STOCKS | FUNDS | INVESTMENT TRUSTS | PENSIONS AND SAVINGS

VOL 19 / ISSUE 39 / 05 OCTOBER 2017 / £4.49

SHARES

WE MAKE INVESTING EASIER

OUR TOP STOCK PICKS FOR 2017
10.7%
AVERAGE GAIN SO FAR

WILL EASYJET BENEFIT FROM RYANAIR AND MONARCH WOES?

THE SIMPLE WAY TO EXIT AN INVESTMENT IF SOMETHING GOES WRONG

HOW TO INVEST IN THE ELECTRIC VEHICLE REVOLUTION

THE ENGINEERS, CHEMICAL FIRMS AND MINERS PLUGGED INTO THIS FAST GROWING INDUSTRY

Happy birthday to the new-look Shares

We've been a digital-only publication for a year but helping investors since 1999

It's time to wish happy birthday to *Shares* as an online-only publication. It's been a year since we stopped printing the magazine and switched to the digital world.

I'm happy to say it has been a very successful 12 months as reader numbers have gone up and we've been able to help even more people improve their investing skills.

I hope you enjoy the digital publication and that it continues to help you understand the world of investing; demystifies the stock market; and provides a continuous stream of investing ideas.

ONGOING IMPROVEMENTS

Over the past year we've increased our coverage of the funds and investment trust market; sharpened our focus on longer-term investing; and boosted the daily commentary we provide on a range of subjects via the *Shares* website.

Many of you have already told us which parts of the digital magazine and website you like best, as well as the areas in which we could do better, as per two reader surveys over the past few months.

If you didn't participate in a reader survey, I'd still like to hear your thoughts on how we can make *Shares* an even better read. Email yourviews@sharesmagazine.co.uk with the subject line 'Reader feedback' and let me know which parts of the magazine and website you really like and areas you'd like us to cover in more detail, or perhaps add if we don't already cover them.

INVESTING IS GROWING IN POPULARITY

Recent figures from the taxman, the HMRC, show that stocks and shares ISAs are growing in popularity with 2.589m people putting money in the investment version of the tax-efficient wrapper in the tax year ending 5 April 2017. In comparison, the number of stocks and shares ISA accounts with monetary inflows was lower in the previous year at 2.539m.

Interestingly, there was the reverse of this trend with cash ISAs where the number of accounts with new monetary subscriptions fell from 10.118m in 2015/16 to 8.48m a year later.

What this tells me is that more people are being drawn to the stock market in search of a higher return on their money as the rates on cash accounts continue to be so poor.

The flip side is that an increase in people using stocks and shares ISAs could increase the risk that people put money into unsuitable investments as many will be picking stocks or funds at random.

OUR ROLE AS EDUCATION PROVIDER

We recognise at *Shares* that many people using stocks and shares ISAs aren't experts when it comes to investing. That's why we place such a strong emphasis on education in the digital magazine, helping both the inexperienced and the more seasoned investor.

Our purpose is to provide guidance with choosing investments as well as managing a portfolio; but note that we do not provide investment advice.

If you're hungry for help with investing, why not head to our website and look at our rich archive of investment-related articles where we have issues of the weekly magazine going back to 2004.

I would like to say thank you for continuing to read *Shares* and here's to the next 12 months and beyond as your trusted source of investing information. (DC)

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1. In keeping with the existing practice, reporters who intend to write about any securities, derivatives or positions with spread betting organisations that they have an interest in should first clear their writing with the editor. If the editor agrees that the reporter can write about the interest, it should be disclosed to readers at the end of the story. Holdings by third parties including families, trusts, self-select pension funds, self select ISAs and PEPs and nominee accounts are included in such interests.

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.

3. Reporters are required to hold a full personal interest register. The whereabouts of this register should be revealed to the editor.

4. A reporter should not have made a transaction of shares, derivatives or spread betting positions for seven working days before the publication of an article that mentions such interest. Reporters who have an interest in a company they have written about should not transact the shares within seven working days after the on-sale date of the magazine.

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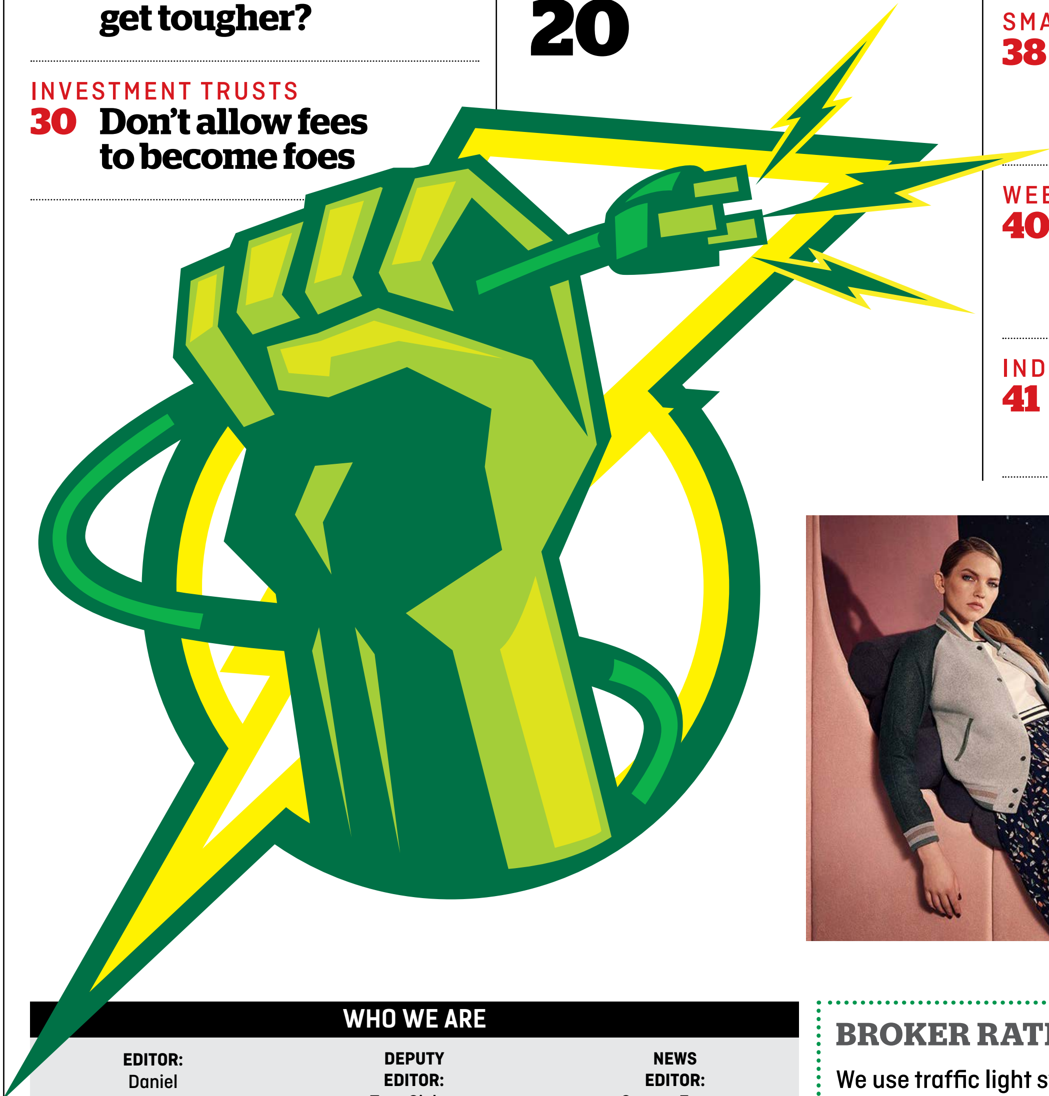

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BROKER RATINGS EXPLAINED:

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.

EasyJet could benefit from Ryanair and Monarch problems

We explain why investors are racing to buy shares in the low cost airline

Low-cost airline **EasyJet (EZJ)** could benefit from the recent drama surrounding its rivals **Ryanair (RYA)** and Monarch.

Ryanair has dominated the headlines over the past few weeks after cancelling thousands of flights due to an issue with pilots' rosters. That's caused severe brand damage and could prompt travellers to shun the airline near term.

The damage is not yet evident in its passenger statistics as the latest figures (3 Oct) show a 10% hike in customers to 11.8m in September.

The UK's fifth largest airline Monarch went into administration on 2 October, leading to the cancellation of 300,000 future bookings. That effectively creates an opportunity for other airlines to capitalise on reduced competition.

EasyJet is widely expected to be among the airlines interested in acquiring assets from Monarch out of administration with airport slots seen as one of the major prizes.

HOW HAS THE STOCK MARKET REACTED?

We've looked at how airline share prices have moved over the past three weeks which encapsulates the full period of industry disruption.

Ryanair is down 6% to €16.92, EasyJet is up 6% to £12.83, **Wizz Air (WIZZ)** is up 4% to £30.10 and British Airways' owner **International Consolidated Airlines (IAG)** is up 1% to 608p. The market is clearly pricing in a more favourable position for EasyJet.

BULL AND BEAR CASE

UBS analyst Jarrod Castle says EasyJet is likely to benefit from Ryanair's issues as the customer base overlaps more with Ryanair's than British Airways.

Castle is also encouraged by EasyJet's planned investment in a new cloud-based data hub that should provide personalised offers and information to travellers.

However, not everyone is impressed. Canaccord Genuity analyst Nigel Parson concedes that increased digitisation should improve efficiency and cost reductions, but he argues that the company faces some 'harsh realities'.

'The problem for EasyJet is that passenger yields are under pressure and likely to remain so in the near term,' says Parson.

He says competition at many of the airline's bases has increased significantly in recent years and that this is expected to continue.

Despite the recent flight cancellations and reduced capacity growth, Parson reiterates Ryanair as his top choice due to its 'cost base, superior margins and strong growth into primary and higher yielding airports'. (LMJ)

Total airline spend is up by approximately 1% over the last 12 months, according to analysis by UBS.

'British Airways seems to be capturing most of the increase as spend is up ~5% year-over-year, whereas EasyJet and Ryanair are down ~6% and ~1% respectively (likely due to pricing).

'We expect that British Airways continues to benefit from fare mix between long haul and short haul as well as premium vs economy passenger seats,' concludes the investment bank.

Boost for housebuilders and real estate firms

Help to Buy extended and two opportunities to back property investors' plans

The real estate space is grabbing investors' attention once again. Shares in housebuilders are marching higher on the promise of further state support for the sector and two real estate investment trusts (REITs) have announced substantial fundraising plans.

Among the key early takeaways from the Conservatives' annual conference in Manchester was a £10bn extension to the 'Help to Buy' programme as the party looks to win over younger voters who are increasingly gravitating towards Labour.

FAVOURED HOUSEBUILDER IS A BIG WINNER

We wrote about affordable homes specialist **MJ Gleeson (GLE)** in last week's issue of *Shares* (28 Sep 2017), noting two thirds of its customer base made use of Help to Buy. It is seen to be one of the biggest beneficiaries of the scheme extension.

Social housing investor **Civitas Social Housing (CSH)** has announced plans (28 Sep) to raise £350m to help it take advantage of an identified £500m investment pipeline in its space.

The investment trust is focused on providing accommodation for individuals with specific needs, such as those with disabilities or which are coming out of prison.

CIVITAS SOCIAL HOUSING RAISING £350M

This is Civitas' first fundraise since a £350m oversubscribed IPO (initial public offering) last November.

To avoid the value of its existing portfolio being diluted the investment trust is raising the money through the issue of C shares which will receive a fixed quarterly dividend of 3% a year.

The C shares will convert to ordinary shares after a year or when 90% of the proceeds have been invested. A prospectus for the new issue is expected in mid-October.

BOTTOM-UP APPROACH

A more modest sum is being raised by real estate investment trust **AEW UK REIT (AEWU)** which has already published a prospectus on its £40m-to-£60m issue (28 Sep).

The REIT invests in a range of commercial properties from industrial units to offices and shops. The focus is on properties in areas with good supply and demand dynamics, typically with tenants on shorter than average leases.

