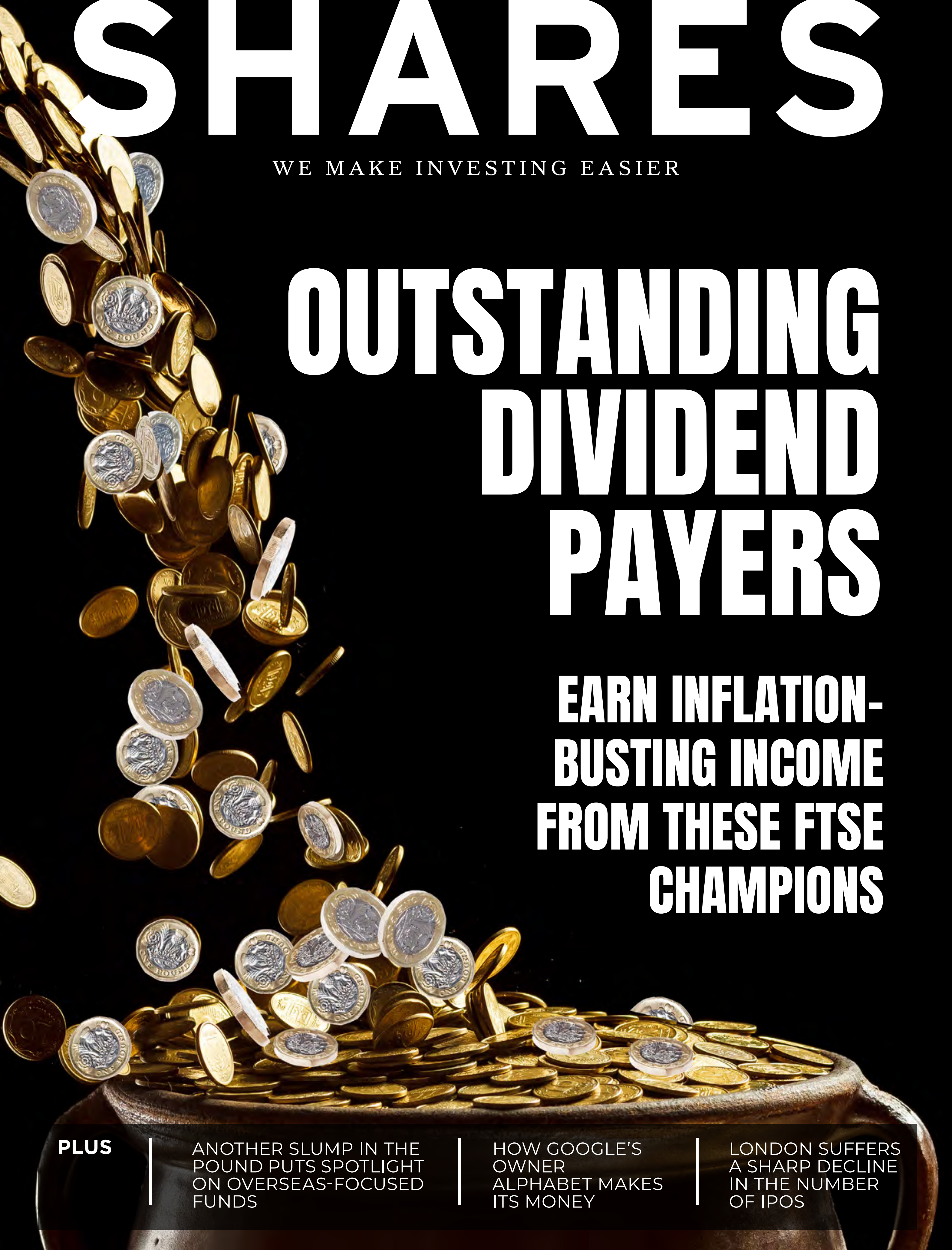
STOCKS | FUNDS | INVESTMENT TRUSTS | PENSIONS AND SAVINGS

VOL 21 / ISSUE 35 / 05 SEPTEMBER 2019 / £4.49

SHARES

WE MAKE INVESTING EASIER



OUTSTANDING DIVIDEND PAYERS

EARN INFLATION-BUSTING INCOME FROM THESE FTSE CHAMPIONS

PLUS

ANOTHER SLUMP IN THE POUND PUTS SPOTLIGHT ON OVERSEAS-FOCUSED FUNDS

HOW GOOGLE'S OWNER ALPHABET MAKES ITS MONEY

LONDON SUFFERS A SHARP DECLINE IN THE NUMBER OF IPOS

Is it too soon to have a vegan ETF?

