and artisanal chocolate making, Hotel Chocolat has a very modest share of the £7.6bn UK chocolate market and big potential in a £20bn UK gifting market. There is even more to go for overseas.

The brand resonates with consumers as original, authentic and ethical. The company's 'more cocoa, less sugar' mantra means Hotel Chocolat is geared into the wellness consumer trend and appeals to UK and overseas shoppers alike. We expect the weak pound will stimulate sales to foreign visitors through its travel stores.

House broker Liberum Capital forecasts adjusted £10.2m pre-tax profit for the year to June 2017 and a maiden 1.5p dividend. These metrics are estimated to rise to £11.1m and 1.6p respectively in 2018. (JC)w

INTERNATIONAL OPPORTUNITY
>£70bn market

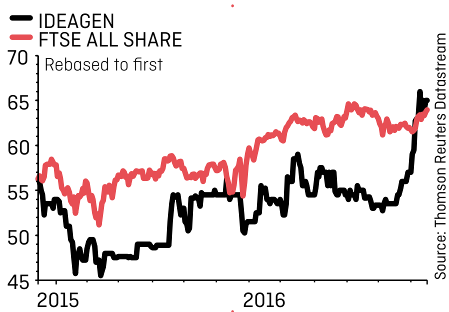
Hotel Chocolat has <0.02% market share

Source: Hotel Chocolat annual report

IDEAGEN (IDEA:AIM)

Share price: 64.25p
Market cap: £117m
EPS Apr 2017: 3.2
PE Apr 2017: 20
Dividend Apr 2017: 0.2p
Dividend yield: 0.3%
Source: Shares, FinnCap

There's a net of rules, regulations and red tape tightening over many industries. Little UK software supplier **Ideagen (IDEA:AIM)** has a wide range of off-the-shelf specialised software tools smack bang in this, albeit unglamorous, sweet spot.



The Midlands-based company concentrates on what it calls the governance, risk and compliance (GRC) space, providing information management solutions to highly regulated industries.

Target markets include healthcare, complex manufacturing, banking/finance, defence and energy.

Ideagen supplies an integrated system that combines information from multiple operational sources on top of the typical internal audit and compliance functions.

This provides clients with a detailed overview of corporate risk, controls and consequence mitigation analysis.

That's an increasingly compelling sale once an organisation begins to grasp the significant financial and reputational damage potential of not having adequate systems in place.

LOYAL FANS

We've been fans of the company since it gravitated to AIM from the old Plus Markets in 2012, first flagging the investment opportunity at 16p in August that year.

The company hasn't put a foot wrong ever since; adding carefully vetted bolt-on acquisitions to its underlying progress. Three acquisitions have been made since summer 2016 alone, being Covalent, Logen and IPI Solutions.

Full year results to 30 April 2016 revealed a 52% revenue jump to £21.9 million including respectable 10% organic growth. That led to a 57% leap in adjusted EBITDA (earnings before interest, tax, depreciation and amortisation) to £6.3 million and improved operating cash conversion metrics.

Shareholders should feel rightly chuffed about a 96% client renewals hit rate and 100 new customers won during that year.

Ideagen also won its biggest single contract ever, worth £4.9 million. We believe the scale of new business is also improving.

HEALTHY AND WEALTHY

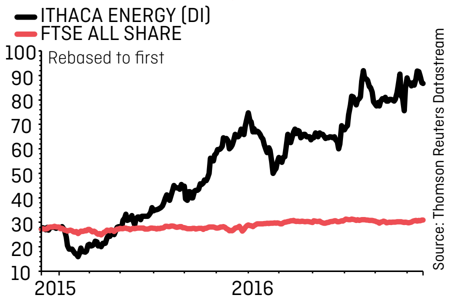
A trading update in November implies the business is still in excellent health. We'll find out more when half year results are published in January.

FinnCap forecasts pre-tax profit rising by 21% to £6.9m for the full year to April 2017 – and then advancing to £8.4m a year later.

It is also worth noting that Ideagen could potentially benefit from Brexit as that will increase red tape. Companies will need to comply with existing EU and international standards as well as the potential for the implementation of UK standards. (SF)

ITHACA ENERGY (IAE:AIM)

Share Price: 86p
Market cap: £355m
EPS Dec 2017: 12p
PE Dec 2017: 7.2
Dividend Dec 2017: n/a
Dividend yield: n/a
Source: Shares, Macquarie



There is clear line of sight to considerable share price upside at North Sea oil producer **Ithaca Energy (IAE:AIM)** as its flagship Stella field comes on stream in January 2017.

A more than doubling of production should boost earnings and give Ithaca the means by which to rapidly pay down debt.

Its shares have advanced more than 200% in 2016 thanks to leveraged exposure to oil price recovery and progress towards first oil from Stella. This is worth putting into context; the stock is still some way below the 200p-plus levels it hit back in 2012.

We think there will be further strengthening in the crude market in 2017 as the oil price begins to reflect a tighter supply situation.

HIGHLY LEVERAGED TO THE OIL PRICE

Like other indebted names in the sector Ithaca is likely to rise on a higher oil price, but its balance sheet looks a much safer prospect than peers such as **EnQuest (ENQ)** and **Premier Oil (PMO)**.

Getting Stella on stream has been a complicated business, with the latest setback pushing start up on the field from the end of November 2016 to January 2017. It originally had a start date in the first half of 2014.

With operations finally up and running, the company's output should hit a net 20,000 to 25,000 barrels of oil equivalent per day (boepd) from the current 9,500 boepd.

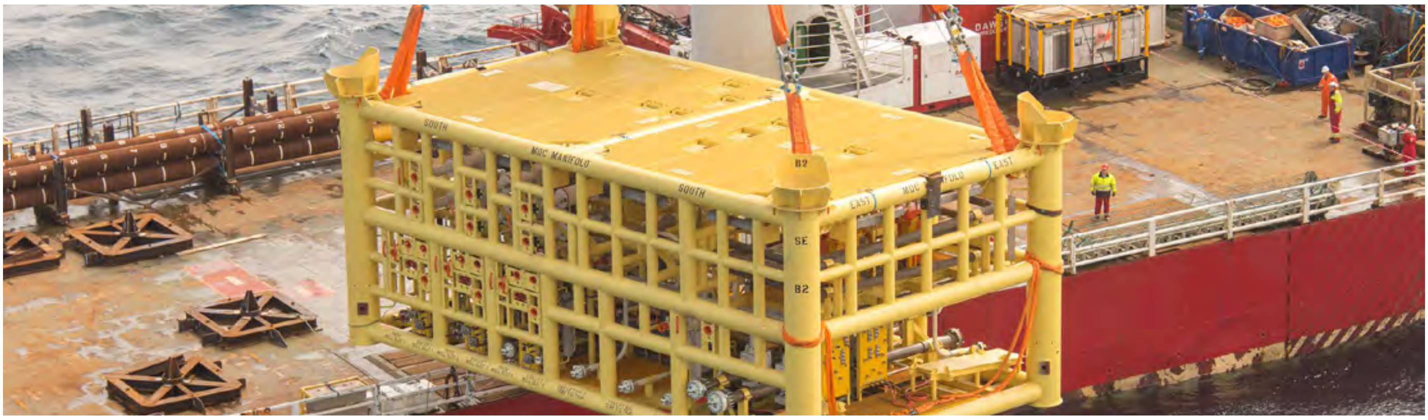
DEBT REDUCTION

Upfront capital expenditure has been sorted and operating costs have successfully scaled back to less than $20 per barrel of oil equivalent. The company should therefore generate plenty of cash flow to pay back its net debt.

Canaccord Genuity reckons borrowings will fall 30% to around $400m by the end of 2017.

This should create the headroom to pursue and acquire additional projects which can share Stella's infrastructure, made up of a floating production facility and link to a nearby oil pipeline. In turn this can further reduce costs and boost cash flow.

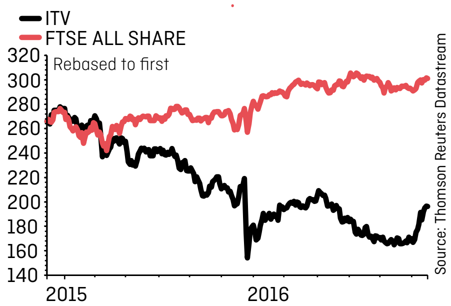
The company already has at least two likely additional tie-back projects in the so-called 'Greater Stella Area', called Harrier and Vorlich. Tie-backs refer to the connection of additional fields to a floating vessel or platform. (TS)



ITV (ITV)

Share Price: 194.6p
Market cap: £7.8bn
EPS Dec 2017: 16.1p
PE Dec 2017: 12.1
Dividend Dec 2017: 9p
Dividend yield: 4.6% (excludes special dividend)

Source: Shares, Thomson Reuters



Notwithstanding a return of share price strength since early December, a UK advertising slowdown looks more than priced in at free-to-air broadcaster **ITV (ITV).**

We think this well-run and one-of-a-kind business could do rather better than the market thinks in 2017. We believe analysts will upgrade earnings forecasts which could help to drive up the share price further.

Assuming no year-on-year change in the ordinary or special dividend from a highly cash generative business, ITV also offers a prospective yield of nearly 9%.

The yield would still be attractive at circa 4.6% even if it didn't pay a special dividend.

CONSENSUS BEARISH

Analysts expect ITV to experience a 4% decline in TV advertising revenue in 2017. Admittedly the coming 12 months could be tough if the UK consumer scales back spending amid a dark cloud over the economy and rising inflation.

We still see reasons to back ITV's management claim alongside third quarter results that it can outperform the wider market.

Data quoted by Liberum shows ITV1's audience share up nearly 30% year-to-date (as of 27 November) against a flat Channel 4 and Five down 3%. This should translate into a greater slice of the TV advertising pie.

More generally TV remains a very effective means of advertisers getting their message across to consumers. It is more transparent than online advertising where there are growing fears that advertisers are essentially being defrauded.

To reduce its reliance on ads, ITV has made a number of acquisitions to bolster its production business and build up its content portfolio.

TAKEOVER TALK

The share price has responded in the wake of **21st Century Fox's (FOX:NYSE)** £18.5bn bid for **Sky (SKY)**. Investors are betting ITV could be next on the block.

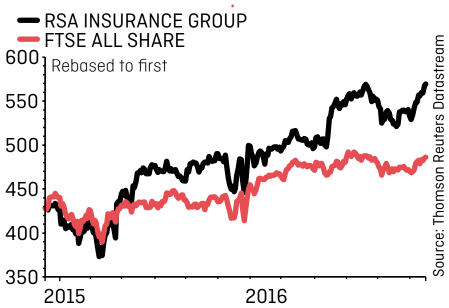
Like Sky, ITV is a unique asset on the UK market with a depressed share price. US-based **Liberty Global (LBTYA:NDQ)** has a 9.9% stake and is a logical suitor, particularly given the weakness of the pound.

Liberty chairman John Malone has been quoted as being interested in gaining exposure to the UK advertising market and is encouraged rather than put off by the Brexit vote. (TS)

RSA INSURANCE (RSA)

Share price: 565p
Market cap: £5.8bn
EPS Dec 2017: 46.3p
PE Dec 2017: 12.2
Dividend Dec 2017: 20.8p
Dividend yield 2017: 3.7%
Source: Shares, Panmure Gordon

RSA Insurance (RSA) is on its way back to becoming a world class insurance business. Founded in 1706, RSA's history is an indicator of the enduring importance of the insurance industry as well as its ability to bounce back from the occasional problem.



Chief executive Stephen Hester, previously fire fighter-in-chief at **Royal Bank of Scotland (RBS)**, joined the business after poor performance and financial irregularities in its Irish unit led to a board room purge in late 2013.

Now two years in to the turnaround plan, RSA is delivering tangible progress on its road map to becoming among 'the highest performing and best valued companies in our industry', according to Hester.

Property and casualty insurance companies like RSA usually have two key drivers of their stock market performance: insurance underwriting performance and investment returns.

UNDERWRITING IMPROVEMENT

Writing profitable insurance policies requires pricing discipline in tough markets as well as a laser-like focus on costs.

Hester is delivering both factors. RSA is passing up the opportunity to write more insurance policies so it can focus on parts of the market where pricing enables the business to deliver acceptable returns.

An insurer's combined ratio (COR) is the ultimate measure of underwriting quality.

A combined ratio is a type of cost-to-income ratio. RSA's underwriting costs in the first half of 2016 were 94.3% of the insurance premiums it received. That's a bit like saying it had an operating profit margin of 5.7%.

INVESTMENT PORTFOLIO

Insurers receive premiums upfront and pay claims later, meaning they generate a large amount of capital to invest. RSA invests this capital mainly in investment grade bonds in the regions where it operates: the UK, Scandinavia, Canada and Ireland.

Investment returns are an important part of performance at insurance companies. RSA's portfolio totalling £14.6bn delivered income of £187m in the six months to 30 June 2016, more than its underwriting profit of £119m.

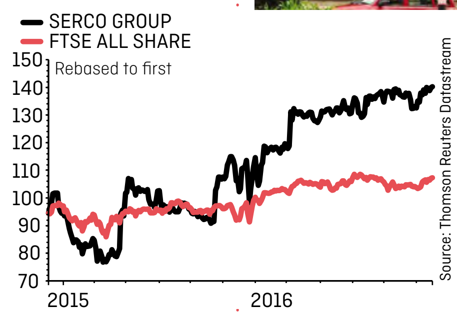
On top of that, RSA enjoyed capital gains as interest rates fell, which pushes up the value of bond prices. It is likely the value of RSA's bond portfolio will have declined in recent months as interest rates in many countries started to rise.

While this is a short-term negative, RSA's future is now much more in its own hands as a better focused business delivering decent underwriting performance, in our view. (WC)

SERCO (SRP)

Share price: 141p
Market cap: £1.6bn
EPS Dec 2017: 2.7p
PE Dec 2017: 52.2
Dividend Dec 2017: n/a
Dividend yield: n/a
Source: Shares, Liberum

Outsourcer **Serco (SRP)** may represent a defensive 2017 opportunity as its business reorganisation takes shape over the next year.



It was the best performer in our 'Big picks for 2016' portfolio, enjoying a solid year of profitability. We've decided to include it in our new 'picks of the year' portfolio in the belief the market will focus in 2017 on Serco's growth prospects rather than its past problems.

WHEELS IN MOTION

Serco's investment case centres around a business plan laid out by chief executive Rupert Soames in late 2014 which outlined a case for long-term top-line growth of 5% to 7% with operating margins between 5% and 6%.

Revenue looks set to bottom out in 2017 at a little under £3bn. Patient investors could be rewarded if the business can begin to sustainably earn and grow operating profit from the base of between £100m to £150m implied by its margin ambitions.

Evidence Serco is beginning to win favour with customers once more include a 10-year, £600m framework agreement signed with Barts Health NHS Trust, England's largest, on 1 December.

Analysts at Liberum do not expect Serco to be able to deliver its target margin range until around 2020 but say the NHS contract win indicates it may now be out of the Government 'sin bin' for major new contracts.

'Management have a clear esprit de corps,' writes analyst Joe Brent in a 2 December commentary. 'They tell us the leadership engagement scores have increased from 38% in 2014 to 72% in 2016. They have adopted a style of "disciplined entrepreneurialism".'

He adds: 'The IT systems are much improved and management have much better grasp of service line costs and overheads, which helps to price contracts correctly.'

STAY ALERT

Key risks centre on the potential for a repeat of contract flare-ups which previously scuppered Serco's profitability and forced a rights issue in early 2015.