AEW UK REIT RAISING £40M TO £60M

Portfolio manager Alex Short says there is a 'big pipeline of potential assets'. She adds more limited direct competition in this part of the market means it is not too difficult to find opportunities offering sufficiently generous yields to underpin a promised yield from the REIT of 8%. (TS)

Land of the rising dividends

Average dividend growth among Japan's equities is running at **12.4%**

Japan trumps US, Europe and emerging markets on shareholder rewards

Some of the world's best dividend opportunities can be found in a surprising place. While investors might presume Silicon Valley's tech hub, London's financial centre or exciting emerging markets might provide top payout options, one of the winners is that old electronics industrial workhorse Japan, according to research by investment bank UBS.

The study finds that Japanese companies rank highly for dividend growth, safety and value when compared to other global regions. The data shows average dividend growth among Japan's equities is running at 12.4%, more than twice the pace of emerging markets or the Asia ex-Japan area, with US (6.1% average) and Europe (6.9%) also trailing.

Interestingly, Japan also ranks top when it comes to income security. The likelihood of declines in Japanese corporate payouts runs at 7% versus the 7.2% risk of a dividend cut to US equities. The figure stands at 10.3% in Europe.

Yet this high growth and low risk combination has not resulted in expensive valuations for Japan's dividend equities, according to the UBS study.

'There are three regions where yield appears cheap,' the research states, going on to name 'emerging markets, Japan and Europe.'

Three of the best performing Japan focused funds this year include **First State Japan Focus Fund (GB00BWNGX432)**, **Fidelity Institutional Japan (GB0003371399)** and **Baillie Gifford Japanese (GB0006011133)**, according to performance data from Morningstar. (SF)

Our top picks of the year continue to outperform

The average performance for our 10 stocks is much better than the return from the FTSE All-Share

OUR TOP PICKS for the year continue to outperform the wider market as we enter the final quarter of 2017. Our portfolio is up by 10.7% on average versus 7% gain from the FTSE All-Share.

We have taken profit on two of the best performers – oil company Ithaca Energy (which was taken over earlier this year) and software firm **Ideagen (IDEA:AIM)**.

Among the rest, high end chocolate retailer **Hotel Chocolat (CHOC:AIM)** recently announced its maiden dividend off the back of better than expected full year results (27 Sep).

Support services firm **Serco (SRP)**, whose share price has struggled this year, was recently subject to positive broker comment from Shore Capital which noted 'green shoots' of recovery were starting to emerge for the business. (TS)

SHARES' 10 FOR 2017 PORTFOLIO

Company	Entry price (p)	Price now (p)	% gain / loss
Ideagen	64.25	93.5**	45.5
Devro	165.5	240.25	45.2
Ithaca Energy	86	118.5*	37.8
DCC	5850	7205	23.2
Hotel Chocolat	281.5	314.75	11.8
RSA Insurance	565	620	9.7
ITV	194.6	175.04	-10.1
Tracsis	520	428.8	-17.5
Serco	141	115.8	-17.9
Capital Drilling	49.9	39.45	-20.9
			106.8
AVERAGE			**10.7**
FTSE All-Share	3798.38	4064.89	**7.0**

Entry prices taken 16 Dec 2016

Latest prices taken 2 October 2017

*We took profit on 9 Feb following Delek's takeover bid

**We took profit on 25 May 2017

AIM superstar expands into insurance sector

New earnings driver for CVS whose shares are up nearly 16-fold in value since 2010.

1,480%

Roll-over for chart

ONE OF THE most successful AIM stocks has expanded into the pet insurance market, although the move isn't expected to boost earnings until its financial year ending June 2019.

CVS (CVSG:AIM) says the response from customers since launching insurance under the name of MiPet Cover in August has been 'very positive'. It also says the provision of insurance has 'significant long term potential' for the business.

The company is best known for running veterinary practices. Shares in CVS have increased by 1,480% in value over the past seven years.

RISE IN NUMBER OF BILLIONAIRES COULD AID GYG

195

SUPERYACHT REFITTING firm **GYG (GYG:AIM)** may well be immune from any economic downturn, according to the company's chief executive Remy Millot. He claims GYG is in the billionaire end of the market which he claims is 'protected' from global economic woes.

With 195 new billionaires this year according to *Forbes*, GYG may be in good position to capitalise on this wealth accumulation. That's assuming they buy superyachts.

A stable for unicorns

THE UK IS punching its weight when it comes to building 'unicorns', namely fast growing businesses valued in excess of $1bn-plus. Technology advisory GP Bullhound says the UK boasts 22 of the 57 such companies in Europe, significantly outpacing entrepreneurial hubs Germany (7), Sweden (7) and Israel (5).

UK listed unicorns include **ASOS (ASC:AIM)**, **Boohoo (BOO:AIM)**, **Just Eat (JE.)**, **Purplebricks (PURP:AIM)**, **Rightmove (RMV)** and Zoopla – now called **ZPG (ZPG)**. Other popular UK names not listed on a stock market include Deliveroo, Funding Circle, Shazam, Skyscanner and Wonga.

Fill up on Greencore while the market is feasting elsewhere

Shares in sandwiches-to-soups maker have been oversold

Share price weakness at sandwiches, salads and chilled soups supplier **Greencore (GNC)** presents a tasty buying opportunity for growth and income seekers.

The convenience foods maker's margins and cash flows have come under pressure in recent years due to high levels of investment, yet Greencore is a business with strong fundamentals entering a period of nourishing returns.

GO-GO GROWTH

Greencore is a leading provider of food-to-go and grocery products, supplying own-label products to all the major UK supermarkets.

Following December 2016's £594.3m acquisition of Peacock Foods, Dublin-headquartered Greencore is now also a leading manufacturer of consumer packaged goods for major food brands in the US, among them Kraft Heinz, and produces products for US convenience retail and food service leaders.

GREENCORE BUY
(GNC) 184.6p
Stop loss: 147.7p

Market value: £1.28bn

Sentiment towards Greencore is poor following the loss of its Starbucks frozen products contract. A precautionary product recall in the US has also weighed on sentiment.

Margins have been impacted by input cost and wage inflation in the UK, while free cash flow has been hampered by major capital expenditure projects to support growth.

RECOVERY TIME

Why are we bullish on the stock? Well, Greencore's competitive strengths and growth potential are currently underappreciated by the market.

Food-to-go is one of the fastest growing parts of the UK food industry, underpinned by changes in consumer behaviour.

Major projects to support new wins with key customers are entering the final stages of delivery, meaning Greencore's spending will fall, free cash flow should rise and debt levels can be reduced.

Frozen breakfast sandwiches-to-chilled meals maker Peacock has transformed Greencore's business across the pond.

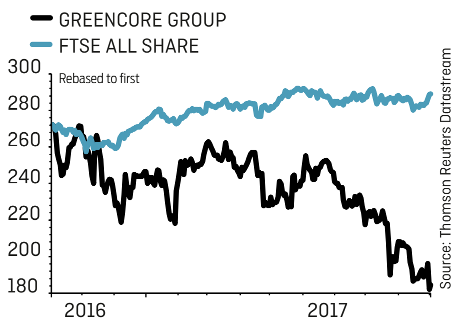
Providing a growth platform of real scale, Peacock has strengthened the US management team and gears Greencore into a trend towards outsourced manufacturing among US consumer packaged goods giants.

Numis Securities has a 'buy' rating and 300p price target for Greencore, expecting an increased focus on margin growth, cash generation and improving returns going forward.

For the year to September 2017 – the results are due next month (28 Nov) – Numis forecasts improved pre-tax profit of £117.3m (2016: £85.9m) ahead of £147.4m and £163.3m in fiscal 2018 and 2019 respectively.

Based on forecast September 2018 earnings per share of 17.5p (2017: 15.9p) and a 6.18p dividend (2017: 5.5p), Greencore's growth prospects are materially undervalued on a PE of 10.5 times with a nourishing yield of 3.3%. (JC)

BROKER SAYS: 10 0 0



Allergy Therapeutics is really exciting

The allergy specialist has an interesting pipeline and significant catalysts ahead

For people who love the warmer months, allergies can really get you down, whether it's the constant sneezing, the itchy eyes or the endlessly runny nose while sprinting for the bus.

One company trying to eradicate the frustrating side-effects of allergies is **Allergy Therapeutics (AGY:AIM)**, a business which generated £69.9m in revenue in the 12 months to 30 June 2017.

It sells proprietary and third party products in nine major European countries and via distribution agreements in an additional 10 countries.

Its pipeline of products in clinical development includes vaccines for grass, tree and house dust mite.

PEANUT ALLERGY MARKET AN '$8BN MARKET OPPORTUNITY'

Allergies aren't just associated with people getting cold-like symptoms. Some allergic reactions can be life threatening such as anaphylaxis which can be triggered by certain foods such as peanuts.

Allergy Therapeutics has developed a vaccine called Polyvac which it hopes will cure peanut allergies, although it is still in early stages of testing.

If the company is eventually successful with the trials, the allergy specialist could tap an $8bn worldwide market opportunity.

ALLERGY THERAPEUTICS
(AGY:AIM) 32.3p
Stop loss: 25.8p

Market cap: £254.8m

BIRCH POLLEN TREATMENT SET TO DRIVE SALES IN EUROPE

One of the key catalysts for the company is Phase III trial results for its Pollinex Quattro (PQ) Birch immunotherapy to treat symptoms from birch pollen, which can cause hay fever.

Approximately one in four people in the UK are allergic to pollen from trees, according to the NHS. Hay fever sufferers particularly struggle when tree pollen is at its worst between late March and mid-May.

PQ Birch is already being sold in Europe on a restricted basis but the company wants approval across Europe in 2019 to expand its scope and boost sales.

Allergy Therapeutics is expecting the Phase III trial data in the second half of 2018 and hopes to also use it for approval in the US.

If Allergy Therapeutics is the first to launch PQ Birch in the US by 2022, Stifel analyst Christian Glennie estimates $400m in peak sales with a 20% to 25% market share.

Another important step for the company is to complete the Phase II dose-ranging study of PQ Grass, an injection that aims to cure grass pollen-induced allergic rhinitis, which causes inflammation of the inside of the nose.

Investors should appreciate that pharmaceutical companies spend a lot of money on product development, hence why Allergy Therapeutics is forecast to have negative free cash flow for at least the next three years.

You should only invest in the stock if you have an appetite for risk and understand that any gains will come in the form of a rising share price and that dividends are unlikely for the foreseeable future. (LMJ)

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XP POWER
(XPP) £28.38

Gain to date: 17.7%
Original entry point:
Buy at £24.11, 6 July 2017

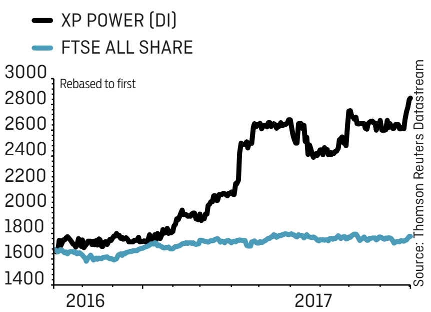
THE POWER SWITCHING tools designer has returned to the acquisition trail nearly two years after its last foray. The $23m (£17m) purchase of US-based radio frequency (RF) power supplies business Comdel looks like a sensible move, in our view.

The acquisition opens up a new market segment for **XP Power (XPP)**, with typical applications in plasma-welding and both dielectric and induction heating.

Research group Edison says the Comdel acquisition will increase XP Power's exposure to the semiconductor manufacturing industry. It says there is some customer overlap between XP and Comdel but no product overlap.

Comdel will add about 8% to XP's group revenues in 2018 and 2019, according to forecasts from investment bank Investec, and mid-single digits to earnings. That implies earnings per share of 144.4p next year to 31 December 2018, putting the shares on a forward price to earnings multiple of 19.7.

Shares in the company have enjoyed a firm run since our original feature in early July, although we also remind readers of the stock's attractive 2.9% yielding dividend (2018), paid quarterly.



SHARES SAYS: ↗
Investec has again raised its target price which now sits at £31.30. We expect more steady progress from the shares. (SF)

BROKER SAYS: 3 0 0

IMPERIAL BRANDS
(IMB) £31.55

Loss to date: 17.7%
Original entry point:
Buy at £38.33, 27 April 2017

OUR BULLISH CALL on **Imperial Brands (IMB)** may be 17.7% in the red, but we're staying positive on the tobacco multinational for its resilient earnings and robust cash flows, which stem from strong brands such as *Davidoff*, *Gauloises Blondes* and *JPS* cigarettes and *Montecristo* cigars.