The imminent launch of a vegan-themed fund looks premature and also slightly misleading

Anyone interested in thematic investing will be watching the nation's change in food habits to see if veganism is a fad or a sustainable long-term shift in public eating choices.

We won't know for a couple of years whether the current excitement has simply been fueled by the food industry's marketing efforts or consumers have genuinely reduced meat consumption in preference of a greater amount of plant-based food.

At the moment new products are being launched at a rapid rate and there is a genuine buzz about all things vegan. The public is curious to try these new products and so you are seeing rapid sales growth across numerous businesses.

Cynics say it is just a short-term craze and that the vegan diet is too expensive and restrictive for most people. Fans says being a vegan, or reducing the amount of meat and dairy in your diet, is about more than the food being consumed. It's about personal health, being animal-friendly and part of a major shift in society.

The fashion industry is also jumping on the vegan bandwagon with clothes and accessories marketed as free from animal products.

The investment industry is normally quick to capitalise on such major trends and it is no surprise to hear that the first vegan exchange-traded fund (ETF) will launch this month in the US and potentially later on in the UK and Europe. Thematic investing is a popular strategy – as we discuss in this week's ETF column – but there is a sense that it's too early to be offering a vegan-themed tracker fund.

US Vegan Climate ETF will track the US Vegan Climate index which, rather oddly, has large tech and telecom stocks like Microsoft, Apple, AT&T and Bank of America as its main holdings. One would have expected it to be full of companies specifically active in the vegan industry such as Beyond Meat.

The index screens for stocks according to vegan and climate-conscious principles but the qualifying companies, at least those in the ETF's top 10 holdings, aren't representative of the vegan movement.

The problem for investors is that there aren't many pure-play stocks to play the vegan theme. The closest in the UK is **Greggs (GRG)** which has cited its vegan sausage roll as having been a major catalyst for getting more people to visit its stores. It is also planning to launch vegan versions of its entire product range.

Kentucky Fried Chicken last week saw a similar reaction to Greggs whereby a single branch in the US selling vegan chicken wings as a trial saw the product sell out within five hours. It sold as much in quantity terms as the amount of traditional popcorn chicken that branch sells in an entire week. KFC is owned by Yum! Brands which trades on the New York Stock Exchange.

The public seems to have an appetite to try new things yet the true test is whether they are still buying them in a year's time. Investors with a conscience wanting to play the theme may therefore be better off focusing on broader ethical-branded funds until the vegan industry is more established and the trend sustainable.

By **Daniel Coatsworth** Editor

Not in vogue

We avoid trendy stocks to find unfashionable potential elsewhere.

You can't outperform if you do the same as everyone else. That's why Orbis takes a contrarian approach.

Ask your financial adviser for details or visit Orbis.com

Orbis

Invest Differently

As with all investing, your capital is at risk. Past performance is not a reliable indicator of future results.

Orbis Investments (U.K.) Limited is authorised and regulated by the Financial Conduct Authority

Contents

CFA UK Publication of the Year
CFA UK Journalism Awards 2019

DISCLAIMER

IMPORTANT

Shares publishes information and ideas which are of interest to investors. It does not provide advice in relation to investments or any other financial matters. Comments published in Shares must not be relied upon by readers when they make their investment decisions. Investors who require advice should consult a properly qualified independent adviser. Shares, its staff and AJ Bell Media Limited do not, under any circumstances, accept liability for losses suffered by readers as a result of their investment decisions.

Members of staff of Shares may hold shares in companies mentioned in the magazine. This could create a conflict of interests. Where such a conflict exists it will be disclosed. Shares adheres to a strict code of conduct for reporters, as set out below.

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.

SCOTTISH MORTGAGE INVESTMENT TRUST

WHO SAID THE SKY HAD TO BE THE LIMIT?

Business's ability to exhibit exponential growth lies at the heart of the **Scottish Mortgage Investment Trust**.

Our portfolio consists of around 80 of what we believe are the most exciting companies in the world today. Our vision is long term and we invest with no limits on geographical or sector exposure.