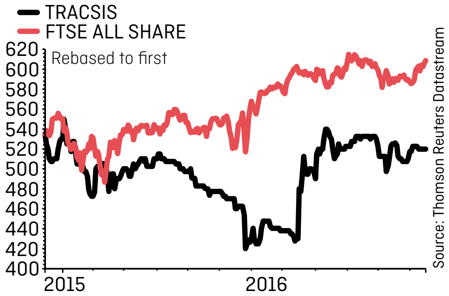
Outsourcing businesses in Serco's market earn thin margins and cost pressures or unexpected revenue declines can lead to large share price swings, as has been the case at rivals **Interserve (IRV)** and **Capita (CPI)**.

Brent also flags a potential reduction in funding for Obamacare in the US after the election of Donald Trump. Serco undertakes some administration work for the healthcare scheme.

'We expect Trump is positive for defence spending and negative for Obamacare, a top five contract by revenue, even though it is likely Obamacare will continue to exist in some form,' adds Brent. (WC)

TRACSIS (TRCS:AIM)

Share price: 520p
Market cap: £142.2m
EPS Jul 2017: 24p
PE Jul 2017: 21.7
Dividend Jul 2017: 1.4p
Dividend yield: 0.3%
Source: Shares, Reuters Eikon



We are hopeful for a meaningful US breakthrough on the remote condition monitoring (RCM) rail track side for **Tracsis (TRCS:AIM)** in 2017.

With its first major order secured in August 2016 for RCM software and hardware kit we wouldn't be surprised to see other contracts fall into place over the coming 12 months.

The company's clever RCM kit use sensors, black boxes and wireless connectivity to assess thousands of points, tracks, cabling, level-crossings and more from a central control room.

Stresses can be spotted early and maintenance people directed to exactly the right problem in a fraction of the time, saving money, cutting workloads and boosting safety standards.

At a rough 140,000 miles of track, the US railroad network is about seven-times the size of the UK's so the potential is enormous.

INTELLIGENCE RECOGNISED

We also anticipate plenty of progress elsewhere as the Leeds-based company bulks up its intelligent transport infrastructure technology, particularly now that Tracsis is recognised as a traffic data intelligence and analysis player.

This is a high quality business. It looks like 2016 will be the first in five years when the share price hasn't shown annual gains – putting up returns of 188%, 24%, 106% and 26.5% between 2012 and 2015. We don't see that as reason to worry.

DEAL MAKER

Tracsis has a good track record when it comes to making acquisitions. They always seem to enhance profit and cash generation. Deals tend to be self-funded with minimal or zero dilution to shareholders.

The latest acquisitions have beefed up the rail side (Ontrac) and the traffic data division (SEP). Tracsis has the ambition and financial muscle for more deals.

In the year to 31 July 2016 it generated £7m of cash, bulking its bank balance to £11.4m. It has no debt. Analysts forecast mid-single digit revenue growth in the current financial year to £34.7m, implying £8m of pre-tax profit and a 17% hike in the dividend to 1.4p per share.

A year seldom passes without analysts upgrading their earnings estimates, often multiple times.

The current price to earnings ratio is 21.7. Tracsis has a superior track record of delivering top returns which justifies a premium rating. (SF)

SHARES' 2016 PICKS IN REVIEW

Winning streak extends to five years

Our 'Big Picks for 2016' portfolio gained an average of 2.2% versus a return on the FTSE All-Share of 12.9%. It's a disappointing performance compared to previous years, but at least we didn't lose money.

After a decent start to the year, in which our stocks led the market in very tough conditions, it's tempting to blame Brexit for the reversal which started in June. But that would not be entirely fair.

Most of our bigger losers this year were hit by business problems which hurt their profitability and stock market performance.

Sometimes economic factors contribute to poor returns but in 2016 the main drag among our picks was simply that the businesses we selected were not of high enough quality.

We've learned our lesson: *Shares'* 2017 selections undoubtedly contain more star quality than last year's. They include **DCC (DCC)**, **Tracsis (TRCS)**, **Devro (DVO)**, **ITV (ITV)** and **RSA Insurance (RSA)**.

While a 2.2% result is disappointing against a bigger gain from the wider market, it's the first time *Shares'* tips of the year have trailed the benchmark since 2013. It's also our fifth positive result in a row.

Here's what went right and wrong for *Shares'* 2016 picks and what we learned this year.

PICKS OF THE YEAR

Shares' annual best ideas versus FTSE All-Share

Year	Shares	Market
2012	15.4%	8.4%
2013	8.0%	12.5%
2014	5.9%	-3.9%
2015	11.8%	-5.4%
2016	2.2%	12.9%
Result*	**8.6%**	**4.6%**

Source: Shares
* Compound annual, excludes dividends

A FEW POSITIVES

Shares' top gainer in 2016 was public sector outsourcer **Serco (SRP)**, which gained 48.9%.

Serco started to mend its relationships with customers after a long-running slump which began when it was revealed to have overcharged the UK Government on electronic tagging contracts for prisoners.

Chief executive Rupert Soames says the business is nearing the end of a period which has seen contract wins dry up and revenue fall, an inflection point which has driven Serco's share price higher this year.

Profitability also helped. Analysts expected Serco to deliver a £50m trading profit in 2016. Soames is now saying the business will earn 'not less than' £80m.

Guidance for 2017 has not changed, however, meaning the next 12 months are likely to see a continuation of revenue declines and a moderate fall in profitability before a hoped-for return to growth in 2018.

COMMODITIES RALLY

Another winner was producer **BP (BP.)**. It gained as a wobble in commodity early in 2016 reversed and key benchmarks posted their first year gains for around two years 2016.

Picking BP was a particularly bold call in early 2016 when the sentiment towards oil stocks was especially poor and credit goes to our oil and gas sector specialist Tom Sieber for seeing through that short-term sentiment.

Other gainers which made it into double digits include **Telecom Plus (TEP)**, **BCA Marketplace (BCA)** and **Breedon (BREE:AIM)**.

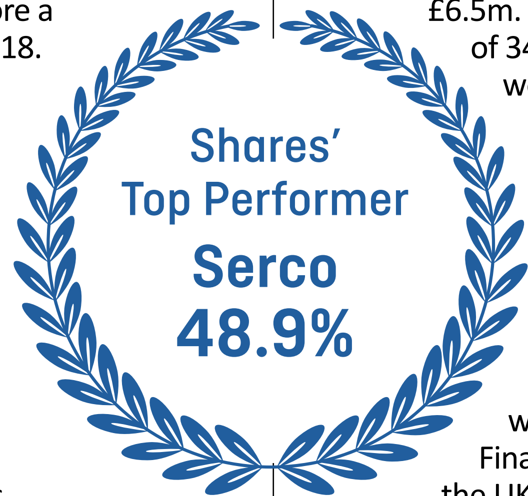
LESSONS LEARNED

Leading the losers was micro cap digital marketing stock **Eagle Eye Solutions (EYE:AIM)**, down 44.3% over the 12 months. It provides retailers and suppliers of fast moving consumer goods with the ability to generate digital coupons which can be tracked more easily when redeemed by customers.

Revenue was expected to hit £8m in the year to 30 June 2016 but the actual number, announced in a trading update in early June, came in at just

Stock	23/12/16	15/12/16	Return*
Serco	94	140	48.9%
BP	343	480	39.9%
Breedon	63	72	14.3%
Telecom Plus	1,043	1,191	14.2%
BCA Marketplace	165	187	13.3%
Prudential	1,495	1,586	6.1%
Dalata Hotel	368	370	0.5%
Aggreko	925	918	-0.8%
Bellway	2,746	2,446	-10.9%
Shawbrook	336	254	-24.4%
Greencore	338	234	-30.8%
Eagle Eye Solutions	230	128	-44.3%
Average	**-**	**-**	**2.2%**
All-Share	**-**	**-**	**12.9%**
FTSE 250 Midcap	**-**	**-**	**3.5%**

Source: Shares
* Excludes dividends



£6.5m. While this represented growth of 34% from a year earlier, investors were unimpressed that key contracts had been delayed.

so, Eagle Eye has an impressive management team and board and claims it is now close to even profitability, an outcome expected sometime in 2017. is still growing quickly.

Lender **Shawbrook (SHAW)** was another disappointment. Financial stocks struggled after the UK's vote to leave the EU but Shawbrook's problems were self-inflicted.

It revealed a £9m irregularity on loans in its asset finance division and investors justifiably marked down its share price. While £9m is not huge for a company the size of Shawbrook, the issue badly dented confidence in the business.

Convenience foods seller **Greencore (GNC)** was another disappointment, down 29%. The stock was doing nicely until it raised equity via a discounted rights issue to fund the $747.5m (£594.3m) acquisition of US-based Peacock Foods.

If we adjusted the performance of Greencore for the value of the rights attached to its shares, the overall return on Greencore would be minus 11% rather than minus 31%. That would have increased our overall result from 2.2% to 3.7% this year. (WC)

Disclosure: The author owns shares in BP.

Capita CEO Parker buys the dip

Outsourcing boss invests nearly £100,000 of his own money after shares halve

Andy Parker, the chief executive of **Capita (CPI)**, has indulged in a bit of festive bargain hunting with a £95,100 purchase of the company's shares.

An outsourcer of administration and human resources services, Capita's share price has more than halved to 489p year-to-date because of poor trading in its information technology services division.

Parker's investment came on the same day as Neil Woodford's **CF Woodford Equity Income (GB00BLRZQ513)** fund spent almost £10m upping its stake in the business to more than 10% through the purchase of 2m shares at around 465p.

A couple of days earlier, Capita finance director Nick Greatorex bought around £10,000 worth of shares in the company.

Parker also bought £98,549 worth of Capita shares in early November.

Investors and analysts have mixed views on the market reaction to two profit warnings from Capita since September and the subsequent decision to sell most of its Asset Services division to reduce debt.

As well as Woodford, Invesco Perpetual's star UK stock picker Mark Barnett has been buying more shares. Barnett said in November that Capita's share price had fallen more than its reduced earnings guidance should warrant and that the business 'has a fantastic core base of earnings'.

Some analysts claim Capita may need to raise new equity from shareholders to repair its balance sheet.

SHARES SAYS: ↗
The stock is a steal if Barnett's claim on Capita's 'core earnings power' proves correct. (WC)

BROKER SAYS: 1 14 5

LOTS MORE TO DISCOVER IN THIS BUMPER EDITION OF SHARES

In a moment you'll reach our bonus magazine, *Spotlight,* which looks at the mining, oil and gas sectors.

BUT DON'T STOP THERE!

There are many more articles after *Spotlight* IN THIS ISSUE OF SHARES which contain valuable data, stock and fund ideas and analysis to help with your investing journey.

Did you hook a winner?

Many stocks have increased by more than 300% this year. Were you lucky enough to own any of them?

We look at the best performing stocks across a range of company sizes in 2016 and give our view on their outlook for 2017.

UNSTOPPABLE SHARES

We've found six companies with superb upwards share price momentum. Click here to discover their names and their prospects in the New Year.

TOP FUNDS FOR 2017

Two investment experts reveal their top funds to own for the next 12 months and beyond.

EVEN MORE!

We also look at the costs involved with financial advice and investment trusts to access the smaller end of the market. You will also find the dates for when companies will update on trading over the coming weeks.

THIS WEEK: 16 PAGES OF BONUS CONTENT

BACANORA MINERALS

CENTRAL ASIA METALS

PRIMARYBID

UNION JACK OIL

ZENITH ENERGY

SHARES SPOTLIGHT

Mining, Oil & Gas

THIS WEEK'S SHARES CONTINUES AFTER SPOTLIGHT. **CLICK HERE** TO CARRY ON READING

INCLUDES NEWS, DATA, COMPANY PROFILES, COMMENT AND ANALYSIS

INTRODUCTION

Welcome to the latest edition of *Spotlight*, a bonus title which accompanies your digital copy of Shares six times a year. This issue's theme is natural resources.

Until recently distributed as a standalone product, Spotlight offers small caps a platform to tell their own stories in their own words.

The businesses themselves write the company profiles, not the *Shares* team.

They pay a fee to get their message across to both existing shareholders and prospective investors.

As such, these articles should be considered as paid-for promotions rather than independent comment. While they are likely to have a positive bias, you are also getting to hear directly from the people who should know the company best.

Many of the firms appearing *Spotlight* will also appear at our investor evenings in London and other cities, giving you the opportunity to grill management on the finer details of their stories.

Click here for details of upcoming events and how to register for free tickets.

Previous issues of Spotlight are available on our website.

DISCLAIMER

IMPORTANT

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Blasting through the jargon

We help demystify some of the confusing language in the resources sector

The mining and oil and gas sectors can be exciting areas in which to invest if you have the right appetite for risk. Sadly, you are also forced to navigate a lot of industry jargon before you can make informed investment decisions.

To help with your journey we take look at some commonly used terms in the resources industry below and translate them back into plain English.

FRACKING

Fracking, which has proved controversial with environmental campaigners citing the risk of water contamination and increased seismic activity, involves the high-pressure injection of 'fracking fluid' into a well. This helps to create fractures in rock with low permeability, such as shale, through which gas and oil can flow.

GRADE

This refers to the concentration of a valuable mineral or metal within an ore (simply put the rock which contains the mineral or metal) and is typically measured as a percentage or sometimes per tonne. Ores are extracted from the earth through mining and then refined to extract the mineral.

There is a certain grade below which it is not profitable to mine a mineral even though it is still present in the ore. If the material has already been mined there is also a grade at which it does not make economic sense to refine or process it.

A good copper grade is anywhere around 1% and some mines are economic at grades of 0.5%. The average gold grade for producing mines, according to industry consultant Natural Resource Holdings, is 1.06 grams per tonne.

SHALE
Shale oil and shale gas are terms which have entered the public consciousness over the last five years. Both have become major new sources of supply in North America and been a big factor in the retreat of oil prices from $100 per barrel.

Shale oil (also known as tight oil) and shale gas are quantities of crude oil and natural gas contained within shale rock formations with low permeability or, in other words, limited ability to transmit fluids.

In order to get the gas and oil out of the rock, techniques such as horizontal drilling and hydraulic fracturing or fracking are used.

PAY/PAYZONE
This is a reservoir or portion of a reservoir which contains oil or natural gas which it would be economic to produce – literally capable of 'paying' an income. Net pay is what is left after further criteria such as permeability and hydrocarbon saturation are applied.

TAILINGS
This is the material left behind after the valuable minerals have been extracted from an ore. As mining methods have become more sophisticated, tailings have been reprocessed to recover additional minerals. Tailings can also be referred to as 'dumps'.

WORKING PETROLEUM SYSTEM
There are four key elements of a working petroleum system. Four geological tests have to be met for a deposit of oil and gas to be a commercial prospect. There must be source rock somewhere in the sub-surface of the area being drilled which, at some point, generated the gas or oil.

There must be a separate, sub-surface 'reservoir' rock which can contain the gas or oil – collectively known as hydrocarbons.

There must be a 'trap', a high point in the reservoir rock in which these hydrocarbons are concentrated into commercial quantities.

Finally there must be a 'seal', a relatively impermeable rock which forms a barrier above and around the reservoir rock through which hydrocarbons cannot escape.

RESERVES AND RESOURCES

MINING
The Australasian Joint Ore Reserves Committee Code (JORC) is one of several classifications of mineral deposits and is probably the most widely used by mining companies on the UK stock market.