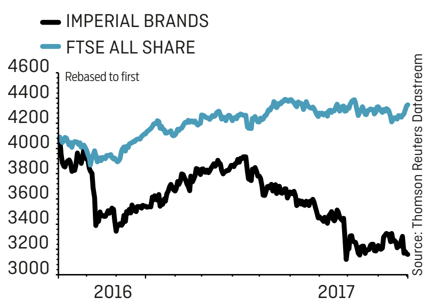
Sentiment towards the £30.25bn cap is presently poor. Investors are fretting over regulatory changes in the US and a relative lack of presence in certain Next Generation Product (NGP) segments.

But our enthusiasm has been reinforced by research from Investec Securities. The broker is a buyer with a £43.60 price target which implies 38.2% upside for one of its top consumer staples picks.

Imperial's pre-close trading update (28 Sep) confirmed the tobacco titan is on track to meet full year expectations and is gearing up for new NGP launches in full year 2018.

Investec believes 'these will remain focused on e-vapour and the *blu* brand, but the company could yet surprise with launches in other areas. We think Imperial, if it so wished, could launch a heat-not-burn product within one year and at an easily manageable cost.'

Imperial is rebounding from several weaker years as it migrated smokers to fewer, stronger brands.



SHARES SAYS: ↗
Stay positive on the mega cap for its defensive characteristics, strong cash generation and growing dividend. (JC)

BROKER SAYS: 2 0 0

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Newly-listed retailer targets five-fold increase in sales

Fast fashion womenswear seller Quiz has joined the stock market ahead of a big growth push

Given a UK consumer slowdown, the inexorable channel shift to the web and cut-throat competition amongst clothing retailers, investing in a 'fast fashion' womenswear outfit engaged in a physical store roll-out might not appeal to every investor.

So how has **Quiz (QUIZ:AIM)** managed to capture investors' interest and successfully joined the stock market (July 2017) despite the difficult backdrop for the retail sector? To answer this question, let's take a closer look at the business.

Glasgow-headquartered Quiz is among a new breed of ultra-fast fashion brands disrupting the retail market place. Think **ASOS (ASC:AIM)** and **Boohoo.com (BOO:AIM)** rather than **Marks & Spencer (MKS)** or **Bonmarche (BON)**.

Fast fashion is essentially retailers constantly producing new designs to feed a hungry market for womenswear. It involves a greater number of orders being placed at the last minute, typically taking inspiration from what celebrities have been wearing.

Quiz specialises in occasion wear and dressy casual wear that helps females, mainly in the 16-35 year old age bracket, stand out from the crowd.

Distinctive, glamorous own-brand lines are growing rapidly. And just like fast-fashion winners ASOS and Boohoo, Quiz boasts a burgeoning social media following and is successfully leveraging celebrity and blogger collaborations to raise brand awareness and boost sales.

PREVIOUS STRUGGLES

The business went into administration in 2009 after struggling with high rental costs and difficult trading conditions. The Ramzan family (which includes the founder and various directors) immediately bought back the majority of the business. Eight years later Quiz is in good health.

'We see ourselves as an omni-channel version of the online pure plays that are out there,' says chief commercial officer Sheraz Ramzan.

'We tick all the boxes of social media, fast fashion and value. We have a very strong occasion wear offer – proms, weddings and nights out – and a strong casual dress offer. And the Quiz brand has got wide appeal. Go into our stores and you'll see three generations of women shopping with us.'

Quiz constantly develops its own product lines, ensuring the latest glamorous looks are available at value prices. Today, Quiz trades in 300-plus outlets globally – including standalone stores, concessions with the likes of **Debenhams (DEB)** and House of Fraser, franchise stores, wholesale partners and international online partners including Zalando.

Online only accounted for 13% of last financial year's sales but there is rapid growth in this channel.

QUIZ's product development cycle and fast-fashion supply chain model

Styles & trends indentified & developed	Fabric sourcing & sampling process	Product manufacturing	Transport product to QUIZ	Products allocated to stores & online
In-house team selects designs	*1 – 5 days*	• *Up to 7 - 10 days in the UK* • *7 – 21 days in the Far East*	• *1 – 2 days from UK* • *Up to 5 days from Far East by air* • *Up to 28 days from Far East by sea*	*1 – 2 days*

Source: Panmure Gordon/QUIZ

SPENDING MORE MONEY ON MARKETING

July's stock market listing raked in £9.4m of new money after fees which will help Quiz grow its market position at home and overseas. It plans to significantly increase marketing spend to help accelerate sales growth.

The growth potential is arguably huge as Quiz's share of the £7.3bn UK womenswear value clothing sector alone is still tiny.

The £220m cap has significant online potential, rising brand awareness, helped by the UK store presence and increasing online activity, as well as the well-invested infrastructure to support planned growth.

Physical stores are important to Quiz's omni-channel model; it currently trades from 67 standalone UK stores and there's long term potential for a disciplined rollout to 110-120 locations.

Furthermore, it now has a flexible store estate centred on short leases, which limits exposure to costly upward rent reviews.

Sheraz Ramzan says: 'The stores are an important part of the strategy but the main drivers are online and international.' The latter channels are presently generating compound annual growth rates north of 40%.

TEST AND REPEAT MODEL

Quiz has a durable competitive advantage over many of its peers thanks to the rapid speed by which it can produce items to meet the latest fashion trends.

Its test and repeat model is similar to BooHoo's in that both companies do a small amount of orders to gauge customer demand and they only proceed with large orders for the most successful items.

This helps to limit the risk of having goods that are suddenly out of fashion and avoid having lots of unwanted stock that has to be sold at a discount, thus hurting profit margins.

Quiz achieves 62.7% gross margin and 9.1% EBIT (earnings before interest and tax) margin, according to stockbroker Panmure which has analysed a range of retailers' latest reported financial results.

In comparison, online rival ASOS has 50% gross margin and 4.4% EBIT margin; and physical store rival New Look has 51.3% gross margin and 5.3% EBIT margin.

FUTURE DIVIDEND PAYER

Quiz is cash generative with an ungeared balance sheet which not only supports growth ambitions but also provides protection should trading become tougher.

The company's shares may interest income and growth investors alike as progressive dividends are on the horizon.

'We've always been debt averse over the years,' says Sheraz Ramzan. 'We've always wanted to be a lean, fast-moving company that is flexible in every area.'

TARGETING FIVE-FOLD INCREASE IN SALES

The company has outlined an initial ambition to build a £500m+ revenue brand in the medium term and a global omni-channel presence. To put that in context, Quiz generated £89.8m sales in the year to 31 March 2017.

Panmure Gordon analyst Peter Smedley forecasts sales to hit £116.4m in the year to March 2018 and £150.5m in the year after. That translates into pre-tax profit of £10.3m in 2018 and £12.6m in 2019.

The shares at 178p currently trade on 27.8 times forecast earnings for the current financial year. That's a high rating to reflect its fast growth potential but nowhere near the 70.5 PE (price to earnings) ratio for BooHoo and 78.6 PE ratio for ASOS.

SHARES SAYS:
We acknowledge that retailers are very much out of favour with investors at present. That could weigh on Quiz's share price near term. However, longer term this certainly looks like an interesting investment. (JC)

HOW TO USE STOP LOSSES TO PROTECT YOUR PORTFOLIO

We explain a simple way to avoid losing lots of money on the market

Investors can minimise their losses on the market when things go bad by setting up a stop loss order. It is a trigger to sell an investment should the price fall below a certain level.

For many people -20% is deemed the appropriate level. We would apply a -30% stop loss for more illiquid stocks.

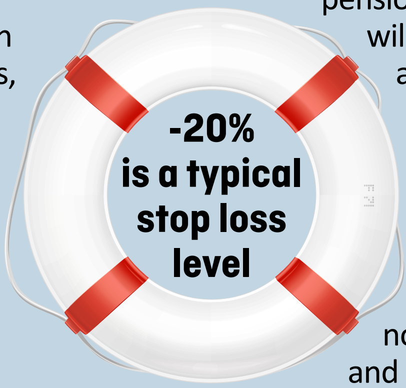
It is a form of protection but not a guarantee that you will never lose money. There are also downsides in that you might exit an investment only for it to suddenly recover in value and thus you lose out.

The benefits of capping unforeseen share trading losses are fairly obvious, if they work as planned.

Implementing a stop loss may also help an investor feel more at ease with the inherent risk of buying and selling shares, investment trusts or exchange-traded funds.

It suggests someone doesn't have to monitor daily movements in their investments. That might mean getting a better night's sleep.

In this article we discuss the pros and cons of using stop losses and the other ways in which you can help avoid incurring a large dent in the value of your portfolio or losing previously-made gains.



WHAT IS A STOP LOSS?

A stop loss is an order placed with your stock broker or online share dealing platform that will automatically trigger an order for a specified investment to be sold once it falls to specific price or percentage below a level set by yourself.

You typically set up a stop loss after you've bought a share, investment trust or exchange-traded fund. Many ISA, Sipp (self-invested personal pension) and Dealing Account providers will let you have a stop loss in place for a set period of time, typically up to 90 calendar days.

During this period you can amend or cancel the stop loss, provided it is not in the process of being executed.

There shouldn't be a charge to place a stop loss but you will pay the normal dealing fee when it is triggered and your investment is sold.

Your platform provider will attempt to sell your investment once the stop loss has been triggered, but there is no guarantee that you will sell AT the stop loss price. This is extremely important and something that is misunderstood by many investors.

As an example, let's say you buy a stock at 150p and you would like to sell it if the price drops by 10% from the point of purchase.

You issue a stop loss order at 150p minus 10%, or 135p. If the share price reaches 135p, the stop loss triggers a market order to sell the shares at the next available price.

Most mid and large stocks are liquid enough to avoid delays in finding a buyer for your investment. Most of the time, the trade should be instantaneous. Smaller companies can be more illiquid so you may encounter periods when you can't execute a sell trade or your broker ends up selling the stock at a lower than desired price.

THE PERILS OF PROFIT WARNINGS

The other issue to consider is that your stop loss might be set far higher than the price at which a company starts trading on a day when it issues very bad news.

For example, the company in our previous example issues a profit warning and its shares plunge 30% at the market open to 105p. Your stop loss was set at 135p.

The first opportunity your broker has to sell your shares is 105p; hence you will exit the trade at a lower than desired level.

IS THERE SUCH A THING AS A GUARANTEED STOP LOSS?

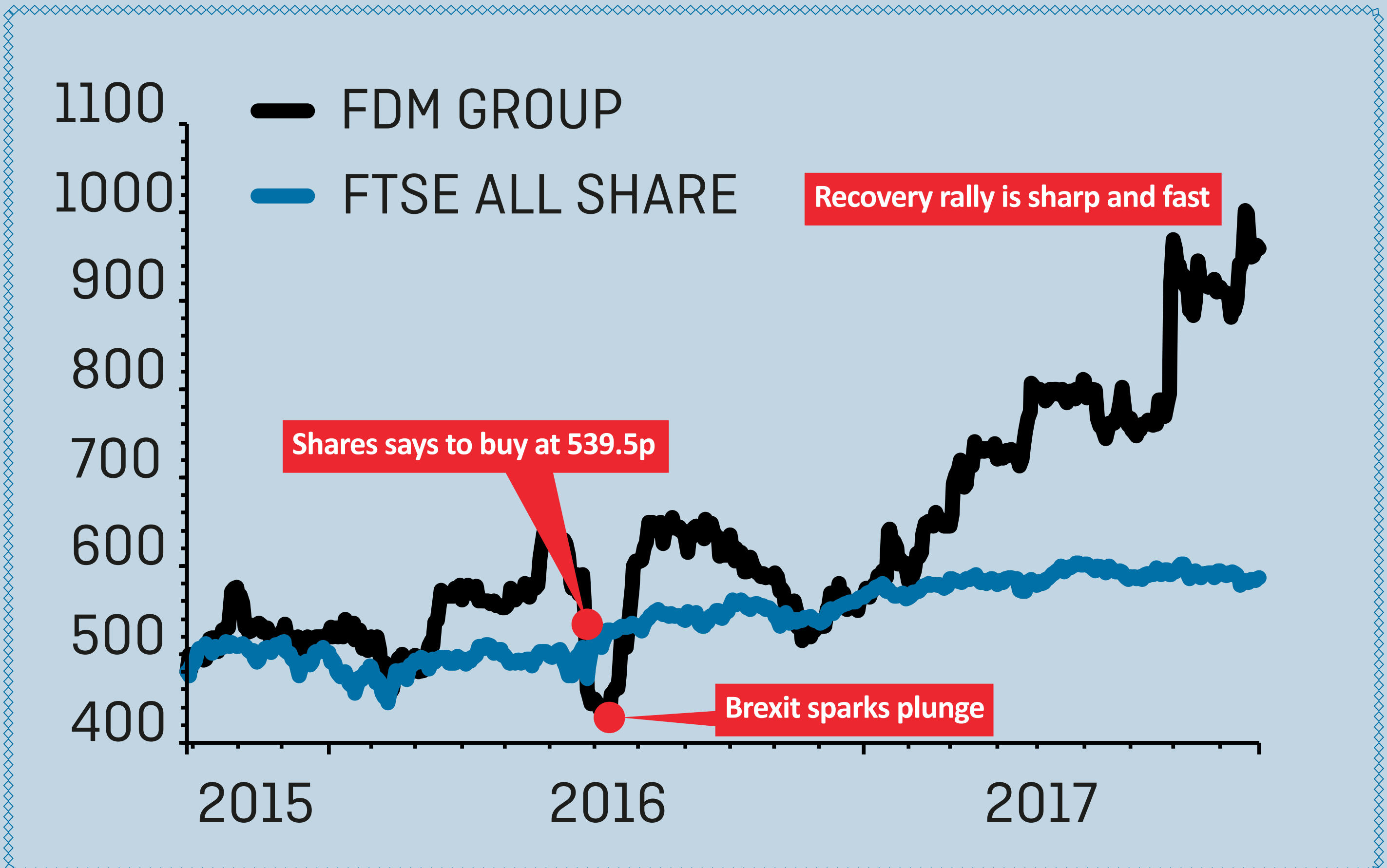
One solution to this problem is to use a 'guaranteed stop loss' which gets you out of the trade at the desired price.