We like companies that can deploy innovative technologies that threaten industry incumbents and disrupt sectors as diverse as healthcare, energy, retail, automotive and advertising.

Over the last five years the **Scottish Mortgage Investment Trust** has delivered a total return of 163.8% compared to 112.7% for the sector*. And Scottish Mortgage is low-cost with an ongoing charges figure of just 0.37%**.

Standardised past performance to 30 June*

	2015	2016	2017	2018	2019
Scottish Mortgage	25.8%	4.9%	48.8%	33.4%	0.7%
AIC Global Sector Average	15.4%	5.6%	39.1%	20.6%	4.6%

Money Observer Trust Awards 2019
Global Growth
Scottish Mortgage

Past performance is not a guide to future returns.

Please remember that changing stock market conditions and currency exchange rates will affect the value of the investment in the fund and any income from it. Investors may not get back the amount invested.

For a blue sky approach call **0800 917 2112** or visit us at **www.scottishmortgageit.com**

A Key Information Document is available by contacting us.

BAILLIE GIFFORD

Long-term investment partners

*Source: Morningstar, share price, total return as at 30.06.19. **Ongoing charges as at 31.03.19. Your call may be recorded for training or monitoring purposes. Issued and approved by Baillie Gifford & Co Limited, whose registered address is at Calton Square, 1 Greenside Row, Edinburgh, EH1 3AN, United Kingdom. Baillie Gifford & Co Limited is the authorised Alternative Investment Fund Manager and Company Secretary of the Company. Baillie Gifford & Co Limited is authorised and regulated by the Financial Conduct Authority (FCA). The investment trusts managed by Baillie Gifford & Co Limited are listed UK companies and are not authorised and regulated by the Financial Conduct Authority.

Another slump in the pound puts spotlight on overseas-focused funds

Sterling has hit a two-year low following the latest political calamity

Growing political uncertainty and a slew of poor economic data saw the UK pound fall to two-year lows below $1.20 early on 3 September.

The pound also fell below the €1.10 level once more ahead of a House of Commons vote that could see a no-deal Brexit outlawed by MPs. It also followed the worst figures for new orders in the UK construction sector since the global financial crisis.

For investors in investment trusts the weakness of sterling has important implications for their returns. Trusts with a high proportion of UK-listed stocks are on the back foot while those with high exposure to international stocks are enjoying a material positive tailwind.

Using data from the Association of Investment Companies (AIC), analysts at investment bank Stifel have ranked the sensitivity of international funds according to their non-UK exposure. Although most of the trusts don't publish their currency exposure themselves, the team at Stifel has used each trust's geographic exposure as a proxy.

Top of the list with 100% international exposure is the £300m **Henderson International Income (HINT)**, managed by Ben Lofthouse, which is mainly invested in continental Europe, the US and Asia Pacific outside Japan. The fund's top 10 holdings include Coca-Cola, Microsoft, Nestle and Verizon.

Close behind is the £7.5bn giant **Scottish Mortgage (SMT)** with 97% international exposure and a list of top 10 holdings which includes Amazon.com, Ferrari, Netflix and Tesla.

Alliance Trust (ATST), **Bankers (BNKR)** and **F&C (FCIT)** all score highly with 87%, 77% and 90% international exposure respectively.

Some trusts actively hedge their currency exposure in order to minimise the impact of foreign exchange volatility. Among the most active is the capital preservation trust **RIT Capital Partners (RCP)**.

According to Stifel, RIT's sterling exposure as at 31 June was 56% of net asset value (NAV) even though its geographic exposure was just 5% of NAV at the time. By comparison its US dollar exposure was 16% compared with a geographic exposure of 34%.

	International	Europe ex-UK	US
Henderson International Income	100%	44%	33%
Scottish Mortgage	97%	21%	53%
JPMorgan Global Growth & Income	94%	21%	59%
Mid Wynd International	94%	24%	52%
Monks	93%	13%	49%
F&C Investment Trust	90%	17%	53%
Alliance Trust	87%	24%	47%
Bankers	77%	14%	34%
Scottish Investment Trust	76%	20%	34%
Brunner Investment Trust	74%	23%	40%
Witan	64%	23%	20%
RIT Capital Partners	44%	10%	61%

Source: Stifel, AIC monthly release

Fund managers must state if they provide value for money or not

A financial regulator wants fund managers to be more transparent and make things simpler

New rules forcing asset managers to prove their investment funds are providing value to investors are set to be introduced at the end of this month.