A probable ore reserve is the part of indicated, and in some circumstances, measured mineral resources that can be mined in an economically viable fashion. A proved ore reserve is the part of measured resources that can be mined in an economically viable fashion.

Inferred mineral resource is the part of a deposit for which tonnage, grade and mineral content can be estimated with a low level of confidence.

Indicated resources are simply economic mineral occurrences that have been sampled to a point where an estimate has been made, at a reasonable level of confidence, of characteristics such as metal, grade an tonnage.

Measured resources are indicated resources that have undergone enough further sampling that a geologist declared them to be an acceptable estimate, at a high degree of confidence, of the grade, tonnage and physical characteristics of the mineral occurrence.

OIL AND GAS
Proven or proved reserves, also known as 1P, are those hydrocarbons which have a reasonable certainty (at least 90% confidence or P90) of being produced.

Probable reserves are those which are attributed to known accumulations of oil or gas to which it is possible to assign a 50% or P50 confidence of being produced. Combined with proved reserves these are known as 2P – and this is the most widely cited and quoted reserves figure.

Possible reserves are those with a 10% or P10 chance of being produced. Combined with proved and probable reserves these are known as 3P.

Bacanora powered by lithium

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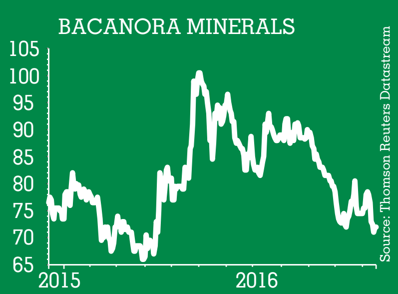
VITAL STATS

SECTOR:	MINING
SHARE PRICE:	78P
MARKET CAP:	£84.1M



The future could be bright for **Bacanora Minerals (BCN:AIM)**, as its Sonora Lithium Project puts the AIM and TSXV-quoted miner on the cusp of becoming a global leader in the burgeoning lithium supply market.

LITHIUM MARKET DRIVERS

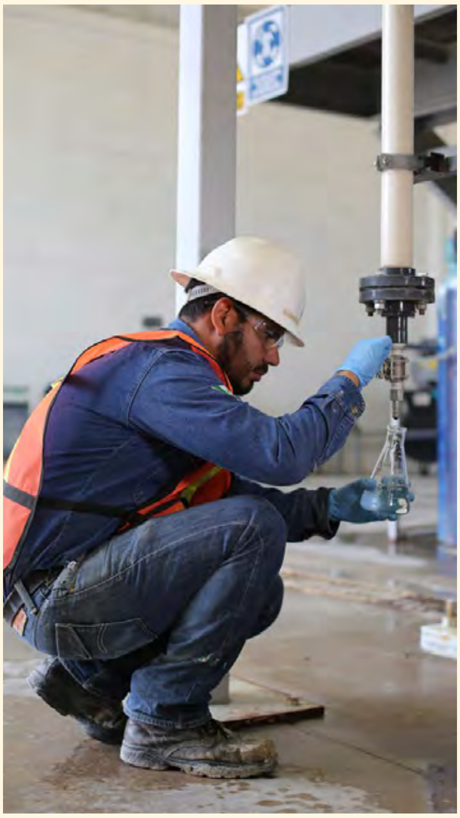
From electric vehicles (EVs) to grid storage, demand for lithium has been driven ever higher by advances in innovative markets and the outlook for the much-lauded commodity continues to look positive. As technology advances, these markets are only expected to grow and lithium consumption has been estimated to reach 400,000 tonnes per annum (tpa) by 2025, with the global lithium-ion battery market anticipated to quadruple to $70bn by 2020.

New projects are vital to ensuring that global demand is met and Bacanora's Sonora Project in Mexico, on-schedule to come online in 2019 (subject to financing) and with the potential to extract lithium carbonate faster and in a politically stable and mine friendly area with easy access to Asia, is precisely the type of project that is vital to maintaining supply.

THE SONORA LITHIUM PROJECT

Sonora holds one of the world's largest lithium resources. The project benefits from being both high grade and scalable and following the results of a Pre-Feasibility Study (PFS), which was released in March 2016, the Sonora Lithium Project was quickly elevated to the status of a potentially world-class project.

Targeting production of 35,000 tpa, the PFS demonstrated the highly attractive project economics



of developing Sonora into an open-pit mine and lithium carbonate processing facility, with a life of over 20 years. The project has relatively low operating costs, an estimated Internal Rate of Return of 25% and an associated Net Present Value of US$776m, (post-tax US$542m) at an 8% discount rate.

Bacanora is taking firm steps towards achieving the next major milestone in the development of Sonora, with the fully funded Feasibility Study already underway and targeted for completion in 2017.

Conducted by specialists in the field including SRK Consulting and a number of highly-regarded international mining consultants, 4,000 metres of infill reserve drilling to upgrade a portion of the current mineral resource to the indicated category has already been completed. Metallurgical pilot plant

work, mine design and ongoing infrastructure work is currently underway, which will enable Bacanora to secure project finance for Sonora.

Alongside this, Bacanora's pilot plant has been running continuously for the last six months producing battery-grade lithium carbonate samples for delivery to potential off-take partners in Asia and Europe. Bacanora is in advanced discussions with several off-takers that represent some the major consumers of lithium in the market.

Underpinning the company's future success in this process is CEO Peter Secker's proven track record having secured the first large scale, long term lithium offtake agreement with a Chinese state-owned enterprise.

PILOT PLANT

Bacanora has developed a full lithium carbonate pilot plant in Hermosillo, adjacent to Sonora, a key differentiator that positions the company favourably in comparison to its peers as it conducts off-take discussions.

Having invested over CAD$15 million the pilot plant produces samples to send out to potential off-take partners in Asia; optimises the metallurgical flow sheet; and enables Bacanora to conduct operator training prior to the construction of the larger scale operating plant.

EXPERIENCED MANAGEMENT

Peter Secker bolstered the management team when he joined Bacanora as CEO in May 2015, in which time he has been instrumental to the significant advances the Company has made towards production over the past 18 months.

Boasting collective management experience in the natural resources sector to rival any major player, Bacanora's executive team is highly skilled and well-placed to successfully bring Sonora into production on-time and on-schedule.

FUTURE PLANS

Considering that the global lithium-ion battery market is expected to soar, demand for high grade, scalable lithium resources, of which Sonora has both, is very strong. Goldman Sachs has described lithium as potentially the 'new gasoline' and Bacanora's phased production plans have been focused on satisfying the market's requirements with production targeted for early 2019.

With 4.4 million tonnes of Indicated resources, 2.7 million tonnes of Inferred resources already proven and demonstrable upside available across the tenures, Bacanora could be the next major player in the lithium supply market.

Central Asia Metals - Delivering Shareholder Returns

CENTRAL ASIA METALS
(CAML: AIM)

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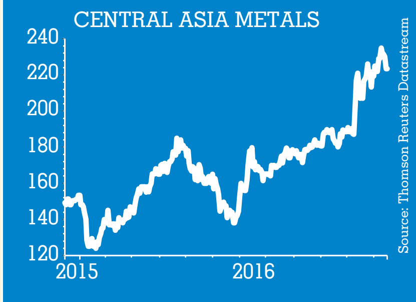
VITAL STATS

SECTOR:	MINING
SHARE PRICE:	218P
MARKET CAP:	£244M



Central Asia Metals **(CAML:AIM)** is a copper producer with operations in Kazakhstan and Chile. The company has an experienced team and is focused on delivering consistent returns to shareholders by distributing dependable dividends and by identifying growth opportunities in Central Asia and beyond.

Since listing in 2010, CAML has outperformed the mining sector, its peer group and the copper price. The group raised $60 million at IPO to build a solvent extraction – electro winning (SX-EW) plant at Kounrad, Kazakhstan, in order to leach copper and produce cathode from the dumps surrounding the historic Kounrad copper mine. The group completed this construction process ahead of schedule and below budget and began producing LME quality copper cathode in Q2 2012.

Since production commenced, Kounrad has generated cash of $145m and, consequently, CAML has to date distributed to its shareholders $82m in dividends and share buybacks, representing 136% of the funds raised at IPO.

YIELDING DIVIDENDS

CAML stands out from many of its peers on London's AIM market as, shortly after commencing production at Kounrad, the company initiated a dividend policy based on distributing a minimum of 20% of gross attributable revenues from that operation. However, the company has consistently over-achieved in that regard and has distributed an average of 30% of gross revenues to shareholders in the last four years.

THE SECRET TO SUCCESS

CAML owns the waste rock dumps surrounding the Kazakhmys-owned Kounrad open pit, which is now closed. These waste rock dumps were generated through over 70 years of mining activity, predominantly during Soviet times. Technology has advanced, as has the use of SX-EW chemistry in treating copper ores, and CAML no longer views these dumps as waste.

Since operations commenced at Kounrad, over 50,000 tonnes of copper have been produced from the in-situ leaching of this copper ore from the Eastern Dumps. Based on the company's 2013 Wardell Armstrong JORC resource estimate, CAML now estimates that there remain approximately 200,000 tonnes of copper that should be extracted and produced from Kounrad, which should ensure a life of operation past 2030. CAML's 2016 production guidance is for between 13,000 to 14,000 tonnes of copper, and the company has stated that it should achieve towards the higher end of this range.

FULLY INVESTED AT KOUNRAD

Since the initial construction of the copper production facilities on site, CAML has undertaken two expansions.

The Stage 1 expansion was completed on schedule and under budget in Q2 2015, and involved increasing the throughput and copper plating capacity of the processing plant so as to be able to increase annual copper output from about 10,000 tonnes to between 13,000 and 14,000 tonnes.

The company's 2016 focus has been on its Stage 2 expansion, which has extended the site infrastructure to the Western Dumps so as to be

CAML's copper cathode

able to commence leaching from this larger resource area in Q2 2017 and, in doing so, has extended the life of the operation.

The total capital expenditure invested at Kounrad is now over $70m, with both expansions having been self-funded. There is little further capital expenditure required at Kounrad now and, looking to the future, the operations should only require modest annual sustaining capex of approximately $2m to $3m.

LOW COST OPERATIONS

The reason that CAML has been able to pay significant dividends and self-finance its expansions is because the Kounrad operations produce copper at industry leading costs. The industry measures 'C1 costs' graphically on a cash cost of operations curve and, at $0.40 per pound, Kounrad's costs are firmly within the lowest cost quartile. This means that its operations remain highly cash generative even at depressed copper prices.

Costs are aided by the particular geological characteristics of the Kounrad dumps, as the largely impermeable bedrock has meant that rock does not have to be moved in order to extract the copper.

In little over four years of operations, CAML has paid over $74m in taxes in Kazakhstan. The company also takes its social, environmental and health and safety obligations seriously. Over $1m has been donated to the many worthy causes in the local area, with a focus area being on improving the lives of children in the local village and nearby town of Balkhash. Much effort on site is focused on ensuring that operations are not detrimental to the environment or to the health of employees.

THE FUTURE

Next year will be an important period for CAML, as it begins to produce copper from the Western Dumps and the company's efforts will be on ensuring smooth operations and continued production at Kounrad into the future. Kounrad should be further cemented as providing an income stream to CAML that can be used to fund the dividends to shareholders for which the company has become known.

In the past two years, CAML has been progressing its 75% owned Copper Bay tailings reprocessing project in Chile and is currently concluding definitive feasibility studies. This work programme should be completed before the end of 2016. CAML will then make a development decision, taking into account the current and future expectations for the copper price.

CAML has recently announced it has agreed to acquire the Shuak copper-gold exploration property in Kazakhstan, which is prospective for near surface copper resources and also a larger, deeper exploration target. CAML is very comfortable operating in Kazakhstan, having done so successfully for almost 10 years, and looks forward to progressing its new exploration asset.

Union Jack Oil flies the flag

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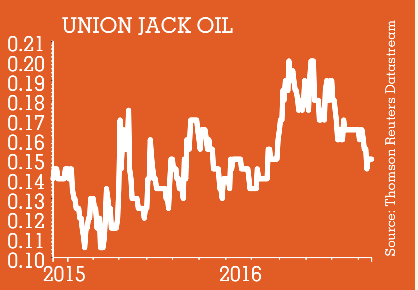
VITAL STATS

SECTOR:
OIL & GAS PRODUCERS

SHARE PRICE: 0.157P

MARKET CAP: £5M



Union Jack Oil (UJO:AIM) is an AIM-quoted oil and gas production and exploration company with a focus on opportunities within the UK onshore hydrocarbon sector.

The directors of Union Jack Oil see the UK onshore arena as being an attractive target for investment in hydrocarbon projects where the company is active in a reasonably low cost operating environment and where the licensing regime is fully transparent.

The board of directors, David Bramhill, Joe O'Farrell, Graham Bull and Ray Godson are all very experienced in the UK oil sector and have been involved for decades in the development and corporate activity in respect of several energy companies which include OilQuest Resources, acquired by EnCore Oil and subsequently taken over by **Premier Oil (PMO)** for an impressive premium.

Union Jack has adopted a low-cost, non-operating business model, typically acquiring minority interests in late stage projects, thus minimising risk and cost exposure to individual wells which are considered to have excellent scope with the drill bit for future discoveries, the Wressle-1 discovery in which Union Jack holds an 11.67% interest being a prime example.

ASSET OVERVIEW

The company has acquired interests in seven licences located in the East Midlands and the Weald Basins, both being established hydrocarbon producing provinces.

The East Midlands and Weald Basins are proven to have all the elements of commercial systems, a source rock with sufficient organic content, maturity, a viable migration path, a reservoir and trap formation.

During 2016 the company has been on the acquisition trail and two additional, potentially high impact projects, Holmwood and Broughton North are now within its portfolio. In addition, a further 3.34% of PEDL180 and PEDL182 were acquired including the Wressle-1 discovery.

WRESSLE-1 DISCOVERY

The Wressle-1 discovery straddles PEDL180 and PEDL182 on the western margin of the Humber Basin on trend with the producing Crosby Warren oilfield and the Brigg-1 oil discovery.

The Wressle-1 well was drilled in 2014 and was successfully production tested in 2015 flowing an aggregate of 710 barrels of oil per day from four tests in three conventional sandstones.

Wressle is expected, within months, to become a producer from the Ashover Grit reservoir at a controlled rate of 500 barrels of oil per day. Union Jack's income from this development is expected to have a material impact on the company's cash flow generation and to contribute to financing other projects within the portfolio.

A Field Development Plan has been submitted to the Oil and Gas Authority and the results of the independent Competent Persons Report confirmed the commercial attractions of the Wressle-1 discovery.

The Broughton North Prospect is also located within PEDL182 and has been generated from the high quality 3D seismic set acquired during 2012.

The Wressle-1 discovery has significantly reduced the geological risk over PEDL180 and PEDL182 and the acquisition of further interests including Broughton North will benefit the company going forward in any 'add on' development decisions which may follow once Wressle is in commercial production.

HOLMWOOD

In May 2016, the company acquired a 7.5% interest in PEDL143 containing the drill-ready Holmwood Prospect from Europa Oil and Gas. This is the first Weald Basin licence interest to be introduced to the expanding Union Jack portfolio.

Holmwood is a conventional oil prospect first identified by BP in 1988 and is located just 12 kilometres, from, and on trend with the much documented Horse Hill-1 discovery.

Holmwood is expected to be drilled during 2017 and the company have high expectations of the result of this venture.