This facility is only available to people trading the markets via contracts for difference or spread betting, which are very high risk activities. To give you an example of the associated costs, trading platform provider IG says it charges 0.3% of the underlying transaction value in order to have a guaranteed stop loss.

Another issue may be a short-term market shake-out triggering your stop loss, only for the shares to recovery in the subsequent days and weeks. That locks in a loss that might have been ridden out in time.

IT consultancy **FDM (FDM)** is a classic example. In March 2016, we flagged the shares at 539.5p. In June 2016 the Brexit result sparked a massive sell-off in the share price, falling to 432p.

Anyone who bought FDM at 539.5p and had a 10% stop loss would have had a sell order triggered at 485.55p and missed out on an impressive and rapid recovery. Yet half year results in July bolstered confidence and the recovery accelerated, the stock hitting 654p by early August. FDM has subsequently risen further.

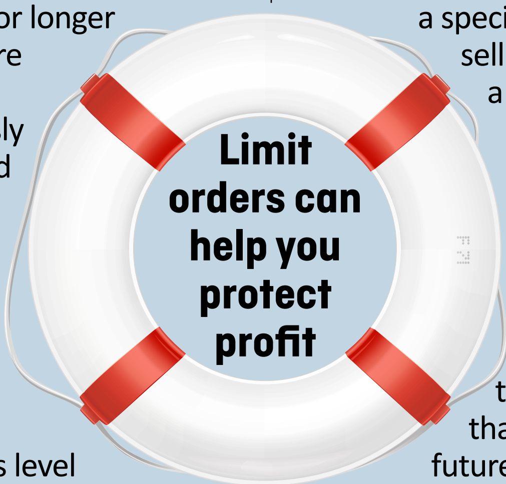


WHO SHOULD USE STOP LOSSES?

Chris Beauchamp, chief market analyst at IG, says anyone trading the market on a short-term basis should use stop losses. As for longer term investors, their usage is more open to debate.

You don't want to get needlessly pinged out of an otherwise sound investment simply because the market has run into a spell of volatility.

Investors who like the idea of stop losses might look at a one-year share price chart to get an impression of how volatile a stock might be and set a stop loss level accordingly.



OTHER FORMS OF 'PROTECTION'

A few investment platforms offer trailing stop losses which protect gains by enabling a trade to remain open and continue to profit as long as the price is moving upwards. The trade closes out if the price falls by a specific percentage or more.

More common is the ability to place a limit order. This is an order to sell – or buy – a share, investment trust or exchange-traded fund at a specified price or better. In terms of selling a share, it tends to be used as a way to lock in profit rather than minimise loss.

For example, you might have bought a company at 400p and the highest price at which it has traded over the past 12 months is 500p. You might set the limit order to sell the stock at 505p in the hope that the shares will break that 12 month record in the near future. The limit order means you will sell at 505p or more.

The price at which you sell depends on the best possible price obtained by your broker once they've got the instruction to sell.

Please note that your broker won't guarantee they fulfil your limit or stop loss order; as it all depends on market factors such as liquidity. (SF)

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AJ Bell FIT Awards 2017

Approximately 6,600 votes were cast by investors and financial advisers for the best fund and investment trusts in a new set of awards run by AJ Bell. We're pleased to announce the winners.

"The AJ Bell Fund and Investment Trust (FIT) awards were born out of an observation that there are an increasing number of people looking for help and guidance when it comes to fund selection,' says Andy Bell, chief executive of AJ Bell.

'Although past performance was not the primary focus, it is telling that the portfolio of winners has doubled its money over the past five years. We hope the winners list will be able to help people with their research and encourage more people to engage in fund investing.'

CATEGORIES	WINNERS	3 year annualised return	5 year annualised return	Value of £1,000 invested 5 years ago
UK Equity	Liontrust Special Situations Fund	12.55%	13.30%	£1,867
European Equity	Jupiter European Fund	19.51%	18.11%	£2,298
North American Equity	Schroder US Mid Cap Fund	19.34%	19.21%	£2,407
Asian Equity	Stewart Investors Asia Pacific Leaders Fund	12.02%	12.12%	£1,772
Japan Equity	Baillie Gifford Shin Nippon PLC	32.62%	31.85%	£3,984
Emerging Markets Equity	JP Morgan Emerging Markets	14.77%	11.17%	£1,698
Global Equity	Fundsmith Equity Fund	25.20%	22.23%	£2,782
UK Smaller Companies	Standard Life UK Smaller Companies Trust PLC	17.69%	17.60%	£2,249
Commodoties/Resources	BlackRock Gold and General Fund	8.51%	-3.37%	£843
Technology/Biotech	Polar Capital Global Technology Fund	28.27%	23.52%	£2,875
Property	F&C Commercial Property Trust	10.62%	12.95%	£1,838
Bonds	M&G Emerging Markets Bond Fund	14.04%	9.78%	£1,595
Income	City of London Investment Trust PLC	8.33%	11.42%	£1,717
Ethical	Kames Ethical Cautious Managed Fund	6.15%	9.09%	£1,545
Specialist	First State Global Listed Infrastructure Fund	17.79%	16.62%	£2,158

Total return on £15,000 split equally across all funds: **£31,628**

HOW TO INVEST IN THE ELECTRIC VEHICLE REVOLUTION

The electric vehicle (EV) revolution has moved up a gear over the past few months as Britain and France confirm plans to phase out the sale of diesel and petrol cars by 2040.

Car manufacturers such as Volvo and Jaguar Land Rover are developing electric or hybrid vehicles as fast as they can; and even non-car companies including vacuum cleaner specialist Dyson are moving into the electric vehicle space. Furthermore, airline **EasyJet (EZJ)** now says it could be flying electric planes within a decade.

This rapid acceleration of activity presents an opportunity for investors to hitch a ride on one of the biggest industrial and technological developments in the world for a long time.

In this article we discuss the likely winners and losers on the UK stock market from the electric vehicle revolution, as well as looking at ways to play the space through investment trusts.

We will look at a wide range of industries, from car part suppliers and service companies to miners hoping to dig up the raw materials needed to power electric vehicle batteries.

WHY IS THE WORLD MOVING TO ELECTRIC VEHICLES?

There are several reasons why the world is shifting from combustion engines to electric vehicles.

First, it has been proven that electric vehicles can perform as well as their petrol equivalents. Lithium-ion battery costs are falling, and this has prompted the car industry to believe that electric vehicles can eventually become affordable to the mass market.

Second, anti-pollution legislation in many parts of the world is forcing the automotive industry to change. Europe is introducing stricter limits on carbon dioxide emissions from 2021, for example.

'Air quality concerns have been a big driver from a legislative point of view,' says Marcus Stewart, head of energy insights at **National Grid (NG.)**. 'Governments have jumped on the bandwagon. Technology was taking us there anyway.'

Like any significant development, there are a few negative issues to overcome. You have to think about how electricity is generated in order to power electric vehicles. Parts of the world are heavily reliant on coal-fired power stations to produce electricity, so using that source to power electric vehicles is clearly counterintuitive from an environmental perspective.

You then have to think about how vehicles will be charged. At present there are very few charging stations for electric vehicles in major cities, let alone rural areas. For example, China has some charging stations in car parks but only in a small fraction of its overall parking facilities.

In the UK you're more likely to see charging points on someone's house than in city centres. More on the charging debate later in this article. For now, let's discuss how companies on the UK stock market fit into the equation.

OUR TOP BUYS TO PLAY THE ELECTRIC VEHICLE THEME

UK-LISTED STOCKS AND INVESTMENT TRUSTS

AB Dynamics	Testing systems for motor industry
Bacanora Minerals	Near-term lithium producer
Glencore	Aluminium, cobalt and nickel producer
Johnson Matthey	Battery technology developer
Scottish Mortgage Investment Trust	Its second largest holding is electric vehicle pioneer Tesla

OVERSEAS-LISTED STOCKS

Infineon Technologies	Large cap semiconductor manufacturer listed in Germany
Albemarle	Battery-grade lithium supplier listed in the US

SWITCHING FROM AN internal combustion engine vehicle to an electric vehicle reduces the cost per mile by 55% from $0.88 per mile to $0.40 per mile for the owner of the vehicle, according to research group Edison.

'Given that almost all of the drives made are done so for a purpose, we think that the economics of EVs are likely to vastly outweigh any lingering preferences for the old style of vehicles resulting in an almost complete conversion of the market once EVs hit economic scale and the right infrastructure is in place,' it adds.

VEHICLE MANUFACTURERS

There are no vehicle manufacturers on the UK stock market. UK investors will need to buy shares in overseas-listed stocks in order to have electric vehicle manufacturers in their portfolio. The alternative is to buy an investment trust or fund which has stakes in some of the players, although you would have to consider the manufacturer(s) may only be a small proportion of the fund.

Our top pick in this situation is to buy **Scottish Mortgage Investment Trust (SMT)**. Its second largest holding is Tesla, the American company which is considered to be one of the pioneers of the electric vehicle industry.

Tesla hopes its Model 3 car will push EVs into the mainstream. Model 3 is already out in the US (on a small scale) and is expected to be sold in the UK from 2019. Later this month Tesla will unveil an electric heavy-duty haulage truck called Semi.

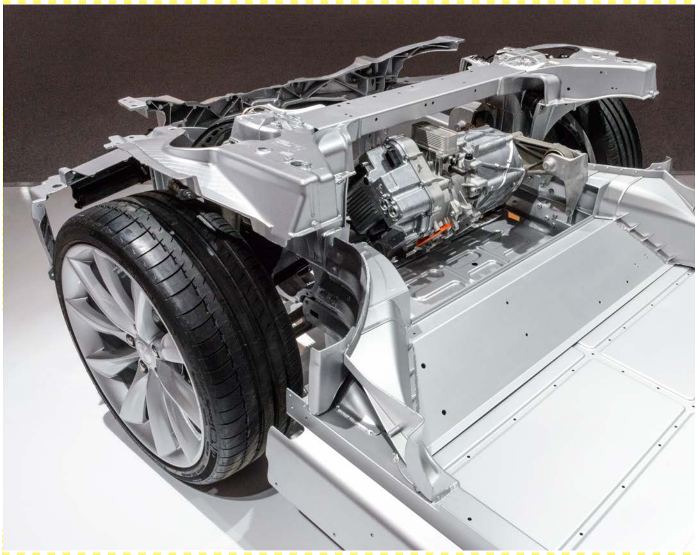
VEHICLE PARTS AND ASSOCIATED SERVICES

Electric vehicles are far less complex mechanically than combustion engine vehicles, although electronic complexity is higher. In a nutshell, there are far fewer bits to drive an electric vehicle. For example, investment bank UBS claims there are 24 moving parts in electric vehicle Chevy Bolt's powertrain versus 149 in the VW Golf.