From 30 September, fund managers will have to start publishing 'assessment of value' reports, which detail their quality of service, performance, costs, and how well they're doing against their competitors.

Funds often have different share classes, and in their report fund managers will also need to tell investors whether or not they are in the most appropriate share class for their circumstances.

Under the rules drafted by the Financial Conduct Authority (FCA), a regulator, the reports also need to be free from industry jargon so that the average investor is able to understand them.

The investment fund industry currently manages around £1trn for individual investors, and a further £3trn on behalf of people's pensions.

In a landmark report from 2017 looking into asset management – what the fund industry calls itself – the FCA was scathing about how the whole sector operates.

It said: 'We found that asset management products and services are complicated, objectives may not be clear, fees may not be transparent and investors often do not appear to prioritise value for money effectively.'

The reports that fund managers will now have to produce need to be published within four months of a fund's financial year end, so it's likely we'll start seeing the first of these reports from January onwards.

While some of the details still need to be ironed out ahead of the deadline at the end of this month, seven factors at a minimum need to be taken into account by fund managers when compiling the reports.

First is quality of service, such as how the portfolio is managed, the approach to customer service and how they handle complaints.

Second is showing how the fund is performing against its objectives and choosing an 'appropriate timescale'. For example, a value fund's performance may need to be judged over five years, the rough timescale for the average business cycle.

Third is cost, comparing the fee they charge with all the costs for running the fund, while the fourth factor is economies of scale, detailing whether or not there has been a benefit if the fund manages to attract a lot of investors.

Fifth is comparing the fund's fees to that of rivals, although obtaining information on fees from competitors could be commercially sensitive.

Funds also need to tell investors if they're in the right share class, and also compare the charges for ordinary investors and those of investors like big pension funds. And finally, if ordinary investors are paying twice as much as pension funds for the same service, fund managers need to state clearly why this is the case.

What Ferguson's demerger means for UK investors

Arrival of an activist spurs business split and increases the chances of switching listing to the US

FTSE 100 plumbing and heating supplies firm **Ferguson (FERG)** plans to demerge its UK business, which trades under the old Wolseley banner, and make it an independently-listed company.

The UK business made up just 12% of turnover and less than 5% of trading profits in the year to 31 July 2018, with the vast majority of sales and earnings coming from the much bigger US market.

Although there were no details of how or when the demerger is expected to take place, Ferguson shares responded well, adding 3% to £63.23.

The company says that its decision 'marks the conclusion of a detailed review of the group's assets over several years', but we suspect that the arrival of US activist investor Trian in June may have sped up the process.

Trian took a 6% stake in Ferguson, becoming its second-biggest shareholder in one fell swoop, because the firm had 'market-leading brands and products, organic growth and margin runway, competitive advantage in its scale of distribution and a strong balance sheet'.

Reportedly the activist also wanted management to spin off the UK arm and list the core business in New York instead of London as a way to 'create long-term shareholder value', or get the price up.

Ferguson already reports its earnings in dollars and its US operations are much more profitable than the UK, with a trading profit margin on sales of 8.4% compared with just 2.8%.

Yet the company's shares have tended to trade at a significant valuation discount to US rivals Home Depot and Lowe's. For the financial year ending in July, Ferguson shares trade on 15 times earnings compared with 22.5-times for Home Depot and 20-times for Lowe's.

Listing the shares in New York would instantly raise the firm's profile among US investors and could be a way to narrow the discount.

Appointing a US chief executive, which the firm confirmed alongside the demerger proposal, is another way to help raise its profile with US investors.