THE KEDDINGTON OILFIELD

In September 2015, Union Jack acquired its first production asset, a 10% interest in the Keddington oilfield including the associated infrastructure and production facilities.

PEDL005(R), located in Lincolnshire, also contains the drill-ready Louth and North Somercotes prospects.

This farm-in to the Keddington oilfield is in line with Union Jack`s strategy and evenly balances the company's portfolio by introducing production to its base and additionally impacts upon shareholder perception and supports management's objectives of creating value and reaching the point at which Union Jack is self- sustaining.

GOING FORWARD

The company has a well balanced portfolio of production, development and drill-ready projects.

Administrative and general costs are low and the company remains debt free and has free cash to fund its share of the Biscathorpe and Holmwood conventional exploration wells and the development of the Wressle-1 discovery. The growth of Union Jack is poised to continue without any financial concerns.

The company's strategy of focusing on conventional relatively low risk and low cost onshore production, development and exploration drilling, avoiding early stage and frontier projects is already showing signs of coming to fruition. It also allows an opportunity for investors to become involved at the end of the exploration and beginning of production cycles in a company with guaranteed news flow throughout 2017.

Union Jack's licence portfolio	
PEDL180 and PEDL182 Wressle and Broughton North	11.67% interest
PEDL005(R) Keddington oilfield	10.00% interest
PEDL143 Holmwood	7.50% interest
PEDL253 Biscathorpe	12.00% interest
PEDL241 North Kelsey	20.00% interest
PEDL201 Burton on the Wolds	10.00% interest
PEDL209 Laughton	10.00% interest

Source: Union Jack Oil

Reaching for Zenith in Azerbaijan

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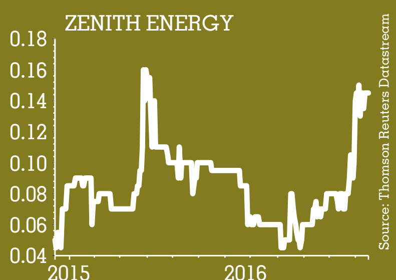
VITAL STATS

SECTOR:
OIL & GAS PRODUCERS

SHARE PRICE:
CAD$0.145P

MARKET CAP:
CAD$9,4M



Zenith Energy (ZEE:TSX-V) is a Canadian oil & gas exploration and production company, listed on the TSX Venture Exchange with the intention of achieving dual listing on the standard listing segment of the London Stock Exchange's Main Market.


Andrea Cattaneo

ONSHORE STRATEGY

The primary focus of the company is the development of large onshore oil & gas fields in countries that offer strong asset protection and a business atmosphere conducive to stable and profitable production activities.

Zenith operates the largest onshore oil field of Azerbaijan through its fully owned subsidiary, as well as oil fields in Argentina and significant gas producing assets in Italy. The company's Italian operations also include the production of electricity and condensate.

The oil & gas sector has gone through turbulent times as a result of the reduced oil price market setting. As a result, well-known players have shown themselves to be overstretched and uncompetitive in confronting facing a challenging environment.

COST CONTROL

Zenith's strong management, low operating costs, and a board of directors with extensive industry knowledge and government experience has allowed the company to pursue new opportunities with high upside potential by leveraging its operational capabilities.

Zenith's overarching strategy is to identify and rapidly seize opportunities in the onshore oil & gas sector. Specific attention is ascribed to fields formerly controlled by oil majors and state oil companies. These often have significant untapped potential and the capacity to produce sizeable volumes of oil & gas with technological investment and new management supervision.

One of the pillars underpinning Zenith's goal of increasing shareholder value is the company view of its expansion as equally important to the consolidation of existing assets. Growth is pursued with an awareness of the inherent risks of unfunded commitments, the dangers of over-stretch and the importance of a rigorous due diligence in the pre-acquisition phase.

INFRASTRUCTURE FOCUS

The company prefers to invest in areas where infrastructure already exists and to apply its expertise in modernising pre-dating equipment and making oil practices more efficient.

Zenith will always operate in accordance with the host country's energy development programme. Cooperation with both local and national state entities is essential in achieving the results our investors seek and, similarly, reflects the importance Zenith attaches to its social and environmental responsibility.

The beginning of operations in Azerbaijan follows the signing of a 'REDPSA' (Rehabilitation, Exploration, Development and Production Sharing Agreement) with SOCAR, State Oil Company of the Azerbaijan Republic, on 16 March 2016, for an area of 642.4 square kilometres. This is Azerbaijan's

Andrea Cattaneo signing the 'REDPSA' with the President of SOCAR, Rovnag Abdullayev

largest onshore field.

The contract area includes the active Muradkhanli, Jafarli and Zardab oil producing sites and is located in the Lower Kura Region, 240 kilometres inland from Azerbaijan's capital Baku.

AZERBAIJAN OPPORTUNITY

Current production averages 300 barrels of oil per day (bopd), with historical peak production at this block reached 9,000 bopd during the Soviet Union period, after oil extraction began in 1971.

As announced in recent press releases, the company is achieving consistent income from its Azerbaijan operations with the first payment for crude oil even arriving two days in advance of the due date. This underlines the reliability of the payment process for oil production by our buyer SOCAR. At a production rate of 300 bopd, these payments equate to approximately $360,000 per month.

Zenith intends to reinvest significant operational cashflow to achieve increased production. This will have the corresponding result of incremental increases in production revenue resulting from the development and optimisation of the field.

Zenith has set itself the production target of 1,000 bopd at this field. This is something which CEO, Andrea Cattaneo, and his management team believes can be achieved through modernising pre-dating equipment and a systematic well workover programme using the company's new workover rig at several underperforming wells.

STRONG START

This strong start confirms the great enthusiasm of Zenith's management towards operations in Azerbaijan.

Similarly, the smooth field handover process from SOCAR and the successful beginning of operations has confirmed Zenith's great confidence in Azerbaijan through the continued support by both SOCAR and the Government towards Zenith's activities in the country.

The contract area has enormous potential and it is clear to the board that the best is yet to come in terms of production numbers and revenue.

This view is given concrete substance in the form of a recent independent assessment of oil reserves at the contract area that determined 2P reserves worth in excess of US$1.9b undiscounted.

The substance of this opportunity is further confirmed by the impressive production numbers that the field achieved prior to the independence of Azerbaijan from the Soviet Union. The decline in production numbers from the heady heights of 9,000 bopd can largely be explained by a change in national energy policy, following Azerbaijan's opening to western oil majors and to global markets, that has directed greater investment towards the offshore sector due the higher levels of oil production it could yield.

BROADER HORIZONS

Zenith's present focus is developing the great opportunity it has in Azerbaijan.

A significant proportion of future capital raisings and operational revenue will be invested in the optimisation of the field.

Andrea Cattaneo and the company's board of directors have the ambition of achieving production values of 3.000 bopd (1m barrels of oil per year). A sizeable proportion of this target will be derived from incremental output increases that have been projected at Zenith's key asset, the largest onshore oil field of Azerbaijan.

Zenith's focus in Azerbaijan will not be to the exclusion of further expansion. Andrea Cattaneo believes the depressed oil price environment constitutes a time of great opportunity for well-funded juniors, and there may well be the possibility of acquiring further fields in Azerbaijan and the Caspian region.

PrimaryBid.com – Broadening access to AIM placings

PrimaryBid

PRIMARYBID

WEBSITE:
www.primarybid.com

TELEPHONE:
020 7491 6519

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info@primarybid.com

The inability of individual investors to access and participate in new share placings for AIM companies has long been a frustration for both high net worth and smaller investors.

This frustration is compounded by often missing out on the typical discounted placing prices offered for such transactions. With private investors accounting for over 60% of secondary investments across AIM, there is a clear need for a solution that levels the playing field for *all* investors.

AIM companies themselves also have a desire to engage with constituents from across their entire share register and not just to focus on institutional investors when raising funds. They are, however, often frustrated by the lack of an efficient method to engage with these important stakeholders.

The solution to this problem is PrimaryBid.com, a platform open to all investors, giving access to placings, fundraisings of AIM-listed companies, but more importantly supported by the broking community. PrimaryBid uses technology to allow private investors to participate in a way that regulation and market structure has made difficult in the past.

In the nine months since its formal launch in March 2016, PrimaryBid has delivered fourteen separate transactions, totalling almost £30m raised from its users. With a rapidly growing user base on the platform and the recent launch of a new smartphone app, PrimaryBid is accelerating the evolution of capital raising for AIM companies – giving access to all, as well as simplifying the process.

DIGITAL TRANSFORMATION OF EQUITY FUNDRAISING

The management team behind PrimaryBid has a combination of capital markets, technology and marketing experience, gathered across roles at companies including Credit Suisse, Bank of America, Citi, Ernst & Young, Yahoo and Amazon. This breadth of knowledge and expertise has enabled the team to transform the traditional fundraising process by harnessing modern crowdfunding methodologies alongside the backdrop of a highly regulated capital markets environment. The team's key focus was to put the investor at the heart of a streamlined, highly efficient, digital platform while maintaining a robust regulatory compliant framework.

Therefore, the user experience was a key driver for the development of this unique platform, ensuring that new users can sign up quickly and participate easily. The PrimaryBid team worked with a leading design agency and experienced web developer to bring this vision to life resulting in a multi-platform fintech solution, giving investors the choice to access the platform from their PC, tablet or more recently via a smartphone app.

GOING MOBILE

From day one the website used responsive web design, ensuring a clean mobile browser experience – essential as almost 30% of all traffic to the platform visiting was from a mobile device. As one of the core goals of PrimaryBid is to improve access and communication with investors, a dedicated smartphone app was the next logical step. Developed for the two most common smartphones, Apple and Android, the app launched in

November 2016.

This decision has proved to be successful already. The company says that 43% of investors in the recent fundraising for Mobile Streams subscribed and paid via a phone or tablet.

This speed of access is a key differentiator for PrimaryBid and one which is at the core of unlocking previously untapped equity fundraisings. Investors can be contacted via email or by push notifications to the PrimaryBid app, visit the site and subscribe to a placing within minutes. Automated systems register and verify new users, allowing them to pay immediately for their investment with a debit card.

IT'S CROWDFUNDING, BUT NOT AS YOU KNOW IT

Unlike typical equity crowdfunding opportunities which focus on high risk unlisted companies, PrimaryBid allows both high net worth and private investors to participate in future fundraising exercises for equities listed on AIM.

From an investor perspective, only offering opportunities to invest in AIM companies means that each business already has a high standard of corporate information and financial history, making assessing the risk of an investment far easier. Furthermore, typical crowdfunding investments are much longer term and reliant on a further corporate action to give the investment a tangible return. With AIM companies, the ready availability of the secondary market for shares means that investors can realise their investment with relative ease as and when they choose to do so.

FLEXIBLE TRANSACTION MODELS

Working with companies and brokers, PrimaryBid has developed several different transaction models that complement existing fundraising efforts and add incremental demand. The platform can accommodate out-of-hours transactions or publicly available offers such as the recent fundraises for **Sound Energy (SOU:AIM)** and **Mobile Streams (MOS:AIM)**.

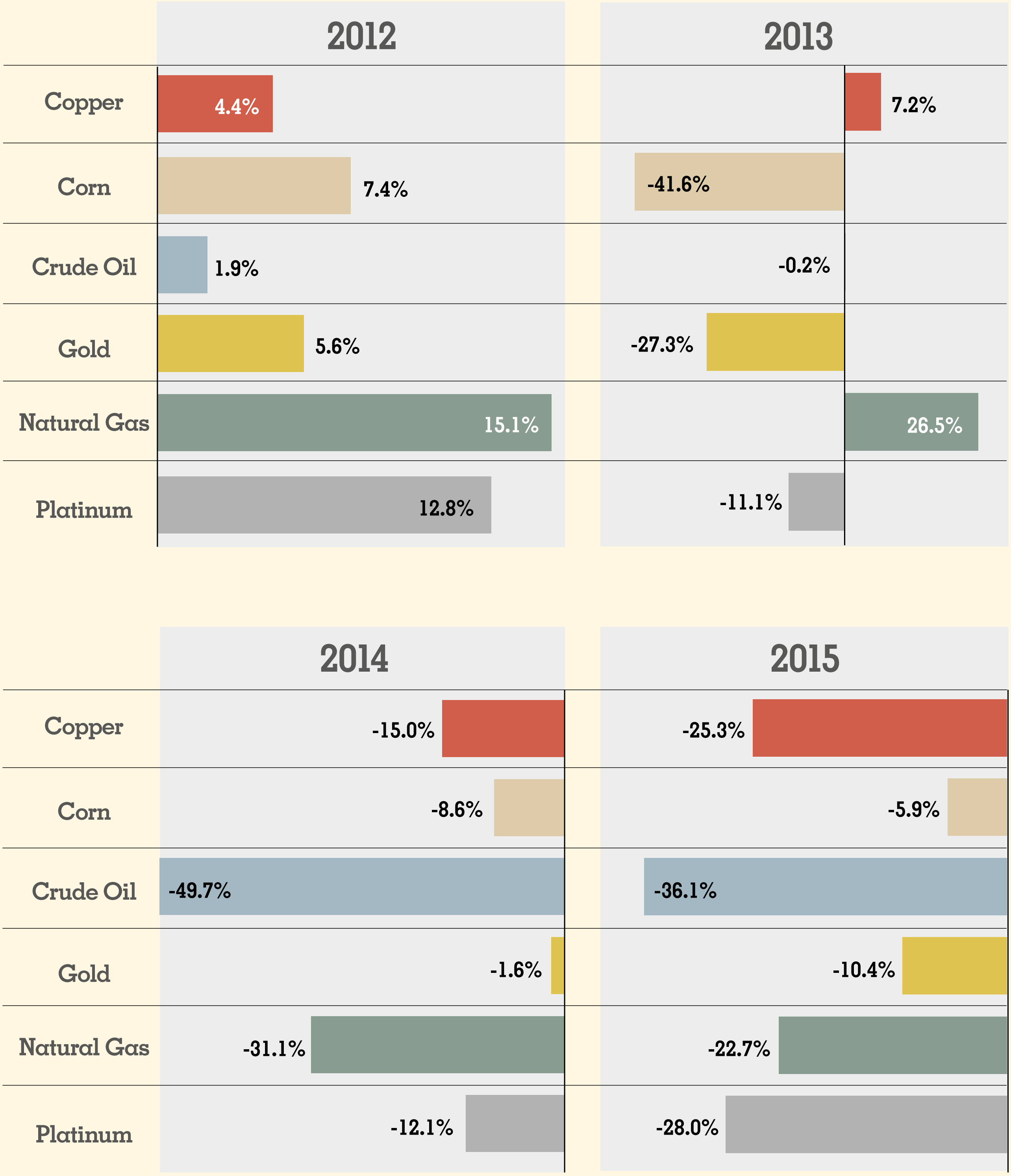
Sound Energy was a fully underwritten transaction with two separate offers, one for individual investors and another for institutional shareholders. Both offers were on the same economic terms. Available for just one day, the offer was oversubscribed, resulting in the company raising £26.9m, almost 12% over the underwritten amount of £24.1m. Individual investors transacting on PrimaryBid were predominantly new users, demonstrating how easy it is for companies to engage and empower their existing shareholders to participate in a transaction.

This was especially important for Sound Energy CEO, James Parsons, who said: 'Sound Energy values its private investor base and has chosen this structure [offers through PrimaryBid] to enable the introduction of institutions to the register whilst also re-affirming our commitment to treat private investors fairly.'