UBS also believes an electric vehicle like the Chevy Bolt could almost be maintenance-free. 'Not only do fewer parts need to be replaced over the car's life, it also does not require a regular change of fluids, such as engine oil.'

That's very important. It implies a significant reduction in revenue for companies which provide spare parts or maintenance services. For example, car dealerships typically generate more than 40% of their gross profit in service and maintenance.

> INVESTMENT BANK UBS BELIEVES AN ELECTRIC VEHICLE COULD ALMOST BE MAINTENANCE-FREE. NOT ONLY DO FEWER PARTS NEED TO BE REPLACED OVER THE CAR'S LIFE, IT ALSO DOES NOT REQUIRE A REGULAR CHANGE OF FLUIDS, SUCH AS ENGINE OIL



Clearly such an impact is not going to be felt in the next few years, but we believe the market will eventually start to price in a tougher future for non-vehicle sales income for car dealerships.

THE ENGINEERS

Two stocks already being scrutinised by investors for how they will adapt in an EV world are automobile engineers **GKN (GKN)** and **Ricardo (RCDO)**. The former supplies drivelines to car manufacturers, enabling power to be delivered from the engine to the wheels. Ricardo undertakes a wide range of work including emissions testing for cars and engine design and testing, as well as work in the rail and water sectors.

Shares in Ricardo went through a lengthy weak period earlier this year as investors started to question if EV posed a longer-term structural threat to its business, given heavy exposure to the combustion engine.

Ricardo believes that full scale electrification will not happen but it isn't sitting on its hands. 'There is a lot of invested capital in engines around the world,' says Ricardo. 'Car manufacturers still need to produce excellent engines with low emissions. But in a worst case scenario we would just do EV and hybrid work which represented 17% of our order intake in the last financial year.

'We've done EV work since 2000 and have growing expertise,' adds the company. 'On the hydrogen side, we are working with Toyota on a hydrogen truck and we also design battery packs.'

Ricardo says it has been talking to unnamed parties about potentially becoming an electric vehicle battery manufacturer.

SHOULD YOU BUY SHARES IN RICARDO?

Investment bank Berenberg rates Ricardo as a 'sell' and says there is a lot wrong with the business beyond the EV market threat including deteriorating cash generation. In contrast, investment bank Liberum takes a different view, saying 'auto evolution is more opportunity than threat' for Ricardo and that its shares are worth buying.

'Projections suggest that 30% of all new passenger cars will have electric powertrains by 2025 (hybrids and EVs),' says Liberum analyst Ben Bourne. 'Ricardo has secured a diversified range of programmes in vehicle systems, hybrid and electric systems, advanced driveline, and in the core powertrain areas, focused on both new and existing product upgrades to help lower CO2 and NO2 emissions.'

As for GKN, UBS estimates that 15% to 20% of its profits today could be at risk in an all-hybrid/electric world. GKN is adapting, nonetheless, including the recent launch of an advanced electric driveline which it claims will deliver 'unrivalled capabilities' for the next generation of electric vehicles.

GOOD NEWS FOR AB DYNAMICS

One lesser known engineer already benefiting from the advent of electric vehicle development is **AB Dynamics (ABDP:AIM)** which undertakes track trials for vehicle steering and suspension, as well as providing driving robot systems to test vehicles in crash scenarios. Switching to electric vehicles doesn't change how its robots work as they sit on the steering wheel, not the engine.

'A lot of car companies are trying to adapt their architecture to accelerate electric vehicle development,' says chief executive Tim Rogers. 'They are doing a lot of chassis development which drives in part what we do.

'We are seeing more virtual simulated development and less prototyping,' adds Rogers. That shouldn't be a problem for AB Dynamics because it has recently developed advanced driving simulators produced in partnership with Williams F1. These enable automotive customers to undertake vehicle dynamics modelling and evaluation of ADAS (driver assistance) technology.

Both AB Dynamics and Ricardo make the point that car manufacturers are still spending a lot of money on combustion engine vehicles and that part of the industry is not going to disappear overnight.

WHAT ABOUT HYDROGEN POWER?

Don't write off hydrogen power as an alternative power source. While it may be getting side lined in terms of publicity versus electric vehicles, developments are still ongoing such as in the bus industry. ITM Power (ITM:AIM) is the way for UK investors to play the hydrogen power sector.

RICARDO HAS SECURED A DIVERSIFIED RANGE OF PROGRAMMES IN VEHICLE SYSTEMS, HYBRID AND ELECTRIC SYSTEMS, ADVANCED DRIVELINE, AND IN THE CORE POWERTRAIN AREAS, FOCUSED ON BOTH NEW AND EXISTING PRODUCT UPGRADES TO HELP LOWER CO2 AND NO2 EMISSIONS.

THE CHEMICAL COMPANY

FTSE 100 chemicals giant **Johnson Matthey (JMAT)** saw its share price jump back to life last month after explaining how it hopes to crack the EV market. We think it is an essential stock to own for the EV revolution.

Investors had previously worried about the company's position given it has historically generated a lot of money from making catalytic converters to control harmful pollutant emissions from diesel vehicles which is now a market under threat.

That's why the company has been trying to expand into battery technology. Johnson Matthey has now unveiled its eLNO (enhanced lithium nickel oxide) cathode material which it claims to offer higher energy density and require less cobalt relative to current market leading cathode materials.

The reduction in cobalt could be one of the most important factors. As we discuss later in this article, cobalt is one of the commodities expected to shoot up in price as demand is expected to significantly outweigh supply. So battery technology that requires less cobalt is a plus factor for car companies.

'We expect that near term, investors will be focused on the merits of JM's new cathode material in terms of (1) what value should be ascribed, and (2) how large the market opportunity could be should this new technology prove to deliver a step change,' says investment bank Morgan Stanley.

'However, it is important to acknowledge there is still further progress to be made to secure customer contracts, and then scale up the necessary capacity. One thing is clear, perception is changing in regards to JM's ability to carve out a market position in the high growth EV supply chain as the powertrain evolves.'

POWER TRANSMISSION AND CHARGING

One of the key challenges to increasing electric vehicle adoption is having adequate charging infrastructure. Converting petrol stations may not be the solution as you can't charge a car at the same speed in which you fill up the petrol tank.

While **Royal Dutch Shell (RDSB)** is working on systems to provide fast-charging for EVs at its petrol stations, we doubt it would be able to charge an electric vehicle in two minutes.

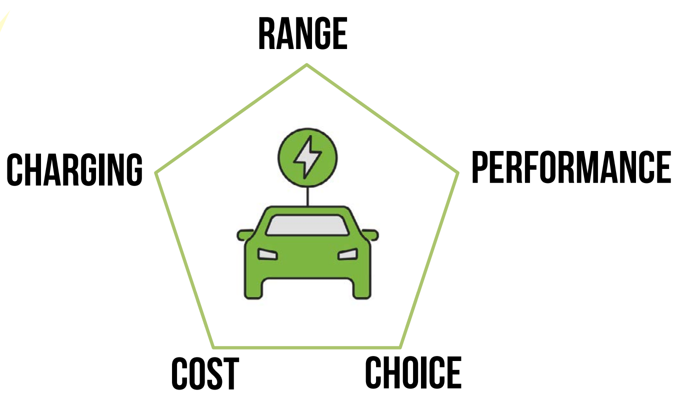
Speaking at a recent conference held by the Natural Resources Forum, chief executive Erik Fairbairn of electric charge point supplier POD Point predicted the future would be 60% of charging done at home, 30% at work, 7% at destination and 3% en-route.

National Grid's Marcus Stewart says an electric vehicle is just a 'battery on wheels'. As such, it could be used to provide energy as well as consume it. 'We are taking to manufacturers, looking at how your car could provide energy back to the grid, such as when you aren't using it.'

Investing in a company involved in setting up the charging infrastructure would be an obvious way to play the electric car theme. We can't see any obvious contenders on the UK market at the moment, although there are two stocks which have relevant interests on a small scale.

AN ELECTRIC VEHICLE IS A JUST A 'BATTERY ON WHEELS'

BARRIERS TO EV



Source: POD Point

Engineering services group **Nexus Infrastructure (NEXS:AIM)** makes most of its money from hooking up new-build properties to electricity, water and drainage services as well as building reinforced concrete frames and roads. It is also trying to develop services around electric vehicle charging points.

AIM-quoted venture capital firm **Draper Esprit (GROW:AIM)** has a stake in POD Point, although it is only a small part of its overall investment portfolio. POD Point has made and sold more than 27,000 charging points since being founded in 2009, according to Draper.

BATTERY RAW MATERIALS

Lithium is often touted as the magic commodity to play the electric vehicle revolution given its role as a key battery component. In reality, nickel might be the better commodity to seek when looking at mining stocks linked to the EV revolution.

There is plenty of lithium in the world and experts believe there will be sufficient new projects to meet increased demand.

In contrast, there is expected to be a shortfall in cobalt and nickel in the future, claims private equity firm Pala Investments. That situation implies higher future selling prices.

Cobalt is generally produced as a by-product of nickel. It is the fourth largest commodity by revenue for FTSE 100 miner **Glencore (GLEN)**.

Car and battery manufacturers are expected to strike deals over the coming years in order to secure future cobalt supply, even if it means stockpiling the commodity for a while. For example, Volkswagen is rumoured to have asked producers to submit proposals on supplying cobalt for up to 10 years from 2019.

Increased usage of nickel scrap could help to meet supply requirements on the nickel side, yet it is unlikely to fill the market gap entirely.

UK-listed miners with nickel exposure include

POSSIBLE LOSERS FROM THE ELECTRIC VEHICLE REVOLUTION

1. **Auto finance industry** – scrap values for combustion engine cars could fall, so lower recovery rate if the lender needs to repossess and resell. Loan volumes could also fall if EVs last longer, so frequency of vehicle replacement declines.

2. **Auto dealerships** – could see reduction in service work as EVs have fewer working parts. Autonomous driving capabilities could help reduce road traffic accidents, so potentially fewer vehicles to fix so reduced demand for spare parts.

3. **Motor insurance industry** – experts believe EVs could be safer on the road than traditional cars, so fewer accidents could push down insurance premiums.

4. **Oil sector** – reduced petrol demand could hurt the oil industry, prompting smaller players to potentially go bust and possibly driving mergers among the larger players.

GLENCORE

Glencore among the large caps and **Horizonte Minerals (HZM:AIM)** among the small caps.

WHAT ABOUT OTHER MINERS?

Vedanta Resources (VED) is looking at ways to produce cobalt for batteries rather its current output of copper-cobalt alloy. It already produces aluminium which is another commodity in increasing demand for electric cars. Anyone considering an investment in Vedanta should note legal action in connection with pollution allegations in Zambia.

BHP Billiton (BLT) is focusing on copper as the 'metal of the future' in terms of the feeding the electric vehicle revolution. Talking to *Reuters* last month, it says electric vehicles require four times as much copper as cars which run on combustion engines.

There are risks that cobalt might play a smaller role in the future than people currently think. For example, we've already talked about Johnson Matthey finding a way to develop battery technology with lower levels of cobalt. Investment bank Berenberg goes as far as saying that cobalt could even be phased out of lithium-ion batteries over the next five to 10 years. It predicts no demand increase for the metal during this period.

'In our view, EVs will not significantly benefit copper and cobalt miners such as Glencore and BHP,' it says.

Berenberg believes a shift to ultra-nickel-rich batteries could occur faster than expected due to Johnson Matthey's aforementioned breakthrough. 'Nickel is becoming crucial as its content in a battery determines the range of EVs. We estimate that 20m EV sales by 2026 will translate into 0.7m tonnes of high quality nickel sulphide demand which is 85% of 2016 production levels,' it comments.

HOW DO YOU PLAY THE LITHIUM GAME?

As for picking lithium-related stocks, we think miners with a decent asset stand a chance of making a profit once in production – but we don't share many people's enthusiasm that you will make a lot of money from investing any miner with a lithium exploration project. Most of the lithium plays on the UK market are many, many years away from generating revenue.

If you like the lithium story, the only stock we'd suggest you examine is **Bacanora Minerals (BCN:AIM)**, which is close to releasing the final feasibility study on its Sonora project and should be in a position to raise finance in early 2018 and then start an 18-month mine construction phase.