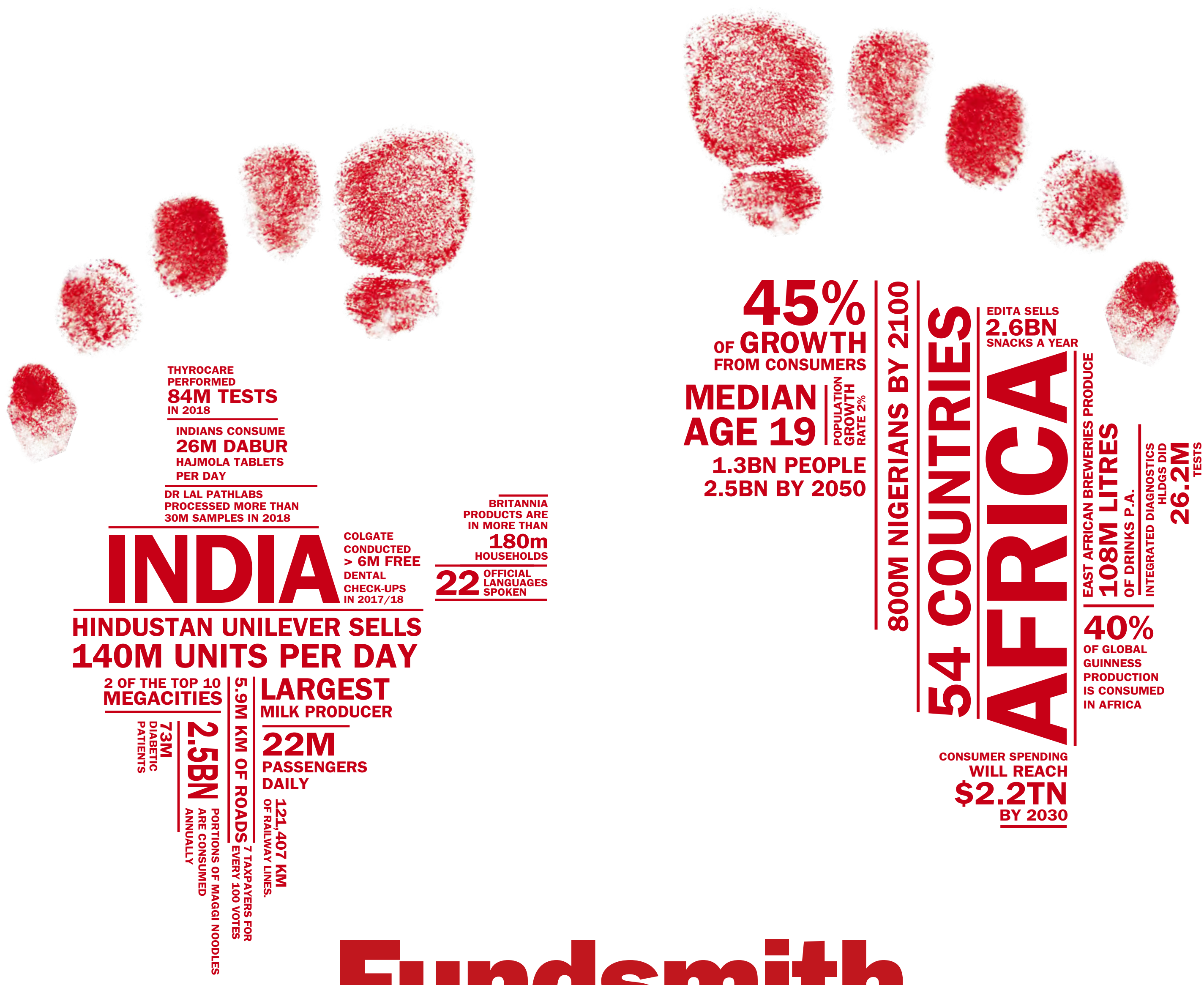
For UK investors there is the prospect of being left with the demerged business which is low-margin and suffering from a weak UK construction market. The latest figures show the market experienced its sharpest fall in new orders in more than a decade thanks to poor industrial confidence and the threat of a no-deal Brexit.

As well as an army of retail investors, quite a few UK funds and investment trusts own sizeable positions in Ferguson so there will be keen interest in the precise detail and nature of the demerger.

UK EQUITY FUNDS WITH A STAKE IN FERGUSON

FUND	% OF PORTFOLIO IN FERGUSON
L&G UK Special Situations Trust	4.2%
Invesco Income & Growth UK	4.1%
BlackRock UK Equity	3.6%
HSBC UK Focus	3.3%
HSBC UK Freestyle	3.3%
HSBC UK Growth & Income	3.3%
Franklin UK Managers Focus	2.6%

Source: FE



Fundsmith
Emerging Equities Trust

The Fundsmith Emerging Equities Trust (FEET) research team searches the world to find companies that make their money from a large number of everyday, repeat, predictable transactions and will benefit from the rise of the consumer in developing economies.