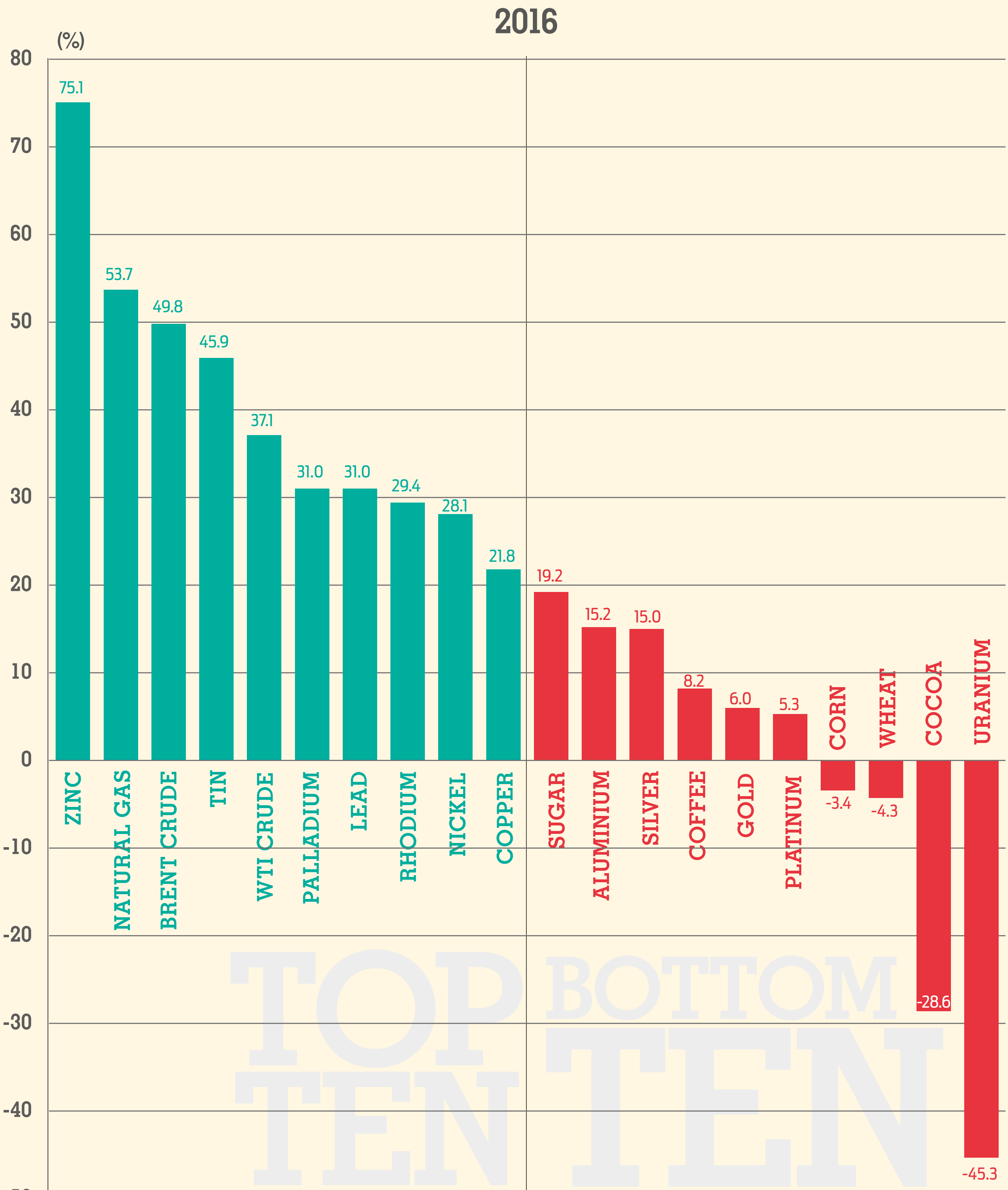
LOOKING AHEAD TO 2017

PrimaryBid ends 2016 with gathering momentum, a growing user base and the expectation of more opportunities for its users to invest alongside institutions in AIM Placings. Further development of the platform is likely, including improvements to the existing website and app, but also potential new innovations to deliver further benefit to its users.

Commodity price performance 2012-2016



Source: *Shares*, Thomson Reuters Datastream



Covers period 01 Jan to 15 Dec 2016. Source: *Shares*, Thomson Reuters Datastream.

Why the funds route is good for micro caps

Smaller companies can make you a mint

The smallest companies on the stock market can be high risk investments. So-called micro caps either make investors lots of money or lose them significant sums if they run into difficulty or go out of business.

We believe anyone with the stomach for micro funds should look at this part of the market, as there are some exciting opportunities to embrace.

A lower-risk – but not risk-free – way of getting exposure to micro caps is to invest in a fund specialising in junior companies. The investment trust side of the funds market has many good micro-cap themed products, in our view. We explore a few well-known names in this article.

The best micro caps offer potential for rapid-paced growth and bumper share price gains.

Their smallness means micro caps have minimal market shares and this underscores their ability to sustain a speedy growth rate, irrespective of the wider macro backdrop. Furthermore, micro caps are often takeover targets.

BENEFITS OF USING A FUND MANAGER

In order to manage single-stock risk, investors could entrust their cash to a professional money manager – either via investment trusts or other funds like unit trusts.

Fund managers are able to invest across a diversified book of micro caps and spend time meeting management and understanding the business. That gives them an edge over individual retail investors who often only get to learn about a stock from its financial results.

Within the Association of Investment Companies' (AIC) UK Smaller Companies sector, a number of trusts and investment companies have micro-cap exposure within their portfolios.

They include **Standard Life UK Smaller Companies (SLS)**, managed by Harry Nimmo; and **Strategic Equity Capital (SEC)** which is managed by Stuart Widdowson.

Other names worth exploring are the Gervais Williams-managed **Miton UK MicroCap Trust (MINI)** and the **River & Mercantile UK Micro Cap Investment Company (RMMC)**.

CREAM OF THE CROP

River & Mercantile UK Micro Cap is managed by bottom-up stock picker Philip Rodrigs who has delivered benchmark-beating growth in net asset value NAV since the fund's launch in late 2014. A key reason behind this good performance has been a steady run of portfolio takeovers.

Rodrigs informs *Shares* that to access the fantastic array of micro-cap opportunities, 'the only proper way is to have a fixed pool of capital'. That's the domain of investment trusts.

He runs a focused portfolio of between 30 and 50 holdings (45 positions at last count).

'It is all about applying the "PVT" investment philosophy

at River & Mercantile, which is Potential, Valuation and Timing,' he explains.

'We're looking at the potential for a company to create shareholder value, but we want to access that high potential at a cheap valuation and at the right time,' says the fund manager.

'We're looking at timing where there's a catalyst of positive change – for example the company has surprised investors with better than expected profits and investors are responding with the share price turning upwards.

'And if we have that catalyst in combination with strong potential and a cheap valuation, then we believe that delivers better outcomes over the long term.'

Rodrigs insists that by applying a focused approach, he is roughly investing in the top 10%, in his opinion, of the available opportunities in the addressable universe. 'We're really going after the cream of the crop.'

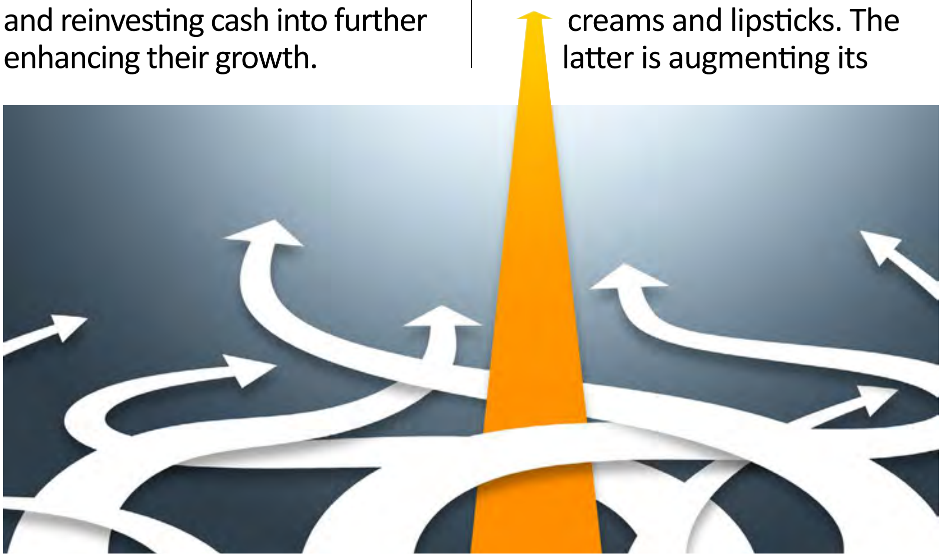
The River & Mercantile manager says he prefers investing in cash flow positive businesses. He wants companies that can fuel their own growth by creating cash and reinvesting cash into further enhancing their growth.

Philip Rodrigs, River & Mercantile UK Micro Cap

About 40% of his portfolio is invested in global technology service companies that have their primary business focused on digitisation and big data.

Digitisation of laborious manual data processing tasks is driving growth for high-flying **Blue Prism (PRSM:AIM)**, the robotic process automation leader and the fund's best third quarter performer.

Other portfolio holdings include email marketing software firm **DotDigital (DOTD:AIM)** and **Swallowfield (SWL:AIM)**, the contract manufacturer for face creams and lipsticks. The latter is augmenting its business by creating and buying in brands backed by digital marketing.



'These days, you can go onto Facebook or Instagram and in a much smaller way, reach the target audience far more cheaply,' explains Rodrigs. 'That means small niche brands are growing very robustly and that's creating a lot of value for Swallowfield.'

Meanwhile, Big Data underpins the 'ferocious growth' being delivered by mobile advertising platform **Taptica (TAP:AIM)**, able to place mobile adverts to the most likely interested recipients, thereby enhancing the performance of its clients' advertising campaigns.

'We're talking triple digit growth for this company,' says Rodrigs. 'And even though it has gone up so much, because it is growing so fast, I continue to be very excited about Taptica.'

TURNAROUND POTENTIAL

Rodrigs has faith in the profit recovery potential of women's value fashion retailer **Bonmarche (BON)**, which has disappointed with a string of weather-related profit warnings.

'For me, it has very attractive positioning for a clothing retailer, as very few retailers dedicate themselves to the fastest growing demographic in the UK, which is the older population 50-plus,' says Rodrigs.

He notes new boss Helen Connolly should benefit from upgraded IT systems, (hopefully) more favourable weather and the fact Bonmarche should benefit from its primary competitor going bust, being BHS. (JC)

Best fund ideas for 2017

A trio of collectives to help boost portfolios in the New Year

Do you want to add some funds to your portfolio? If so, we've asked a few experts to give their best ideas for funds to buy for 2017 and beyond.

The products have been suggested by AJ Bell's investment director Russ Mould and head of fund selection Ryan Hughes.

HENDERSON UK ABSOLUTE RETURN (GB00B5KKCS68)

1

'Over the past 12 months, the best performer in the FTSE 350 is up by more than 400% and the worst down by 60% and with the UK Government highly likely to trigger Article 50 and start the UK's formal withdrawal from the EU, there is the potential for further volatility in the UK market,' says Mould.

'One way to play this may be through long/short UK equity funds which can profit from winners and losers in this environment and one of the very best is the Henderson UK Absolute Return Fund.

'Managers Ben Wallace and Luke Newman have proved they are highly capable of navigating volatile markets and often come into their own when markets become disrupted.'

LEGG MASON JAPAN EQUITY (GB00B8JYLC77)

2

'The Japanese market had a quiet 2016 and in many respects has once again fallen off the radar of many investors,' says Hughes.

'The fundamentals point to an optimistic outlook as structural reform, a highly supportive central bank and attractive valuations all give reasons for investors to think again.

'One way of playing this is through medium and small companies via the Legg Mason Japan Equity Fund.

'Managed by the highly experienced Hideo Shiozumi, this fund is not for the faint hearted and can be highly volatile but the manager has proved time and again that when Japanese equities are in favour, he has the ability to significantly outperform.'

3. POLAR CAPITAL GLOBAL INSURANCE (IE00B63V4760)

3

'The global insurance sector is one that can benefit from rising bond yields and with the industry predominantly based in the US, a strong dollar helped by rising rates could help this fund have another strong year,' comments Hughes.

'The industry is cash generative, giving a nice stable outlook, while consolidation could well prove to be a friendly boost. The team at Polar are hugely experienced and this approach offers a great way to diversify from traditional US equity exposure.'

Six stocks with electric share price momentum

We reveal half a dozen companies that just keep rising and rising

Renewed momentum in the stock market saw the FTSE 100 index break through the 7,000 mark in mid-December after another bout of sterling weakness.

An investing strategy based on *momentum* has a pleasing simplicity to it. You simply buy what is going up and keep buying it.

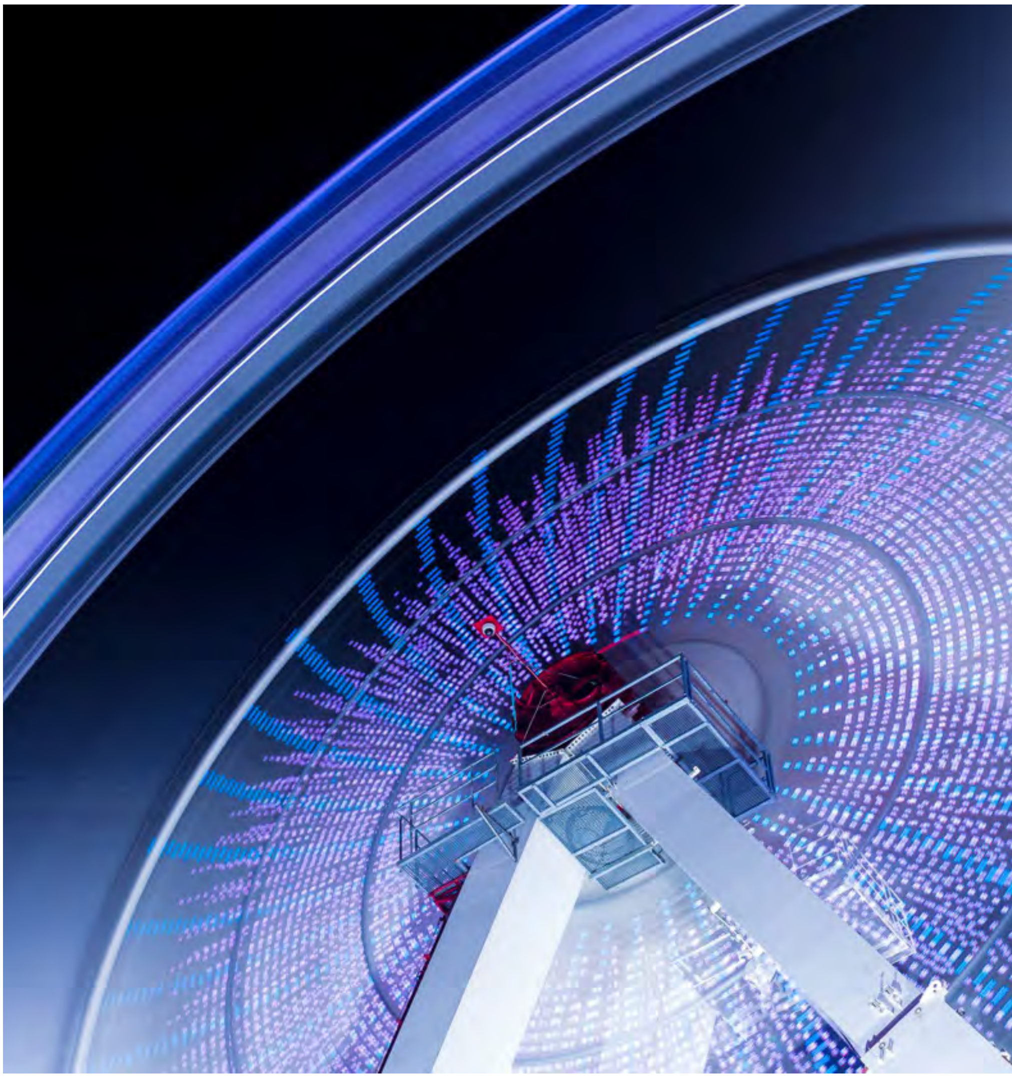
CATALYST REQUIRED

The bad news: a stock's momentum is only likely to be maintained if there are material catalysts to drive the price.