'Lithium hydroxide rather than lithium carbonate will be the preferred material for creating high nickel cathode materials,' says Berenberg.

Unfortunately for Bacanora, it is no longer pursuing the hydroxide route. The company did have an agreement a few years ago to supply Tesla in the US with lithium hydroxide. That deal has now lapsed and the miner is focused on the Asian and German markets (the latter is via a less advanced second project) with lithium carbonate.

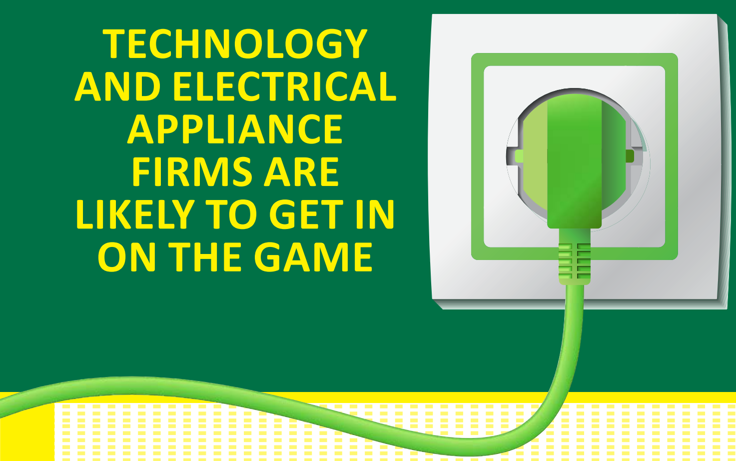
Bacanora is still appealing from an investment perspective, nonetheless. It has already agreed to sell lithium to Japanese battery chemicals trader Hanwa in the future and this partner has taken a 9.35% stake in the miner which shows commitment. Analyst 12 month price targets for Bacanora are in the range of 120p, implying about 50% upside from the 78.4p trading price at the time of writing. (DC)

COST PARITY

Electric vehicles could cost the same as traditional combustion engine cars by 2020

Electric vehicles won't only be made by the traditional car manufacturers

TECHNOLOGY AND ELECTRICAL APPLIANCE FIRMS ARE LIKELY TO GET IN ON THE GAME



DISCLAIMER
The author Daniel Coatsworth has a personal investment in Scottish Mortgage mentioned in this article

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Are the rules for UK listed company takeovers about to get tougher?

New paper suggests bidders should say what will happen to target's head office and R&D functions

The Takeover Panel has, in a paper issued on 19 September, made proposals requiring buyers of publicly listed UK companies to report back on certain matters one year after completing their acquisition. The Panel wants to see if acquirers have kept their word about plans announced at the time of an acquisition.

Currently a bidder must make statements of intention with regard to the business, employees and pension schemes of the offeree company. The paper is consulting on whether bidders should be required to make additional, more specific statements of intention regarding the target, namely:

1 RESEARCH AND DEVELOPMENT FUNCTIONS

2 BALANCE OF SKILLS AND FUNCTIONS

3 EMPLOYEES AND MANAGEMENT

4 HEADQUARTERS' AND HEADQUARTERS FUNCTIONS' LOCATION

Sensitivity with respect to such matters is increased when the bidder is a non-UK one; and such changes have been interpreted as being directed at foreign bidders. Though in fact the proposals apply to all bidders regardless of origin it may suit certain stakeholders to present it differently.

Changes were made only a few years ago to allow for a regime of a) binding post offer undertakings and b) statements of intention that would, in the latter case, hold for 12 months post completion notwithstanding any change in honestly held belief since the time of the relevant statement.

It should be noted that there is a difference between the two types of statements and the regime allows for intentions to change with time subject to consultation with the Panel and changing circumstances.

At present, the bid process is a highly considered and heavily advised upon one.

Bidders and their advisers examine each word of any statement made in connection to a bid to determine its appropriateness and to ensure that misleading statements are not made and a false market is not created.

It stands to reason that increasing the areas where specific statements of future intention are to be made – that the same care will be applied to such statements.

The Takeover Panel's paper also proposes that such statements be made, earlier, i.e. at the time of the announcement by the bidder of its firm intention to make an offer.

The provision of an annual public compliance regime whereby statements are reported on will be useful for increasing transparency and accountability for statements (whether truly binding or not) in the course of a bid.

It is worth noting that the City Code on Takeovers and Mergers only applies to Code governed companies, and does not provide an answer to the same issues that arise in the context of takeovers of privately owned/non-Code governed companies. A Code governed company is predominantly a UK company listed on the London Stock Exchange.

By Mark Crofskey, solicitor, head of corporate M&A; and Jon Raggett, director, corporate finance at PwC.

INVESTMENT FACTS.

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Don't allow fees to become foes

High charges can act as a drag on your portfolio's performance

When weighing up investment trusts to add to your portfolio, cost is a key consideration. The greater the charges associated with a fund, the better your investments must perform to deliver you a return.

One of the biggest costs are the fees investment trusts pay to fund managers for managing the portfolio; investment trusts may also pay a performance fee if the manager outperforms certain targets.

Fees charged by actively-managed funds are frequently under the spotlight; some are accused of overcharging investors despite delivering poor returns. Investment trusts historically enjoyed a fee advantage over unit trusts, although this has narrowed since 2013 when regulation compelled unit trusts to issue cheaper 'clean' share classes.

OPPORTUNITY COSTS

Helpfully, details of investment trust management fees, and any performance fees, can be found on the website of the Association of Investment Companies (AIC).

The AIC shows 'ongoing charges' for all its members, a measure of the regular running costs of an investment trust expressed as a percentage, as well as a separate figure for 'ongoing charges plus performance fees'.

Annabel Brodie-Smith, the AIC's communications director, notes investment trust costs are often lower due to their structure.

'Since 2013 over a third of investment companies have reduced their charges to benefit shareholders by cutting management fees, eliminating performance fees or introducing tiered fees. This demonstrates the value of the independent board which represents shareholders' interests,' she says.

PERFORMANCE FEE ABOLITIONS

Year-to-date, several trusts have lowered their cost structure by abolishing performance fees. With effect from 1 January, **F&C Commercial Property Trust (FCPT)** removed its performance fee and changed its base management fee to 0.55% per year of the group's gross assets; it will be reduced to 0.525% on assets between £1.5bn and £2bn and 0.5% on assets more than £2bn.

The trust aims to deliver an attractive level of income together with scope for capital and income growth through a diversified UK commercial property portfolio.

F&C Commercial Property's net asset value (NAV) total return for the six months to June 2017 was 5.1%, outperforming its benchmark; the MSCI IPD All Quarterly and Monthly Valued Funds Index return of 4.6%. This strong performance partially explains why the shares currently trade at an 8.3% premium to net asset value (NAV).

Perpetual Income & Growth Investment Trust (PLI) has removed its performance fee too. From 1 April, the annual management fee was changed to an annual rate of 0.6% on the first £900m of the trust's assets and at a rate of 0.4% thereafter.

Previously, fees were based on 0.6% per year up to £500m and 0.4% thereafter, with a performance fee of 10% of any outperformance over the FTSE All-Share capped at 0.5% of net assets.

Boiling all this down, investors can access the stock picking acumen and strong performance of long-serving manager Mark Barnett more cheaply, while an 8.6% share price discount to NAV implies a buying opportunity.

Also in investors' good books is **Aberdeen Frontier Markets (AFMC)**. As an Aberdeen Standard Investments spokesperson explains, the management fee was cut to 1% of NAV which has helped the shares trade closer to asset value.

WINDS OF CHANGE

Others trusts to have abolished performance fees include **BlackRock Latin American (BRLA)**. Prior to 1 January 2017, the annual management fee was

0.85% of net assets and a performance fee was payable. BlackRock is now paid an annual management fee of 0.8% of net assets and the performance fee has been removed.

FOR MORE ON HOW AIC MEASURES CHARGES CLICK HERE

Janus Henderson-managed **Henderson Diversified Income Trust (HDIV)** has abolished its performance fee (from 1 November), although the base fee will rise from 0.6% to 0.65% of net assets.

Change has also occurred at **BlackRock Throgmorton Trust (THRG)**, focused on firms with robust business models, strong cash flows and favourable industry characteristics led by management teams capable of 'self-help'. The base management fee has been halved to 0.35% per year, with the performance fee proportion increased from 10% to 15% of NAV total return outperformance of the benchmark (measured on a two-year rolling basis), while the performance fee cap has been reduced from 1% of 'performance fee market value' to 0.9%.

The hope is the new fee structure will improve performance and boost demand for the shares, which trade at a steep 15.8% discount to NAV.

INVESTMENT TRUST - HIGHEST CHARGES

Company	Sector	Total assets (£m)	AIC ongoing charges plus perf %
Phoenix Spree Deutschland	Property Direct - Europe	353	6.96
British & American	UK Equity Income	24	6.01
Regional REIT	Property Direct - UK	436	4.44
VPC Specialty Lending Investments	Sector Specialist: Debt	344	3.99
Vinaland	Property Direct - Asia Pacific	303	3.93
Marwyn Value Investors	Global Smaller Companies	162	3.90
MedicX	Property Specialist	644	3.82

INVESTMENT TRUST - LOWEST CHARGES

Company	Sector	Total assets (£m)	AIC ongoing charges plus perf %
JPMorgan Elect Managed Cash	Sector Specialist: Liquidity Funds	5	0.03
Woodford Patient Capital	UK All Companies	1,001	0.18
Independent Investment Trust	Global	325	0.34
Invesco Perpetual Select Managed Liquidity	Sector Specialist: Liquidity Funds	5	0.40
City of London	UK Equity Income	1,545	0.43
Law Debenture Corporation	Global	909	0.43
Scottish Mortgage	Global	6,553	0.44
Mercantile	UK All Companies	2,139	0.50
Bankers	Global	1,121	0.52
Temple Bar	UK Equity Income	1,036	0.52
Alliance Trust	Global	2,948	0.54

Source: AIC/Morningstar

HUNTING HIGH & LOW

As the tables reveal, those trusts with the lowest AIC ongoing charges plus performance include **Woodford Patient Capital Trust (WPCT)** on 0.18%, cheap given the acumen of Neil Woodford who continues to scout for disruptive high potential tech businesses.

Others with low costs include **Independent Investment Trust (IIT)** at 0.34%, Job Curtis-steered dividend hero **City of London (CTY)**, **Scottish Mortgage (SMT)** and **Mercantile (MRC)**, which has reduced its management fee from 0.5% of the company's market cap to 0.475%, a fee set to reduce further to 0.45% from 1 February 2018.

Those with the highest charges tend to be within the AIC's property sectors; investing in alternative assets like real estate requires expert knowledge and research. So the ongoing charge reflects this situation.

They include strongly-performing German residential real estate specialist **Phoenix Spree Deutschland (PSDL)** followed by the likes of **Regional REIT (RGL)** and **VPC Specialty Lending Investments (VSL)**. (JC)

How to switch to a stocks and shares ISA

Top tips on keeping your tax-free allowance and getting a better return on your money

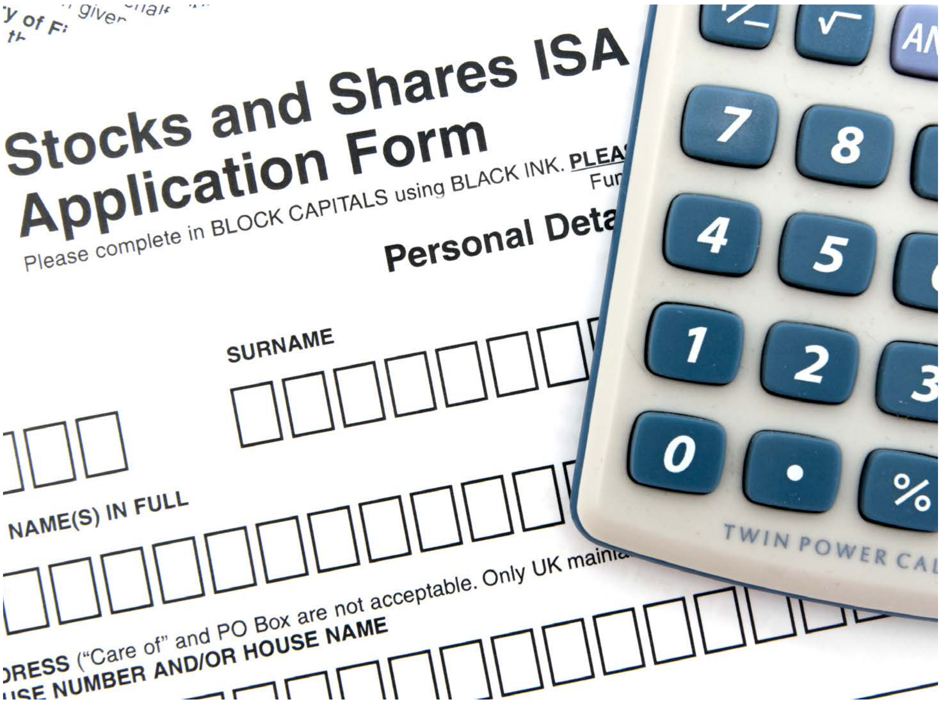
If you're fed up with the low interest rates offered by cash ISAs it could be time to switch to a stocks and shares ISA.