Fundsmith LLP ("Fundsmith") is authorised and regulated by the Financial Conduct Authority and only acts for the funds to whom it provides regulated investment management and transaction arrangement services. Fundsmith does not act for or advise potential investors in connection with acquiring shares in Fundsmith Emerging Equities Trust plc and will not be responsible to potential investors for providing them with protections afforded to clients of Fundsmith.

Prospective investors are strongly advised to take their own legal, investment and tax advice from independent and suitably qualified advisers. The value of investments may go up as well as down and be affected by changes in exchange rates. Past performance is not a guide to future performance.

% Total Return

Year to end June	2019	2018	2017	2016	2015
Fundsmith Emerging Equities Trust	-3.9	+7.7	+14.1	+4.0	-9.7
AIC Global Emerging Markets Sector	+1.8	+4.8	+22.8	+4.5	+4.0

Source: Financial Express Analytics

www.feetplc.co.uk **Available for your ISA through your stockbroker.**

Fundsmith LLP is a limited liability partnership registered in England and Wales with number OC354233. Its registered office address is 33 Cavendish Square, London, W1G 0PW

Pets at Home shares are unleashed from the doghouse

Why it is time to sink your teeth into the resilient pet care leader

A rally at retailer **Pets at Home (PETS)** could have further to run as the pet care specialist rebuilds confidence in its growth story.

The UK's leading pet care business, selling products online and via 452 physical stores, Pets at Home also operates a UK leading small animal veterinary business with practices based in stores and at standalone locations.

The £1.16bn cap is the dominant UK pet retailer with roughly 23% market share. It offers a wide range of products, a significant own-brand offering and pet-related services (vets and grooming), all supported by national marketing.

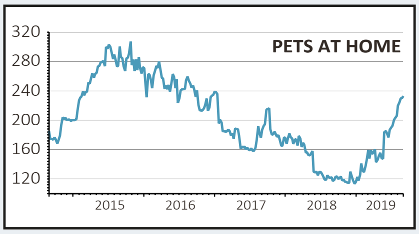
Pet retailing is a resilient niche engendering high levels of repeat business, since pet owners spend regularly on consumables and impulse-led accessories.

In recent years, Pets at Home's retail and vet divisions have come under pressure from rising online and discounter competition. However, CEO Peter Pritchard has stabilised the business and is introducing more customers to Pets' complete pet care offer and capturing a greater share of their overall spend.

In 2019, the shares have scurried higher to reward early signs of turnaround progress. The momentum with which Pets exited the previous financial year continued into the first quarter of the new one, with robust like-for-like growth in both the retail and vet group divisions encouraging management to guide annual profit expectations slightly higher.

PETS AT HOME BUY
(PETS) 231p
Stop loss: 184.8p

Market value: £1.16bn



In the core retail business, market share gains look sustainable with investment in products and price cuts combating competition, as demonstrated by slowing growth at major online rival Zooplus.

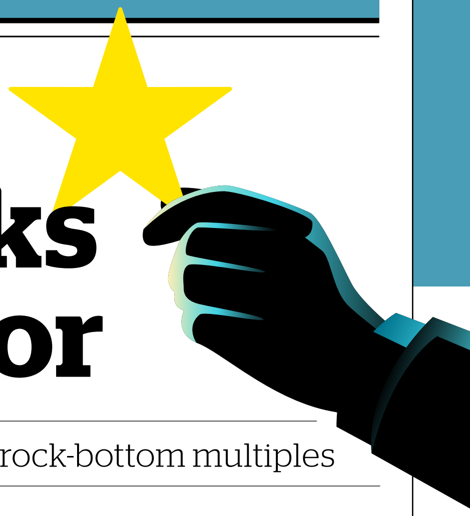
The vet business is an established player in a sector that is growing and consolidating, although it has suffered from over-expansion and cost pressures. Nevertheless, broker Numis expects a return to 'healthy double-digit profit growth' beyond this financial year, as well as materially improved cash conversion as the need to provide loans to joint venture practices abates.

The broker forecasts pre-tax profit of £88m for the year to March 2020, building to £98m in 2021 and £107m in 2022. Pets at Home's free cash flow is predicted to accelerate from around £56m this financial year to over £70m next year and £80m in the year after.

Based on forecast earnings of 13.9p and a 7.5p dividend this financial year, the recent strong rally hasn't left Pets at Home looking too expensive on a multiple of 16.6-times with a decent 3.2% dividend yield.