Some market participants seek to identify momentum through technical analysis. This involves looking at charts to establish supply and demand in the market for a particular stock in the hope of determining its future trajectory.

Although the FTSE is within touching distance of its record high, investors have been forced to endure considerable volatility in 2016. The shock Brexit vote in June was bookended by the Chinese currency crisis in January and Donald Trump's surprise election win in November.

Against this backdrop, we have identified a list of FTSE 350 stocks which have shown consistent momentum throughout the year – up 10% or more over the past one, three, six, nine and 12 months. They must have passed our 10%



SUPERIOR MOMENTUM STOCKS

	ASHTEAD	ELECTROCOMPONENTS	EVRAZ
Share price change			
1 month	14.6%	27.2%	11.1%
3 months	31.5%	35.0%	95.0%
6 months	68.4%	84.0%	131.0%
9 months	93.6%	98.7%	233.0%
12 months	44.3%	108.0%	332.0%
2 years	41.9%	125.0%	128.0%
3 years	114.0%	75.7%	175.0%

Source: SharePad

hurdle on every occasion and not simply a few of the time periods.

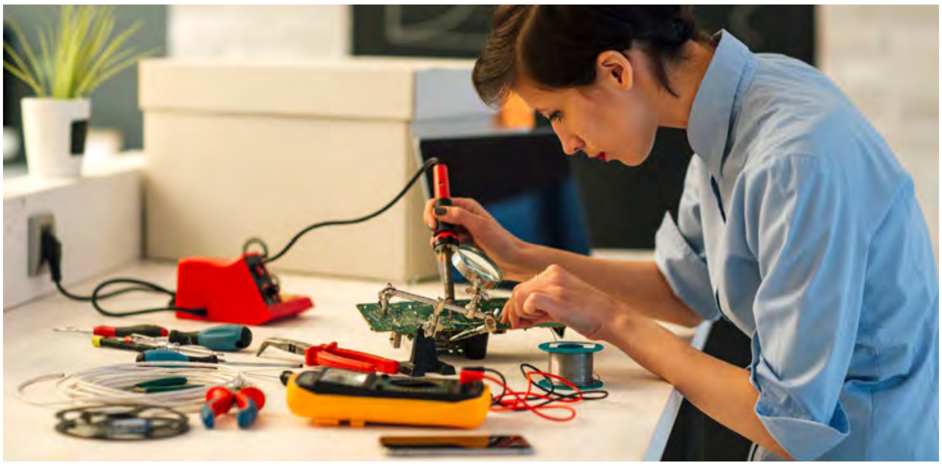
HOT COMMODITIES

We tightened our momentum screen further to include two-year and three-year share price performance at the same threshold. Six names made the cut. Which have the chops to keep on rising?

Three miners are included but it is noteworthy that our time horizon does not fully capture a commodities downturn which began earlier than 2013. Of the trio, we like Kazakhstan copper producer **KAZ Minerals (KAZ)** best as we remain bullish on the prospects for the industrial metal.

Steel-to-mining giant **Evraz (EVR)** has benefited recently from the surge in the coking coal price. It is the largest coking coal producer in Russia. Interestingly it also claims to be the number one producer of rails and large diameter pipes in North America. It could therefore potentially benefit from Donald Trump's infrastructure spending plans.

Construction equipment rental firm **Ashtead's (AHT)** bias towards the US has already driven the shares to record highs as investors price in a boost from Trump's pledged $500bn infrastructure spend.



There is scope for the company to capture share in a fragmented US market but if Trump fails to deliver then the £8bn market cap could be vulnerable to a sell-off.

Vedanta Resources (VED) has enjoyed resurgence in the price of oil, iron ore, copper and zinc, together with strong free cash flow helping to deleverage its balance sheet.

Sadly it missed out on the full benefit of the zinc rally – up 75% this year – as it had cut production of the metal by nearly 40% in the first half of its financial year. It expects zinc production to be significantly higher in the second half of its financial year.

FIXING PROBLEMS

Electronic parts distributor **Electrocomponents (ECM)** has benefited of late from a restructuring programme launched by chief executive Lindsley Ruth in November 2015.

Further cost savings and structural growth drivers such as expansion in the nascent predictive maintenance market (aimed at detecting early signs of failure in processes such as manufacturing) suggest the momentum can be maintained.

RIDE THE UPGRADES

Consistent earnings growth and an excellent record in small-scale M&A have underpinned a 141% advance in plastic packaging outfit **RPC (RPC)** over the last three years.

We really like the business and share Panmure Gordon's view that the shares could trade above £15 in the next 18 to 24 months.

RPC last week announced plans to buy two businesses. One is ESE, Europe's largest temporary waste solutions provider, for €262.5m. The other is Astrapak, a South African rigid plastic packaging manufacturer.

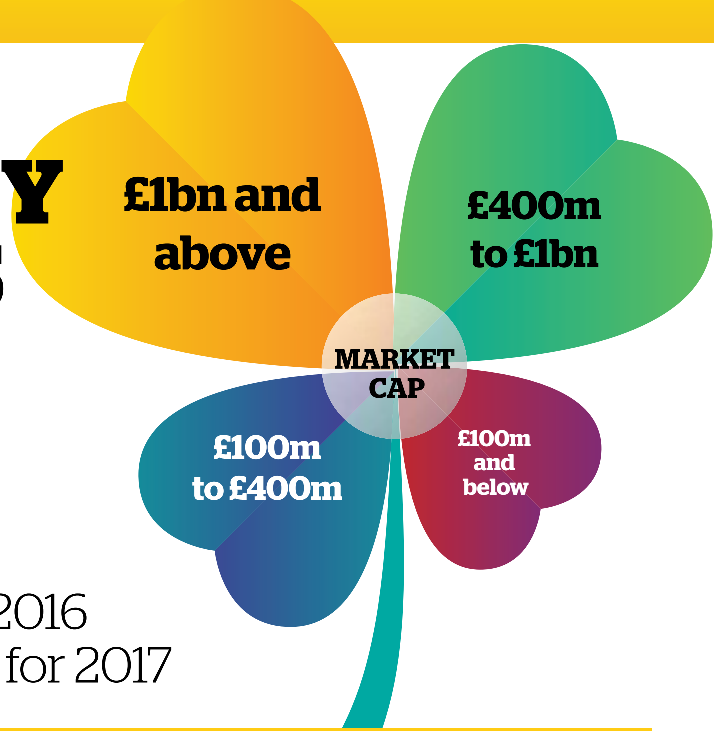
Analysts subsequently upgraded their earnings forecasts for RPC yet again. This is a classic momentum trade; keep buying. (TS)

SUPERIOR MOMENTUM STOCKS

	KAZ MINERALS	RPC	VEDANTA
Share price change			
1 month	10.2%	13.4%	14.8%
3 months	91.7%	16.3%	85.7%
6 months	190.0%	32.5%	140.0%
9 months	116.0%	40.9%	208.0%
12 months	320.0%	39.7%	232.0%
2 years	57.6%	116.0%	69.1%
3 years	90.9%	133.0%	15.4%

Source: SharePad

WERE YOU LUCKY TO OWN SHARES IN THE STAR PERFORMERS?



We look at some of the top risers in 2016 and give our views on their outlook for 2017

MARKET CAP £1BN AND ABOVE

ANGLO AMERICAN +287%

FEW PEOPLE WOULD have predicted a year ago that 2016's best large cap performers on the stock market would be mining stocks. Fast forward a year and the evidence is clear – eight of the top 10 top risers are commodity producers.

Anglo American (AAL) was one of the most heavily-shorted stocks in 2015 amid concerns about its huge debt pile and poor business prospects. In January 2016 it was the fourth smallest company in the FTSE 100 and faced demotion from the blue chip index.

So how did its shares manage to subsequently rise 287%? Commodity prices rallied, helping to improve its earnings and put the company in a better position to service its debt. We have a favourable view on the mining sector but see better opportunities elsewhere, such as **Rio Tinto (RIO)**, **KAZ Minerals (KAZ)** or **BHP Billiton (BLT)** among the larger businesses.

SOUTH32 +201%

LOWER DOWN THE market spectrum, albeit still valued at more than £1bn is **South32 (S32)**. This is the coal and manganese business spun out of BHP in 2015. Its 201% gain year to date is down to the surprise rally in coal prices.

It has enjoyed significant earnings upgrades and generated bucket loads of cash. It reduced net debt by $714m in the past financial year and ended up with a $312m net cash position.

South32's future seems to lie in metallurgical coal which is used in steel making and which sells for a higher price than power generation product thermal coal.

We find it hard to get too excited by the broader coal sector because of uncertainties over demand.

BEST PERFORMING SHARES IN 2016: £1BN+ MARKET CAP

Name	EPIC	Price	Year to date change (%)
Hochschild Mining	HOC	226.45p	369
Anglo American	AAL	£11.58	287
KAZ Minerals	KAZ	377.4p	269
Boohoo.com	BOO	136.13p	268
Evraz	EVR	257.95p	252
Vedanta Resources	VED	905p	229
South32	S32	158.13p	201
Glencore	GLEN	270.68p	199
Burford Capital	BUR	576.5p	195
Acacia Mining	ACA	367.35p	104

Source: SharePad, 1 Jan to 15 Dec 2016

Our cautious stance is chiefly linked to climate concerns around the world. We think the coal price rally has hit, or is near to, its peak and we prefer other commodities such as copper and oil.

South32 certainly looks interesting at present but we certainly don't expect such a good performance again in 2017 from its share price. Chinese coking coal stockpiles (according to reported figures) are at their highest level since February 2015 and Chinese supply availability is improving, says investment bank Macquarie.

Commenting on the broader mining space, Macquarie last week made a fascinating remark about the sector which investors would be wise to consider.

It said: 'The current period marks a window of opportunity for resource producers, with commodities trading out the cost curve and costs themselves not rising – indeed, we are in the free cash flow sweet spot at present. Meanwhile, everything that has been helping commodity markets over the past six months will likely still be true for the next six. However, such periods don't last forever.'

BOOHOO.COM +268%

AFTER A WOBBLY start to the life on the stock market, online fashion retailer **Boohoo.com (BOO:AIM)** spent 2015 in recovery mode and then raced ahead in 2016.

It enjoyed a flurry of earnings upgrades driven by stellar growth delivered at home and abroad.

Investors chased the shares higher following the EU referendum too; keen to harness Boohoo's international growth potential and status as a currency winner. Sales generated overseas are worth more on translation into sterling.

We remain fans of the structurally-advantaged fast fashion seller. Boohoo's dedication to own brand product supports high margins, while a 'test-and-repeat' model limits fashion risk.

Most low-cost retailers source their clothes from low-cost producing countries and typically have to place a large order to make it cost efficient to import.

Approximately 80% of Boohoo's clothes are sourced from UK manufacturers. The company can get a small run of clothing very quickly.

A big order is placed if clothes from that small run sell ok, otherwise it scraps the product. It means Boohoo doesn't have the stock obsolescence problem strangling other retailers.

Strongly cash generative and boasting a brand that is increasingly popular with the youthful web-savvy demographic, Boohoo's acquisition (14 Dec) of a 66% stake in PrettyLittleThing is a highly complementary deal that will further augment its already enviable growth rates.

BURFORD CAPITAL +195%

LITIGATION FUNDER **BURFORD Capital (BUR:AIM)** rounded off 2016 in style, sealing the $160m (£126m) acquisition of rival Gerchen Keller. Burford has this year impressed investors with its ability to deliver strong returns from funding commercial litigation claims.

Burford's success since listing in 2009 at 100p a share has gone a long way towards proving the attractiveness of litigation finance. It now trades at 576.5p.

Chief executive and founder Christopher Bogart led the business to a 28% gain in book value after adjusting for dividend payments, *Shares*' preferred measure of performance for Burford, in the six months to 30 June. Book value at $492m compares with a current market capitalisation of £1.1bn.

MARKET CAP £400M TO £1BN

HURRICANE ENERGY +302%

THE ABILITY OF **Hurricane Energy (HUR:AIM)** to raise cash at a premium in 2016 is testament to the excitement its story has generated in the market.

The £52.1m placing in April enabled the company to drill an appraisal on its Lancaster discovery and in September the highly encouraging results of this well helped light a fire under the share price. This supported a subsequent £70m fundraise.

Drilling activity should be able to sustain the momentum behind the share price. Hurricane is targeting fractured basement reservoirs, a largely untapped source of hydrocarbons in the UK which has been exploited in Yemen, Libya and Vietnam.

ENQUEST +116%

NORTH SEA OIL producer **EnQuest's (ENQ)** position among the top performers reflects some operational progress but also the company's leverage to oil prices and a recovery from an extremely low base.

Despite some weakness following the US Federal Reserve's decision to raise interest rates (14 Dec), the price of oil is still almost double its 2016 low of £27.10 seen in late January.

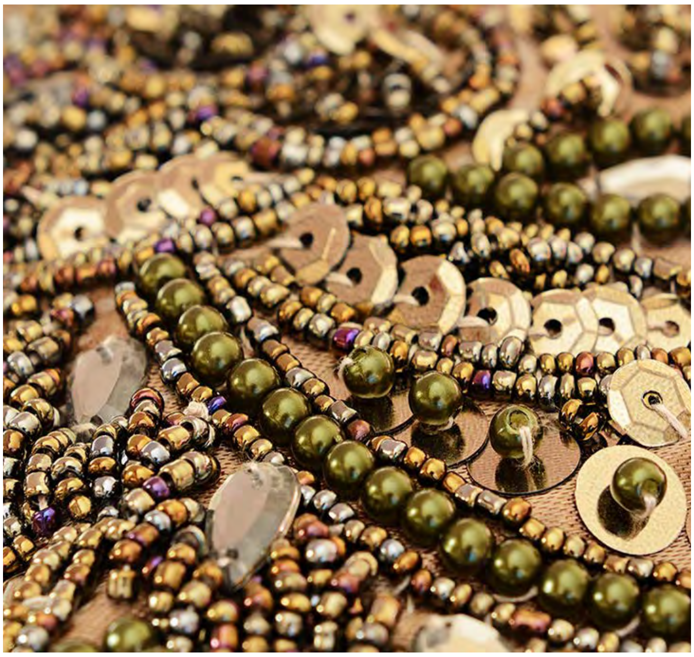
EnQuest loaded up on debt when oil was at $100 per barrel. As a result even the slightest movement in crude can have a significant impact on earnings-linked debt covenants. Although we are broadly positive on oil in 2016, EnQuest remains a high risk play thanks to its borrowings and we see better opportunities elsewhere.