Transferring your money correctly will ensure your tax-free allowance remains intact.

WHY SWITCH TO STOCKS AND SHARES?

Interest rates are extremely low which means the annual returns available on cash ISAs are very poor. The highest rate we could find was just over 2% for a five-year fixed rate ISA. This is lower than the current inflation rate of 2.9%, which means your money will actually drop in value in real terms over time.

Investing in shares offers you with a much greater chance of growing your money at a decent rate. The Barclays Equity Gilt Study shows that over the last 50 years – once the impact of inflation is stripped out – stocks and shares have delivered an annual return of 5.7% compared with a just 1.5% from cash.



> SOME CASH ISAS WILL CHARGE A PENALTY WHEN YOU CLOSE YOUR ACCOUNT

HOW DO I TRANSFER MY MONEY?

You can transfer from a cash ISA to a stocks and shares ISA at any time. But it's extremely important that you arrange the transfer through your new ISA provider.

If you withdraw the money, close your account and then reinvest the cash into another ISA, the newly deposited money will count against your £20,000 annual ISA allowance. If this takes you over your allowance, your savings could lose their tax-free status.

You simply need to fill in a transfer form with your new provider, giving them your personal details and cash ISA account number.

If your current cash ISA contains savings paid in during the current tax year then you have to transfer the whole account to your new provider. If the savings are from previous tax years, you can make a partial or whole transfer.

Some cash ISAs will charge a penalty when you close your account. This is usually the case if you opted for a fixed rate ISA and you're closing the account before the term has matured. You'll need to weigh up whether the benefits of the stocks and shares ISA make it worth paying the penalty.

It will usually take about two weeks for a cash transfer to complete, after which you can start investing.

CHOOSING A PROVIDER

There are lots of companies offering stocks and shares ISAs.

Rodolfo Crespo, senior analyst at Platforum, a research company which specialises in investment platforms, says the most important factors to consider are brand, price and an easy-to-use website.

He says more experienced investors should look for a provider that offers straightforward access to a wide range of investment options, including funds, investment trusts, exchange-traded funds (ETFs), shares and bonds.

Some platforms let you pick your own investments and others offer ready-made portfolios that they build and run themselves.

Hannah Purslow, spokesperson at AJ Bell Youinvest, says ensuring the platform offers the services you need is also important.

'If you want to be able to manage your investments on the go make sure the ISA provider has a good mobile app for your phone. Research and tools may also be important, particularly if you're a less confident investor or new to investing and want a helping hand. Good research can help guide and inform your investment decisions and some platforms offer online tools which can help to build and analyse your portfolio,' she explains.

Ensuring you don't pay excessive charges is crucial because fees can eat into your returns over the long term. Charges to look out for include administration fees, trading fees and investment custody fees.

'Price needs to be considered in relation to the service levels and reviews of the platforms you're vetting as cheapest might not necessarily be best. The focus should be on value for money,' says Purslow.

> IF YOU'RE A LESS CONFIDENT INVESTOR OR ARE LOOKING FOR LOWER RISK YOU COULD CONSIDER A MULTI-ASSET FUND. THE CHARGES TEND TO BE HIGHER THAN REGULAR FUNDS BUT THEY ARE AN EASY WAY OF DIVERSIFYING YOUR PORTFOLIO

STARTING TO INVEST

Once your stocks and shares ISA is up and running you can begin choosing your investments.

It's a good idea to think about why you're investing and for how long. This will help you decide which assets could help you meet your investment goals.

'If you're saving for a house deposit in the near future your appetite for risk will be lower – the last thing a house buyer needs is a sudden fall in the stock market reducing their investment right when they need to access the money,' Purslow explains.

If your investment goal is long-term, for example saving for retirement, you can afford to take on more risk.

If you're a less confident investor or are looking for lower risk you could consider a multi-asset fund. The charges tend to be higher than regular funds but they are an easy way of diversifying your portfolio.

'They offer exposure to a broader mix of asset classes, sectors and regions while also spreading risk and offering a steadier overall return than if you were to invest in individual assets,' Purslow says.

Passive funds – trackers or ETFs – are usually cheaper than active funds and give a return that mirrors an index. Active funds are more expensive but there is the possibility of the manager outperforming the index.

If you don't want to research, choose and monitor investments yourself, why not see if your ISA provider offers their own funds as these are usually risk-rated, so you can find one that matches your risk profile. (EP)

How much are YOU saving for retirement?

New figures show more people are saving than ever before but the monetary amount may still be inadequate

Last week we were treated to a slew of statistics from both the Office for National Statistics (ONS) and HM Revenue & Customs (HMRC). The figures paint a fascinating picture of the way retirement is changing in the UK, as well as the challenges faced by both individuals and governments.

Here are my three big takeaways from the official numbers:

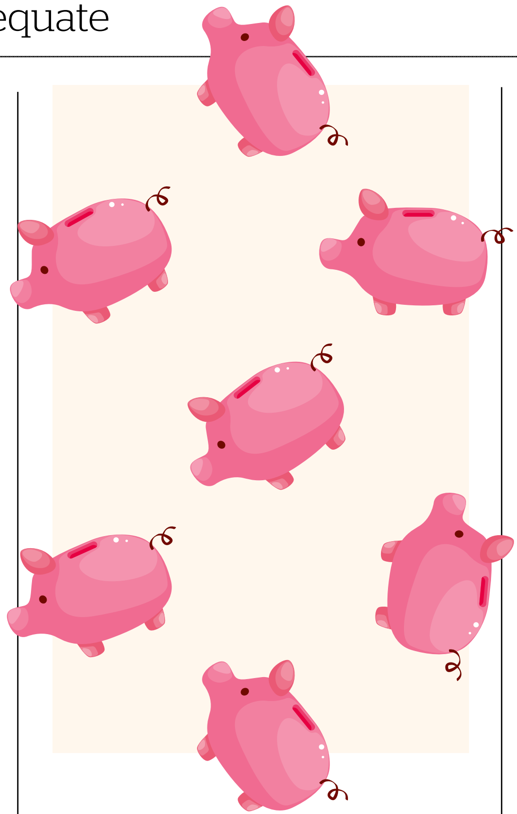
1 MORE PEOPLE ARE SAVING THAN EVER BEFORE

UK savings rates were in the pits in the aftermath of the 2007/08 financial crash. In 2011/12 5.3m people were saving through personal pensions, the lowest figure on record.

Fast forward to the data for 2015/16 published last week and pension scheme membership has jumped by a massive 70% to 9m. That's 3.7m extra people saving for retirement.

The main driver is automatic enrolment, a reform programme launched in 2012 that will eventually mean all employers have to put workers aged 22 or over into a pension scheme. People are free to opt out of their workplace scheme but so far most (around nine in 10) haven't done so.

While some workers, including low-earners and the self-employed, are currently



excluded from auto-enrolment, there is no doubting the impact the changes have had in reversing the post-crash decline in pension scheme membership.

2 PEOPLE AREN'T SAVING ENOUGH

According to the ONS, average contributions (members plus employees) into occupational pension schemes stand at just 4.2% of pensionable salary.

It's particularly worrying that member contributions dropped from 1.5% in 2015 to 1% in 2016. Even with 40 years of savings on an average UK salary that is going to get you a pension pot of around £125,000. That's a healthy amount but nowhere near enough to provide a decent income for 30 years of retirement.

This will edge upwards as minimum auto-enrolment contributions are due to rise to 8% by 2019 (4% from the employee, 3% from the employer and 1% in tax relief), but even this won't be enough to provide a good retirement income for most people.

3 THE COST OF PENSION TAX RELIEF IS GOING UP

Tax relief in the UK is granted based on your tax band or 'marginal rate'. So a basic-rate taxpayer gets 20% tax relief, higher-rate 40% and additional-rate 45%.

Withdrawals are taxed at your marginal rate, but people tend to pay less tax on the way out than the way in because their income needs in retirement are lower.

With more people saving in pensions, the net result is a rise in the amount the Government spends on tax relief to almost £25bn in 2016/17.

Speculation has already started suggesting pension tax relief could be cut back in the Budget later this year. Thus if you were already planning to pay into your pension in the current tax year, it may be worth doing so before the Budget.

Tom Selby,
Senior Analyst, AJ Bell

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The power of Ted Baker's brand

Global growth potential and retail resilience are reasons to invest

A recent rebound at **Ted Baker (TED)** could mark the start of a sustained rally for shares in the UK-based premium lifestyle brand.

A buyer with a £31 price target, Liberum says its growth forecasts are prudently pitched and we believe the shares are worth buying at £26.77 as half year results (10 Oct) could spark upgrades.

Ted Baker is a quintessentially British brand with a quirky fashion offering, famed for its unwavering attention to detail and quality. Its range spans women's and men's clothing and accessories. Global brand sales have more than tripled to £1.1bn plus since 2009, demonstrating Ted Baker is a leading global premium lifestyle brand rather than a mere retailer.

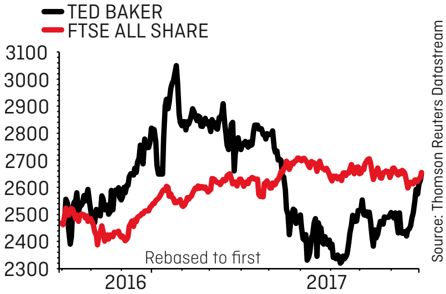
GLOBAL GROWTH SCOPE

Liberum likes Ted's scope for growth in the outperforming affordable luxury segments of the global clothing market. It explains that the retail industry is seeing a polarisation of markets between brands with a strong, distinct market position such as Ted Baker and value-led players, with less defined brands being left out in the cold.

Ted is successfully using e-commerce to enter new markets; it has taken ownership of the bulk of its wholesale relationships; and it boasts a profitable and growing licence business. Excitingly, Ted Baker has barely scratched the surface of its international growth opportunity.

RETAIL RESILIENCE

While the outlook for UK retail is challenging, the £1.17bn cap's model is more defensive than peers. As Liberum explains: 'With only 32 UK and four European own stores, respectively, the risk of becoming over-spaced is limited.



'Moreover circa 60% of TED's estate is run through concessions, and this provides profit and loss protection through turnover-based rents, has lower capital requirements, and provides targeted customer exposure.'

The broker's price target implies 15.8% near-term upside. For the year to January 2018 Liberum forecasts improved pre-tax profit of £73.5m (2017: £65.8m), rising to £83.3m and £94.4m in 2019 and 2020 respectively.

Liberum also explains 'the group has passed the peak of its investment cycle with IT systems and logistics all materially upgraded in the last five years, resulting in a business primed for the future. Ted Baker has reached an inflection point where cumulative free cash flow of £115m will be generated over the next three years versus £71m generated over the last ten.'

Dividend progression to 58.6p (2017: 53.6p) is on the cards this year, a payment covered more than twice by forecast earnings of 125p. The shareholder reward is set to build to 66.4p and 75.3p over the following years.

SHARES SAYS: ↗

We're bullish on Ted Baker at £26.77 for the global growth potential of the brand and the high margins and strong cash flows it generates. Looming half year results (10 Oct) could surprise on the upside and spark earnings upgrades. (JC)

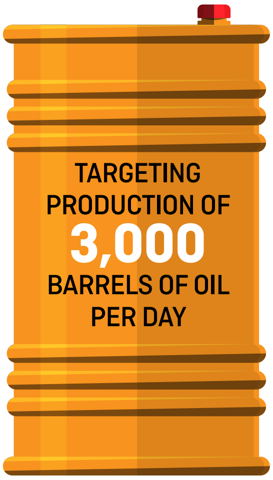
BROKER SAYS: 9 1 1

Shares in Trinity could 'triple in value' says broker

Production, profit and cash flow are heading in the right direction

Tight control on costs and increasing production could improve profitability and cash flow at Trinidad oil producer **Trinity Exploration & Production (TRIN:AIM)** and provide a catalyst for the share price.