Numis argues the current valuation fails to reflect Pets' growth opportunity and it implies that earnings forecasts could see significant upgrades if the company keeps doing well.

By **James Crux**
Funds and Investment Trusts Editor



Secure Trust is among our star picks in the banking sector

Fears over Brexit and the UK economy mean the shares are trading at rock-bottom multiples

We aren't fans of the mainstream high street banks or many of the so-called challenger banks – **Metro Bank (MTRO)** being a prime example – but one stock which catches our eye due to its high profitability and low valuation is **Secure Trust Bank (STB)**.

Founded in the West Midlands in 1952, it has 1.4m customers and as of the end of June it had deposits of £2bn and loans of £2.28bn.

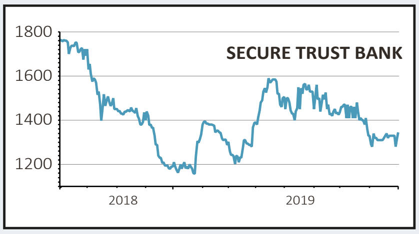
It lends to businesses and consumers. For businesses it offers commercial finance, which is helping companies with cash flow; asset finance, which is helping companies make investments in plant and equipment; and real estate finance which is mainly bridging and other loans for small developers.

For consumers it offers motor finance, retail finance, debt management and mortgages. However it decided to stop new mortgage lending earlier this year because margins are so poor – according to a Bank of England study the average spread was just 1.6% in April – and it has used the capital for retail and property finance where returns are much higher.

SECURE TRUST BANK BUY

(STB) £12.80
Stop loss: £10.24

Market value: £235m



Profit in the first half of 2019 grew by 20% to £18.1m, driven by a 32% increase in retail finance loans to £670m and a 25% increase in real estate loans to £879m.

Although forward-looking economic indicators point to low business confidence and low growth, the bank hasn't seen a change in consumer behaviour. As chief executive Paul Lynam points out, the short duration of its asset portfolio means it can react quickly to opportunities or threats.

In the case of an orderly Brexit there is likely to be a sharp spike in demand for working capital and asset finance from businesses and real estate finance from developers. Consumer confidence and retail sales should also pick up once the cloud of a 'no deal' Brexit is lifted.

On the other hand if there is no deal the bank can turn off the taps quickly to reduce the amount it lends while maintaining its strong credit quality (the 'cost of risk' is currently 1.7% of loans).

It's also worth highlighting the bank's low cost-to-income ratio (55.9%) and its return on regulatory capital (13.6%) which set it aside from most other banks.

The shares are trading on just 7.5 times this year's forecast profit and six times 2020 estimated profit while they yield nearly 7%, which is in line with **Lloyds (LLOY)** and **HSBC (HSBA)** despite Secure Trust Bank being better quality and lower risk.

SECURE TRUST BANK : KEY NUMBERS

	FY 2018	FY 2019E	FY 2020E
Total Income	£188.6m		
Net Interest Margin	7.4%		
Operating Income	£151.6m	£172.4m	£192.7m
Pre-tax Profit	£36.7m	£41.7m	£49.5m
Return on Equity	13.1%	13.3%	15.0%

Note: Profits are adjusted for fair-value amortisation, transformation costs and bonus payments

Source: Secure Trust Bank, Reuters Eikon, Shares

INVESTING IN BIOTECHNOLOGY: ACCESSING CAPITAL GROWTH AND INCOME

International Biotechnology Trust plc

Some investment rules are considered immutable. For example, an asset can either deliver high growth or provide high income. But that's not always the case – it is possible to receive both.

A standard open-ended income fund will typically select companies which provide high dividends, such as utility stocks. These tend to be low growth stocks so returns are skewed towards income and away from capital appreciation.

At first glance, it seems impossible that a biotechnology investment could be a source of income. This sector has performed well over the last decade delivering considerable compensation for growth investors but very few companies pay dividends.

International Biotechnology Trust offers a solution to the income versus growth conundrum by converting part of the capital growth of the biotech sector into dividend income for investors. International Biotechnology Trust currently offers a yield of 4%.