COATS +86%

'INDUSTRIAL THREADS SPECIALIST **Coats (COA)**, one of the original constituents of the FT30 in 1935, is another piece of British corporate history which we believe could attract interest in time.' We wrote that line in July 2015 when the shares traded at 25.2p. They now change hands for 46p.

Coats used to be part of conglomerate/asset manager Guinness Peat. The latter divested its assets and investments to eventually be left with Coats.

The market did indeed pick up on the stock's attraction, hence the 86% gain in 2016. We think



there is much further to come from the shares and view it as an attractive investment.

'Coats is a profitable, highly cash generative, global market leader in industrial threads and specialty fibres, emerging from complex recent history,' says Canaccord Genuity analyst Casper Trenchard.

'In our view, likely resolution of the pension issues is the key threshold, enabling the company to leverage its net cash balance sheet via the introduction of a progressive dividend policy (including potentially special capital returns) and a more concerted, and accretive, acquisition strategy. Entry to the FTSE Mid-250 potentially beckons in 2H17, further expanding its appeal to investors.'

BEST PERFORMING SHARES IN 2016: £400M TO £1BN MARKET CAP

Name	EPIC	Price	Year to date change (%)
Ferrexpo	FXPO	147.25p	585
Hurricane Energy	HUR	41.25p	302
Sound Energy	SOU	68.88p	280
Georgia Healthcare	GHG	377.25p	143
Indus Gas	INDI	285p	136
Highland Gold Mining	HGM	129.25p	127
EnQuest	ENQ	41p	116
Hunting	HTG	592.25p	94
Coats	COA	46p	86
Imagination Technologies	IMG	245.5p	84

Source: SharePad, 1 Jan to 15 Dec 2016

MARKET CAP £100M TO £400M

SOLGOLD +1,060%

AIM-QUOTED **SOLGOLD (SOLG:AIM)** told the world in 2010 that it had a world class exploration discovery, prompting the share price to increase nearly nine-fold in a few days.

While we didn't like the way in which it went about hyping the asset, the company had the last laugh this year after it was on the receiving end of a bidding war by two of the world's biggest miners eager to invest in the company.

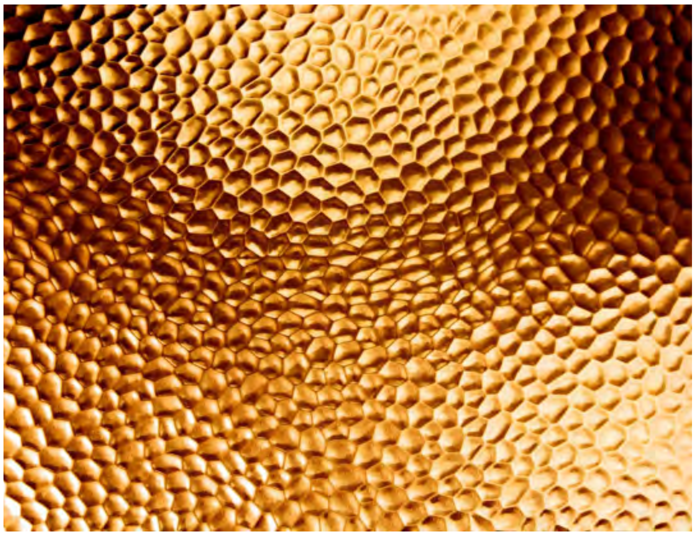
SolGold's share price had progressively fallen since the initial hype in 2010 surrounding its Cascabel copper deposit in Ecuador. A mix of commodity price recovery and renewed interest from majors in backing growth projects has this year resulted in a massive u-turn for the equity.

BHP Billiton saw its $30m offer to buy a 10% stake in SolGold rejected in favour of **Newcrest Mining (NCM:ASX)** and investor Maxit Capital (plus clients) taking a combined 14.4% stake in the business.

BEST PERFORMING SHARES IN 2016: £100M TO £400M MARKET CAP

Name	EPIC	Price	Year to date change (%)
SolGold	SOLG	24.63p	1060
IEnergizer	IBPO	81p	548
BNN Technology	BNN	135.63p	279
Tribal	TRB	56.75p	228
Ithaca Energy	IAE	86.75p	210
Firestone Diamonds	FDI	55.25p	199
Avesco	AVS	645p	197
Kenmare Resources	KMR	250.13p	172
Keywords Studios	KWS	502.5p	146
Asian Growth Properties	AGP	37.5p	142

Source: SharePad, 1 Jan to 15 Dec 2016



IENERGIZER +548%

SHARES IN CALL centre operator **IEnergizer (IBPO:AIM)** have had a rollercoaster two years: increasing five-fold in 2016 after falling 81% in 2015.

IEnergizer was the first India-based business process outsourcer to join London's junior AIM market in 2010, raising $57m, and has enjoyed improving fortunes since the return in February of founder Anil Aggarwal to its chief executive role.

Business prospects look very good at iEnergizer: it delivered $10.2m of pre-tax profit in the first six months of 2016, up 10%, versus a market cap of $196m though we believe the company still has a bit to prove if it wants to attract new investors on to the shareholder register.

MARKET CAP £100M TO £400M

KEYWORDS STUDIOS +146%

WE HIGHLIGHTED THE investment attractions of video game designer and testing services provider **Keywords Studios (KEYW:AIM)** several times following its IPO (initial public offering) three years ago, including an extensive feature on the business and a recommendation to buy at 106p. The shares now trade nearly five times higher.

While we can claim credit for highlighting the stock before its significant rally, we do admit we've taken our eye off the ball in terms of coverage in 2016 – a year when the shares have shot up a further 146% to 502.5p.

We did meet chief executive Andrew Day a few times in the past 12 months, but didn't feel compelled to write a new story.

Judging the sustainability of growth at highly acquisitive companies is difficult and particularly so in Keywords' markets where key individuals can be important to business performance.

If key managers leave businesses acquired by Keywords, it could result in a drop-off in results, in our view. Keywords' results have been impressive, however, delivering strong growth in underlying revenue and adjusted profit.

Its latest trading update (7 Nov) said full year pre-tax profit would be significantly ahead of expectations. To put that into context, the €14m

pre-tax profit guidance from Keywords was 12% above consensus forecasts from analysts at the time.

Numis has a 555p price target for the shares over the next 12 months, implying the easy money has already been made from the stock. We do like the business; sadly the valuation is looking a bit high, trading on 26.5 times forecast earnings per share for 2017.

The big surge in earnings in 2016 has come from a business it acquired in April called Synthesis. Numis believes Synthesis' results next year will be 'well below 2016', adding that it will have very tough comparative figures to beat as a result of large projects undertaken in 2016.

MARKET CAP £100M AND BELOW

JERSEY OIL & GAS +921%

THE MAIN DRIVER behind the impressive share price performance of **Jersey Oil & Gas (JOG:AIM)** in 2016 is the farm-out deal agreed with Norwegian energy giant **Statoil (STLO:STO)**. This deal, concluded in August, provides an endorsement of its flagship Verbier prospect in the North Sea and the impetus necessary to drill in the near-term.

Statoil has taken over operatorship of the well, Jersey retaining an 18% working interest, and has formally communicated an intention to drill in 2017 to the Oil & Gas Authority.

Jersey's share of costs is covered after a £1.6m placing (30 Nov). We reckon there could be further upside to come as drilling approaches and the company begins to execute on a strategy of acquiring producing assets to make use of its £24m of tax losses.

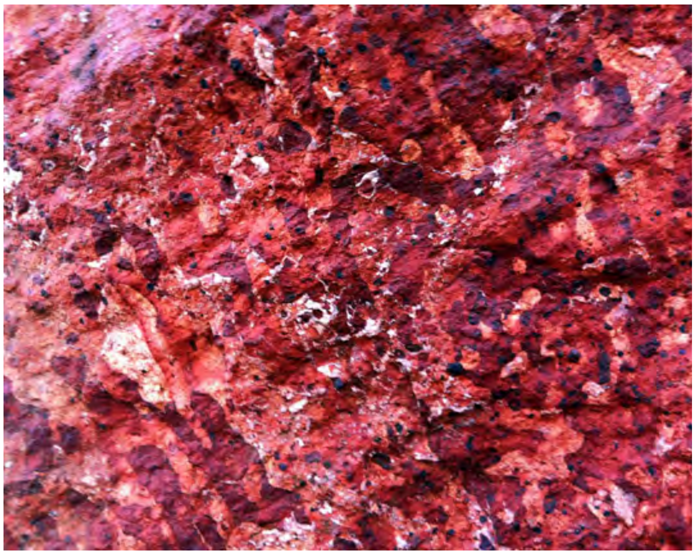
ALTITUDE +666%

MARKETING OUTFIT **ALTITUDE (ALT:AIM)** looked like it was going to the wall this time last year but a dramatic turnaround saved the business and returned it to profitability.

Speaking to chairman Peter Hallett earlier this year, we learned some of the gains may also be related to two new contract agreements Altitude signed with distributors of its products.

Altitude provides a software-as-a-service offering for small to medium-sized businesses in e-commerce. It also runs a big promotional products exhibition and runs websites for companies in the promotional products industry.

On a trailing 12 month basis, Altitude returned to profitability in June this year, having delivered almost £1m of operating profit across the second half of its 2015 financial year and the first half of 2016.



IRONRIDGE +636%

AIM-QUOTED **IRONRIDGE (IRR:AIM)** went from being one of the worst performing IPOs of 2015 to one of the best performing small cap stocks in 2016. Although the shares started to rise in line with the sector earlier this year, the biggest acceleration came in July upon a strategy change.

Out went iron ore, in came gold. The market also liked an update on bauxite exploration, but the biggest cheer followed the acquisition of lithium projects.

This scatter gun approach is a sad reminder of how junior miners behaved in the last commodities bull-run, jumping on to whichever commodity was hot at the time. Ultimately success will come down to asset quality. (DC/WC/TS/JC)

BEST PERFORMING SHARES IN 2016: £100M OR LESS MARKET CAP

Name	EPIC	Price	Year to date change (%)
Mercom Capital	MCC	24.5p	1,130
Jersey Oil & Gas	JOG	122.5p	921
Aurum Mining	AUR	5.9p	844
Altitude	ALT	78.5p	666
Ironridge Resources	IRR	12.88p	636
CloudTag	CTAG	13.25p	524
ASA Resources	ASA	2.18p	521
GCM Resources	GCM	37p	492
Base Resources	BSE	13p	492
Sopheon	SPE	350p	469

Source: SharePad, 1 Jan to 15 Dec 2016

Henderson
GLOBAL INVESTORS

BEN LOFTHOUSE ON 2017: FISCAL AUSTERITY NO LONGER THE FOCUS

FUND MANAGER GIVES HIS VIEWS ON THE STATE OF THE MARKET

WHAT DOES HENDERSON INTERNATIONAL INCOME TRUST (HINT) DO?

The Trust's mandate is to generate dividend growth and capital appreciation over the medium to long-term. We aim to do this by investing in all sizes of companies which we believe have attractive dividend yields, and are strong and cash generative to be able to grow those dividends over time.

Importantly the Trust looks to find these companies from across the globe but not the UK, offering investors the chance to diversify from any UK investments they may have, and in particular UK based income generating stocks.

WHAT LESSONS HAVE YOU LEARNED FROM 2016?

The past year has highlighted that it is very important to look beyond headline economic data.

Markets have been used to doing this with regards to China for a long time, but the rate of Gross Domestic Product (GDP) growth in developed markets has disguised the fact that a large percentage of the population has not benefited from either the economic or market recovery.

This in part led to the surprise

vote in the UK to leave the European Union and more recently the election of Donald Trump as President of the US.

It is also worth noting how poor the polling industry was at predicting either outcome. Investors' forecasts and predictions regarding the market's reactions following both events were also inaccurate.

Going forward, it is clearly going to be important to consider the effects of forthcoming European elections on markets.

WHAT ARE YOUR THOUGHTS TOWARDS THE US ELECTION?
Clearly an unexpected vote, what surprised was not only the election of Donald Trump but also the majorities that have resulted in both the House of Representatives and the Senate.

This gives Mr Trump and the Republican Party more power to change the legislature and push more policies through in comparison to the gridlock that Mr Obama faced during his two terms.

Markets have reacted positively, expecting more infrastructure spending and, more promisingly, tax cuts. This could stimulate the domestic economy on two

fronts: foreign businesses may be more willing to look at the US to do business there, and secondly, US businesses may finally start to look at repatriating the large amounts of cash they currently hold offshore.

Microsoft is a good example – it has around $100bn in cash and cash equivalents parked offshore.

AROUND ONE THIRD OF THE TRUST IS HELD IN US STOCKS; HOW HAS THIS PART OF THE PORTFOLIO PERFORMED SINCE THE ELECTION?

In general it has been financial services sector stocks that have performed well since the election.

It seems investors believe policies from a business friendly government will lead to higher growth, which would lead to higher interest rates as the Federal Reserve becomes more hawkish, which could in turn lead to higher lending margins. In the US sleeve of the portfolio our holdings include JP Morgan Chase and Synchrony Financial.

THE DOLLAR HAS ALSO BEEN STRONG AND I BELIEVE IT WILL CONTINUE TO BE STRONG, WHICH BENEFITS INVESTORS IN AN INVESTMENT TRUST THAT PAYS ITS DIVIDENDS IN POUNDS STERLING.

The dollar has also been strong and I believe it will continue to be strong, which benefits investors in an investment trust that pays its dividends in pounds sterling.

WHAT ARE THE KEY THEMES LIKELY TO SHAPE THE MARKET IN 2017?

With the largely unexpected election result in the US and the Brexit vote in the UK, it is highly likely that fiscal austerity will no longer be a key focus.

Other countries have the same issues as the UK and the US and will have noted the two outcomes.

There is likely to be a shift from monetary stimulus to fiscal expansion, which may lead to higher interest rates and bond yields, and a pick-up in inflation from current low levels.

There is also likely to be increased anxiety around European elections and fears over any increase in protectionist policies, given global trade currently accounts for 60% of global GDP.

WHAT'S YOUR OUTLOOK FOR DIVIDEND GROWTH?

My thoughts are that dividend growth will be fairly moderate

Ben Lofthouse

ABOUT THE MANAGER AND THE TRUST

Ben Lofthouse joined Henderson in 2004 as an Investment Analyst on the Equity Income team. He became a fund manager in 2008 and since then has managed a range of equity income mandates in both pooled funds and investment trusts.

Prior to joining Henderson, Ben trained as a Chartered Accountant with PricewaterhouseCoopers where he started his career in 1998. He graduated from Exeter University with a BA (Hons) in Business Economics and is a CFA charter-holder.

Ben is a dividend seeking, valuation driven investor, meaning he looks for companies that have strong fundamentals, good balance sheets and attractive cash flow characteristics that can support growing dividends. He will also tend to focus on companies that yield above 2%.

Ben has been the trust's manager since its launch, in 2011.

It contains a broad spread of industry exposures, and has three geographical regions in which it focuses: North & South America, Europe, and Asia Pacific.

Any one region will never have more than 50% of the portfolio invested within it in order to ensure geographical diversification. Ben asset allocates to these regions, and is supported by fund managers with regional expertise.

in 2017.

Dividend growth has actually been very strong in recent years, and pay-out ratios – the portion of earnings a company pays its investors – have been rising steadily.