Trinity completed a $15m restructuring earlier this year which has reduced net debt from $34.3m to just $1.2m. The company's cash balance has also improved by 125% to $11.5m as of 30 June.



The share price enjoyed a rally earlier in 2017 but has stalled over the past six months. We think now is a good time to buy as Trinity is targeting the 'low hanging fruit' in its portfolio, according to broker Cantor Fitzgerald.

An increase in operating activities across its core assets during July and August has restored production levels to 2,600 barrels of oil per day (bopd). That puts it on track to hit year-end guidance of between 2,600 and 2,800 bopd and a 12-month target of 3,000 bopd.

The target should mainly be achieved by low-cost work on existing wells and drilling some additional production wells on the onshore portfolio. Executive chairman Bruce Dingwall tells *Shares* the company may drill on its offshore Trintes field in 2018.

At current oil prices of around $56 per barrel Trinity should be able to deliver decent profit as the company believes it can make money above an oil price of $32.8 per barrel.

MATURE OIL AND GAS INDUSTRY

Trinidad has a mature oil and gas industry. The first oil deposits were discovered in 1866 and the first well was drilled in 1867 with continuous production beginning as early as 1908.

Trinity is a material player in this industry – accounting for more than 3% of the island's total oil production.

Dingwall says although the regulatory system can take time to navigate, 'it is also very process-driven, so you know where you stand'.

The island has plenty of infrastructure including roads and equipment. The sub-surface is also very well understood because there has been so much drilling. This reduces the risk of production wells underperforming.

Dingwall may already be familiar to investors in the UK oil and gas sector. He founded North Sea-focused Venture Production in 1997. The company was floated on the stock market at 170p in 2002 and subsequently acquired by Centrica in August 2009 for 845p per share. Dingwall insists his current company is 'not an idea; it is a well-established profitable business'.

SHARES SAYS: ↗

Buy at 12.35p. Cantor has a price target of 37p, implying you could triple your money. (TS)

BROKER SAYS: 1 0 0

S&U has smart approach to motor finance

Small cap stock looks attractive despite market worries about its industry

Motor finance specialist **S&U (SUS)** offers a decent 5% prospective yield and trades at an attractive valuation. Restrictions over the type of borrower it accepts as a customer and the types of finance it offers mean it is less exposed to the risks associated with the current credit boom in the car market, in our view.

The company's recently released results for the six months to 31 July make for encouraging reading. S&U's pre-tax profit reached £14.3m, a 20% increase year-on-year. Its motor finance business enjoyed its 17th consecutive year of increased profit.

Chairman Anthony Coombes says of all loan applications, 70% are declined straight away due to S&U's strict acceptance criteria. Of the remaining 30%, only 3% will be given finance.

The benefit of this robust underwriting approach is reflected in the company's strong track record.

AGGRESSIVE LENDING PRACTICES ELSEWHERE

There are well founded concerns about aggressive lending practices in car financing, although these tend to be at the prime end of the market.

Gary Greenwood, an analyst at Shore Capital, says manufacturers' finance companies continue to offer cheap personal contract plan (PCP) deals in order to help sell new cars.

He adds: 'By contrast, (S&U-owned) Advantage Finance does not offer PCP, with all of its loans made on a hire purchase basis with full repayment made over the life of the loan thereby meaning that there is no residual risk to S&U at the end of the deal.

'A loss would therefore only be incurred to the extent that customers were to default, with the latter requiring a sharp rise in unemployment in our view, which is not currently our central case.'

PCP involves a customer paying a lower monthly amount during the contract period, typically between 24 and 48 months, leaving a final 'balloon payment' at the end of the agreement. At this point they either buy the car outright or switch their PCP agreement to a new car.

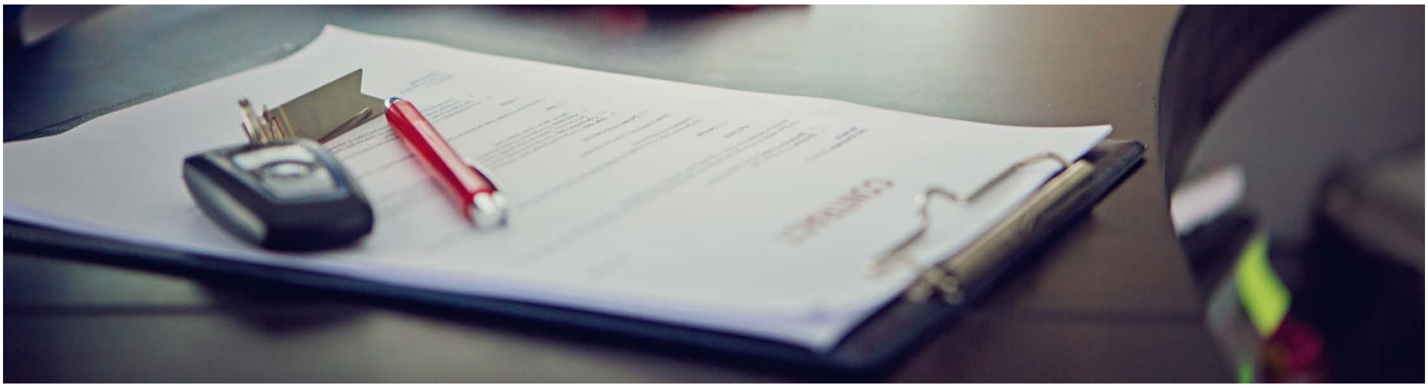
The company is 'significantly undervalued'

Advantage Finance's loans are not PCPs and are made on the basis that full repayment will be made over the loan period, usually up to four years.

One potential long-term risk for the business is the evolution of the electric vehicle industry. If conventional combustion engine cars are replaced by hybrids and electrics which need less maintenance, there may be lower vehicle turnover and hence less demand for car finance.

Ben Thefault, analyst at Arden Partners, says the company is 'significantly undervalued' as it is weighed down by sector sentiment.

Using Thefault's forecasts, at £20.75 S&U is trading on 10.3 times January 2018 earnings per share of 201.5p. (DS)



NOW IS THE TIME TO FOCUS ON YOUR INVESTMENT PORTFOLIO

Looking for new companies to invest in? Come and join Shares and AJ Bell Media at their evening event in London on Thursday 19 October 2017 and meet directors from Avacta, Custodian REIT, Non-Standard Finance and Savannah Resources.

London – Thursday 19 Oct 2017

Sponsored by PrimaryBid AJBell Youinvest

Companies presenting

Avacta (AVCT) Alastair Smith, CEO
Avacta's focus is on its proprietary Affimer® platform technology, a novel engineered alternative to antibodies, that has wide application in diagnostics, therapeutics and research.
Antibodies dominate markets worth more than $75bn despite their shortcomings. Affimer technology, based on a small, robust protein, can be quickly generated to bind with high specificity and affinity to a wide range of targets, addressing many of the limitations of antibodies.

Custodian REIT (CREI) Richard Shepherd-Cross, MD
Custodian REIT plc is a UK real estate investment trust, which listed on the main market of the London Stock Exchange on 26 March 2014. Its portfolio comprises properties predominantly let to institutional grade tenants on long leases throughout the UK and is characterised by properties with individual property values of less than £10 million at acquisition.

Non-Standard Finance (NSF) Peter Reynolds, Director IR & Communications
NSF's businesses offer credit to the c.10 million UK adults not served by mainstream financial services businesses. Focused on branch-based lending, home credit and guaranteed loans, the Group's goal is to deliver excellent customer outcomes and attractive returns for shareholders.

Savannah Resources (SAV) David Archer, CEO
Savannah Resources Plc is a multi-commodity development company focused on building cash generative and profitable mining operations. The Company operates a strategic portfolio of assets, spanning near term production potential and longer term development opportunities in Oman, Mozambique, Portugal and Finland.

Follow this link www.sharesmagazine.co.uk/events for full details.

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During the event and afterwards over drinks, investors will have the chance to:

- **Discover new investment opportunities**
- **Get to know the companies better**
- **Talk with the company directors**

Event details

Location: Novotel Tower Bridge,
London EC3N 2NR

Registrations 18:00
Presentations to start at 18:30
Complimentary drinks and buffet available after the presentations

Contact

Chris Williams, Spotlight Manager
chris.williams@sharesmagazine.co.uk
0207 378 4402

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FRIDAY 6 OCTOBER

ECONOMICS

UK

HALIFAX HOUSE PRICE INDEX

US

NON-FARM PAYROLL

AGMS

SAN LEON ENERGY	SLE
ABBEY	ABBY

MONDAY 9 OCTOBER

FINALS

CAP-XX	CPX
PLANT IMPACT	PIM
YOUGOV	YOU

TRADING STATEMENTS

CENTAMIN	CEY
TRINITY MIRROR	TNI
XP POWER	XPP

AGMS

VIETNAM INFRASTRUCTURE	VNIL

TUESDAY 10 OCTOBER

FINALS

VOLUTION GROUP	FAN

INTERIMS

1SPATIAL	SPA
LIDCO	LID
TED BAKER	TED
REDSTONECONNECT	REDS

TRADING STATEMENTS

EASYHOTEL	EZH
MARSTON'S	MARS

AGMS

MORTICE	MORT
SCANCELL	SCLP
THE DIVERSE INCOME TRUST	DIVI

WEDNESDAY 11 OCTOBER

FINALS

PROACTIS	PHD

INTERIMS

VERTU MOTORS	VTU

TRADING STATEMENTS

COUNTRYSIDE PROPERTIES	CSP
MONDI	MNDI
PAGEGROUP	PAGE
QUIZ	QUIZ

AGMS

HARGREAVES LANSDOWN	HL.

THURSDAY 12 OCTOBER

FINALS

WH SMITH	SMWH

INTERIMS

BOOKER	BOOK
N BROWN	BWNG

TRADING STATEMENTS

HAYS	HAS

AGMS

SKY	SKY

EX-DIVIDEND

BEGBIES TRAYNOR	BEG	1.6P
CURTIS BANKS	CBP	1.5P
CITY OF LONDON INVESTMENT	CLIG	17P
CENTRICA	CNA	3.6P
CPL RESOURCES	CPS	€0.06
CHARLES TAYLOR	CTR	3.31P
DAEJAN	DJAN	63P
F&C PRIVATE EQUITY TRUST	FPEO	6.92P
KERRY GROUP	KYGA	€0.19
MORGAN SINDALL	MGNS	16P
ONESAVINGS BANK	OSB	3.5P
PHOTO-ME INTERNATIONAL	PHTM	3.94P
SPIRAX-SARCO	SPX	25.5P
STAFFLINE	STAF	11P
SPECTRIS	SXS	19P
TP ICAP	TCAP	5.6P

FRIDAY 13 OCTOBER

TRADING STATEMENT

PROVIDENT FINANCIAL	PFG

Click here for complete diary
www.sharesmagazine.co.uk/market-diary

ALL EYES WILL BE ON **Marston's (MARS)** when it updates on trading on 10 October. It hasn't commented on the strength of its business since July when it said its sales growth was ahead of the market.

Since that announcement its rival **Greene King (GNK)** complained about having a tough time. Greene King issued a warning on 8 September saying sales had dropped, costs were going up and weak consumer confidence was a major concern. Investors will want to know how Marston's is surviving against that troubling backdrop.

TWO OF THE largest recruitment firms on the market, **PageGroup (PAGE)** and **Hays (HAS)**, are set to inform investors on how the jobs market is looking.

PageGroup will issue its trading update on 11 October and Hays releases its update on the following day.

Given that both firms have large international footprints, they should not be overly damaged by any potential weakness in the UK economy.

IT HAS BEEN one of the worst ever years for doorstep lender **Provident Financial (PFG)**. Several profit warnings resulted in the firm's valuation plummeting and the loss of its place in the prestigious FTSE 100 index.

The next big test for the share price is just around the corner and shareholders will hope it isn't another horror show. Provident will issue a trading update on Friday 13 October.

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KEY

- **Main Market**
- **AIM**
- **Fund**
- **Investment Trust**