It seems therefore that at the headline level, especially in the likes of the pharmaceutical, oil and gas, and the banking sectors – growth won't be that strong. But pockets can be found and we believe we can find these and grow the dividend for HINT portfolio investors.

WHAT CAN INVESTORS EXPECT FROM YOUR PORTFOLIO IN THE COMING YEAR?

The strategy's approach will be unchanged in that it will aim to achieve income and capital growth by focusing on cash-generative companies with attractive yields.

The global equity income universe continues to be in good health and it is possible to find companies offering real dividend growth in all regions. Europe as a region looks attractive as austerity has ended and banks are now lending again.

As ever, it is important not to pay too much for this income. With this in mind, the strategy has broad exposure across geographies and sectors, and we believe it has the potential to provide good returns to investors in a variety of market conditions.

SHARES CENKOS

Growth and Innovation

FORUM

FREE TICKETS TO SMALLER COMPANIES INVESTING EVENT

31 January 2017
Business Design Centre, London

We are holding a day-long event on Tuesday 31 January 2017 in London where you will have to chance to hear presentations from some of the most exciting small cap companies on the stock market.

Names already confirmed to appear at the event include **LoopUp (LOOP:AIM)**, **Blancco Technology (BLTG:AIM)**, **RedstoneConnect (REDS:AIM)**, **WANdisco (WAND:AIM)** and **CityFibre (CITY:AIM)**.

Tickets are FREE – you simply need to register online **here** in order to secure entry.

MEET AND GREET

The *Shares/Cenkos Growth & Innovation Forum* provides the chance to hear from exciting companies and meet fellow investors to discuss stocks and ideas.

We've also lined up talks from fund managers, industry analysts and other specialists who will discuss investment opportunities and the areas of the market they like best for 2017.

Many of the companies that presented at the last event (held in February 2016) have gone on to deliver more than 30% share price gains in less than a year.

You'd have to leave your cash in the bank for more than 30 years to get that kind of return, based on current interest rates!

The event is being held at the Business Design Centre in London which is easily accessible from Angel, King's Cross St Pancras and Highbury &

Visit www.sharesmagazine.co.uk/events and register now!

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SHARES

Islington train/tube stations.

BRITISH CHAMPION

We're really pleased to announce that **Plastics Capital (PLA:AIM)** has joined the roster of companies appearing at the *Shares/Cenkos Growth & Innovation Forum* on 31 January 2017.

This is a great British manufacturing company selling goods around the world. Plastics Capital develops, produces and sells specialist industrial plastic products.

Its share price has risen by 28% year-to-date which is three times better than the broader stock market, as measured by the FTSE All-Share index.

The business is split into two divisions. One concentrates on high strength industrial film packaging mainly for UK and northern Europe. The other focuses on highly technical consumable and component products sold into a wide variety of industries all over the world.

Plastics Capital has five factories in the UK, two in China and one in Thailand. It employs nearly 500 people, about two thirds of whom are in the UK.

ESSENTIAL PRODUCTS

A lot of the company's products seem quite quirky, yet they are essential to so many different items.

For example, it is one of the world's two leading manufacturers of creasing matrix which helps cardboard to be folded properly. It enjoys recurring revenue thanks to repeat order requirements.

It makes mandrels which is the component that makes the hole within a hydraulic hose. Clients include JCB and Caterpillar. It also makes mandrels for the automotive sector, used for air conditioning and power steering for clients such as BMW and Peugeot.

It supplies plastic bearings to just about every major motor manufacturer in the world for use in areas such as gear shifts. They are lighter than metal bearings, so cars benefit from weight savings and use less fuel.

Plastics Capital also generates revenue from making and selling industrial packaging including bags and films. It boasts a high level of client retention including big names such as Fedex and British Airways.

In addition, the business makes polythene sacks and bags mainly for the food and animal feed sectors. It is on the preferred supplier list for **Marks & Spencer (MKS)**.

When is it worth paying for financial advice?

The fees are difficult to stomach but there are occasions when it is worth considering help

Entrusting your life savings to a financial adviser who charges hundreds or even thousands of pounds for the privilege is unlikely to result in DIY investors champing at the bit.

Excessive charges can be extremely detrimental to your overall returns so it seems counterintuitive to add yet another layer of fees.

An initial advice fee is typically £150 per hour or 1% to 3% of the value of your portfolio. Some advisers charge a fee for a specific piece of work instead, which could run into thousands of pounds.

If you decide to retain the adviser, you might also have to pay an ongoing fee of around 1% each year.

HOW MUCH DOES IT REALLY COST?

According to adviser directory Unbiased.co.uk, advice at retirement on a £200,000 pension pot would cost £1,100 if you know what you wish to do and £2,500 if you require full advice.

Setting up a drawdown scheme on a £300,000 pension pot would set you back an average of £3,500. The fees can vary considerably according to where the adviser is based, their qualifications and the complexity of your situation.

PEOPLE RECEIVING ADVICE EXPERIENCED OUTPERFORMANCE OF 1.59% A YEAR
Source: Morningstar

Add in the mis-selling scandals that have rocked the financial advice market over the years and it's not surprising that only 22% of people earning between £30,000 and £50,000 a year have taken retirement planning advice.

The figure rises to just 56% of people in the £50,000 to £60,000 income bracket, according to a survey by asset manager Octopus Investments.

WORTH THEIR WEIGHT

Unsurprisingly, those operating in the financial advice sphere are adamant that it is worth paying for advice.

Unbiased.co.uk claims that if you have £10,000 or more to invest, a financial adviser is likely to deliver net benefits.

Research from Morningstar backs this up. Analysis by the investment service found people receiving advice experienced outperformance of 1.59% a year.

Steve Lloyd, financial planning consultant at financial advice firm 1825, says the more wealth you have (approximately

£200,000), the more financial planning can benefit you.

However, he points out that if your investment assets are lower in value, say £100,000, one wrong move could be more financially destructive.

'The financial world today offers far more choices and responsibility over your money than ever before, so the choices you make are critical in determining your financial future. That's a big responsibility, because your choice can have significant, long-term implications,' Lloyd says.

'This is where the value of taking financial advice comes into play. Unless you are exceptionally well-read, or have a financial advice qualification, who can truly say you are aware of all the choices available to you? Further, when you make that choice, what the impact might be on your financial plans, or, any other unintended consequences.'

FINANCIAL ADVISERS CAN BE VIEWED AS LIFE COUNSELLORS WHO ENCOURAGE YOU TO LOOK AT YOUR LIFE GOALS AS MUCH AS YOUR FINANCES

LIFE COACH

Karen Barrett, chief executive of Unbiased, says small scale DIY investors who think it's not worth paying for advice misunderstand the purpose of financial advice.

'A financial adviser's job isn't to make you as much money as possible. It's to enable you to use what money you do have in the best way for you. This is a crucial difference,' she says.

Barrett describes financial advisers as life counsellors who encourage you to look at your life goals as much as your finances.

'Your reasons for investing are every bit as significant as how you do it. A financial adviser will interrogate your circumstances and motivations, and you may be surprised at what you discover.

'For instance, you might find your investments are very good ones – they're just not the best option for you right now. Equally, you may learn that you've been playing too safe and need to spread your wings a bit,' she explains.

ADVICE TRIGGERS

Even if you're happy being in control for the majority of your financial needs, there may be specific circumstances when advice can help. The most common time people seek advice is when they come up to retirement.

Mike Morrison, pensions expert at AJ Bell, says an investor might have been happy managing their investments within the growth phase of their pension planning, but need help deciding whether to buy an annuity or remain invested and draw an income from their portfolio each year.

'Other life stages such as divorce, redundancy or receiving an inheritance could be triggers for seeking advice to deal with a specific set of circumstances, even for DIY investors who are normally comfortable managing their own affairs,' he adds.

CHOOSING AN ADVISER

If you decide you want financial advice it's a good idea to compare the services offered by different advisers in your area.

If an adviser describes themselves as an 'independent' financial adviser, they will be able to offer a broad range of investment products and give unbiased advice based on an analysis of the market.

Some advisers are 'restricted', so they can only recommend certain types of products or sometimes products from a limited number of providers.

Simon Rogerson, chief executive of Octopus Investments, suggests finding an adviser with whom you feel comfortable and can trust. He says the adviser should be able to shape your portfolio and maximise tax benefits, and then refer you to a specialist to pick the underlying investments. (EP)

FINANCIAL ADVISER CHECKLIST

- What services do they provide?
- Do they offer whole-of-market independent advice?
- Is their advice restricted to certain product areas?
- What qualifications and how many years of experience do they have?
- Do they provide annual portfolio reviews?
- What happens if your individual adviser leaves?
- What do they charge?

What does 2017 have in store for savers?

Inflation, new savings allowances and ISA product launch all on the agenda

Retirement investors have had to navigate choppy and unpredictable waters throughout 2016.

In addition to political changes, we also saw the Government – for now at least – back away from plans to radically overhaul the way pensions are taxed, axe proposals to allow people to swap their annuity for cash and begin to turn the screw on scammers by moving to ban pensions cold calling.

But what are the big issues savers need to watch out for in 2017?

INFLATION

Prices have flatlined in recent years, with consumer prices index (CPI) inflation persistently bobbling along just above zero. This has helped preserve the spending power of retirees' income and also meant the value of money held in cash has not been significantly eroded.

That might be about to change following the Brexit vote. Sterling depreciated in trade-weighted terms by 17.9% in the year to November, according to the Office for National Statistics.

While it's impossible to say with any certainty how this will translate into the prices consumers pay, a rule often used by economists suggests a 10% fall in sterling could cause a 2% rise in CPI inflation.

While few are expecting a return to the days of double-digit inflation, savers should consider the possibility of rising prices when reviewing their retirement income strategy.

SAVINGS ALLOWANCES

On the tax front, there are two key changes coming through next year that could affect retirement investors.

The good news is the ISA allowance will be lifted in April 2017, from £15,240 to £20,000. This will be a boost to savers who value flexibility, although still only half the £40,000 annual tax-free savings allowance afforded to pension savers.

As for the bad news, the amount you can pay back into money purchase schemes like SIPPs will drop to £4,000 in April if you've accessed the pensions freedoms.

LIFETIME ISA LAUNCH

Savers will have a new savings option from April 2017 when the Lifetime ISA launches. The product allows you to save up to £4,000 a year and get a 25% Government bonus, up to a maximum of £1,000.

You'll be able to save into a Lifetime ISA if you're under 40 years old, and keep making contributions and receiving the bonus until you're 50.

The money can be taken out penalty-free from age 60, or before if you're using it for a deposit on your first house or are diagnosed with a terminal illness. However, other early withdrawals will be heavily penalised, potentially meaning you'll get less back than you put in.

TOM SELBY
Senior analyst, AJ Bell

FRIDAY 23 DECEMBER

ECONOMICS		
UK		
GFK CONSUMER CONFIDENCE		

THURSDAY 29 DECEMBER

EX-DIVIDEND		
ANGLO PACIFIC	APF	3P
BT	BT.A	4.85P
CAMBRIA AUTOMOBILES	CAMB	0.7P
DIXONS CARPHONE	DC.	3.5P
THE DIVERSE INCOME TRUST	DIVI	0.7P
ENSOR	ESR	0.6P
EXPERIAN	EXPN	$0.13
FULCRUM UTILITY SERVICES	FCRM	0.6P
GAME DIGITAL	GMD	1.75P
GRAINGER	GRI	3.05P
HALMA	HLMA	5.33P
INLAND HOMES	INL	0.9P
ITE GROUP	ITE	3P
KCOM	KCOM	2P
NEW CITY ENERGY	NCE	0.25P
NEWRIVER RETAIL	NRR	5P
OCTOPUS AIM VCT	OOA	2.5P
PROACTIS	PHD	1.3P
POLAR CAPITAL	POLR	5.5P
REAL GOOD FOOD COMPANY	RGD	0.04P
RPC	RPC	6.5P
SCHRODER ASIA PACIFIC FUND	SDO	4.75P
VALUE AND INCOME TRUST	VIN	2.6P

TUESDAY 3 JANUARY

ECONOMICS
UK
CONSTRUCTION PMI
MANUFACTURING PMI
EU
FINAL MANUFACTURING PMI

WEDNESDAY 4 JANUARY

INTERIMS	
ACCROL	ACRL
TRADING STATEMENTS	
NEXT	NXT
TOPPS TILES	TPT

THURSDAY 5 JANUARY

ECONOMICS		
US		
UNEMPLOYMENT CLAIMS		
TRADING STATEMENTS		
PERSIMMON	PSN	
EX-DIVIDEND		
ABERDEEN SMALLER COMPANIES INCOME TRUST	ASCI	1.75P
AUTO TRADER	AUTO	1.7P
AVEVA	AVV	13P
BISICHI MINING	BISI	1P
BLACKROCK INCOME STRATEGIES TRUST	BIST	1.635P
BRITISH LAND	BLND	7.3P
BP	BP.	4P
CHARACTER	CCT	8P
CERILLION	CER	2.6P
DAIRY CREST	DCG	6.2P
DART GROUP	DTG	1.375P
F&C GLOBAL SMALLER COMPANIES	FCS	4P
FOREIGN & COLONIAL INVESTMENT TRUST	FRCL	2.45P
GVC	GVC	12.5P
HENDERSON EUROPEAN FOCUS TRUST	HEFT	18.9P
INTERNATIONAL BIOTECHNOLOGY TRUST	IBT	11.5P
INVESTORS CAPITAL TRUST	ICTA	1.17P
INVESCO PERPETUAL ENHANCED	IPE	1.25P
LIVERMORE INVESTMENTS	LIV	$0.09
JAMES LATHAM	LTHM	4.5P
LOWLAND INVESTMENT COMPANY	LWI	12P
MICRO FOCUS INTERNATIONAL	MCRO	23.6P
MCCARTHY STONE	MCS	3.5P
MARTIN CURRIE GLOBAL PORTFOLIO	MNP	0.9P
MURRAY INTERNATIONAL	MYI	10.5P
ON THE BEACH	OTB	2.2P
THE PARAGON GROUP OF COMPANIES	PAG	9.2P
SHIRES INCOME	SHRS	3P
THE SME LOAN FUND	SMEF	0.6P
STRIDE GAMING	STR	1.4P
SERVOCA	SVCA	0.35P
TOPPS TILES	TPT	2.5P

THE UK STOCK MARKET WILL CLOSE EARLY AT 12:30PM ON 23 AND 30 DECEMBER. IT WILL BE CLOSED ALL DAY ON 26 AND 27 DECEMBER, AS WELL AS 2 JANUARY 2017.

FRIDAY 6 JANUARY

ECONOMICS
US
NON-FARM EMPLOYMENT CHANGE

MONDAY 9 JANUARY

INTERIMS	
ILIKA	IKA
TRADING STATEMENTS	
MAJESTIC WINE	WINE

TUESDAY 10 JANUARY

ECONOMICS	
UK	
RETAIL SALES	
TRADING STATEMENTS	
MORRISON SUPERMARKETS	MRW

WEDNESDAY 11 JANUARY

ECONOMICS	
UK	
GOODS TRADE BALANCE	
CONSTRUCTION OUTPUT	
INDUSTRIAL PRODUCTION	
MANUFACTURING PRODUCTION	
TRADING STATEMENTS	
PAGE GROUP	PAGE
SAINSBURY'S	SBRY
TULLOW OIL	TLW
TAYLOR WIMPEY	TW.

For complete diary go to www.moneyam.com/forward-diary

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KEY

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- Overseas
- AIM
- Fund
- Investment Trust