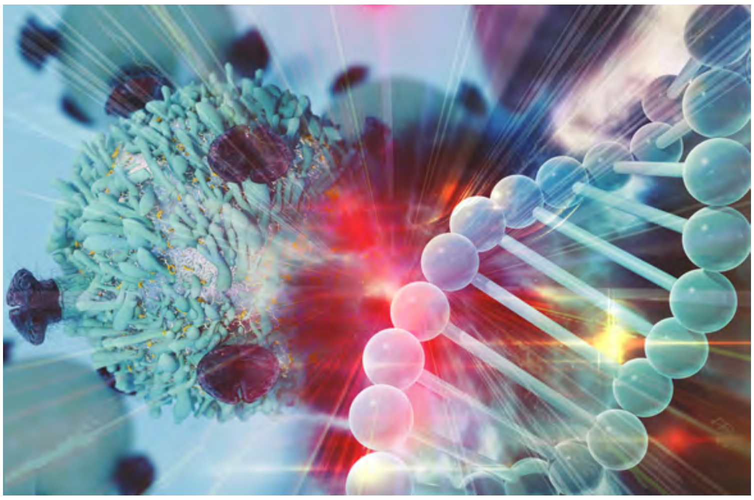
The Lead Investment Manager, Carl Harald Janson said, "We are confident International Biotechnology Trust can maintain this level of dividend payment. Over the last 20 years, the NASDAQ biotechnology index has appreciated by 12% a year. Even paying out 4% of this growth as a dividend leaves 8% capital growth for the investor."

There are good reasons to feel confident about future growth prospects. Changing demographics are increasing the need for medicines. Populations are ageing in the developed world while the middle class in the emerging markets is growing.

Both trends will drive demand for drugs. Companies will be able to meet this need through continued innovation while the regulatory approval process has become easier to navigate.

This should translate into a continued double-digit appreciation of the sector over the next decade which will provide an ample margin for International Biotechnology Trust to maintain its dividend.

But while the Trust's managers are confident, they are not complacent. Investing in biotechnology can be a risky business. Companies spend billions with no guarantee of success.



When a drug's development reaches certain milestones, there is a high risk of share-price volatility. International Biotechnology Trust has a strategy to avoid sharp price corrections.

In the run up to a significant news event announced by the company, the Trust will take advantage of investor optimism and the consequent rise in the share price. But it aims to reduce its position just ahead of that announcement.

Carl Harald explains "Sometimes it's worth buying back the shares after the event, even if the price has risen. That's because there is greater certainty over the outlook for the company, which justifies a higher valuation."

This risk mitigation is supplemented with more standard strategies. For example, International Biotechnology Trust only invest in companies its managers understand.

That entails meeting often with management before deciding to include them in the portfolio. The Trust's investments are also diversified across large, medium and small caps, with no single holding exceeding 10% of the portfolio.

A biotechnology investment trust which manages risk and offers a consistent, sustainable dividend policy helps income investors participate in capital growth while generating necessary income.

This financial promotion is issued and approved by SV Health Managers LLP ("SVHM") and may not be suitable for all investors. Any investment decision should only be made based on the fund scheme documents and appropriate professional advice. The value of investments, and the income from them, may go down as well as up, and is not guaranteed. Investors may not get back the full amount invested. Past performance or forecasts contained in this document are not a reliable indicator or guide to future performance. Exchange rate changes may cause the value of overseas investments to rise or fall. Investors should acknowledge that investing in biotechnology carries some particular risks and investment in the Company should be regarded both as long term and as carrying a high level of financial risk. This promotion is only made available to recipients who may lawfully receive it in accordance with all applicable laws and regulations. It is not targeted at US investors. Every effort is taken to ensure the accuracy of the data used in this promotion but no warranties are given. Full details of the Company, including risk warnings, are published in the Annual Report and Key Information Document which are available on request and at www.ibtplc.com. SVHM is authorised and regulated by the FCA.

RESTAURANT GROUP

(RTN) 137.2p

Gain to date: 21.2%

Original entry point:

Buy at 113.2p, 11 April 2019

INVESTOR EXPECTATIONS WERE possibly too high in the run up to Restaurant Group's half year results on 3 September. The shares took a big hit when it reported £115.7m in one-off charges and very slow sales growth of 0.2% in the past six weeks, leading to modest earnings downgrades from analysts.

Prior to the results the stock had raced up to 156.9p and they've now pulled back to roughly the level at which we last said to buy (4 July).

The obvious temptation is to get out now, particularly as management have become more cautious about Frankie & Benny's and Chiquitos. However, there is merit in sticking with the shares as there is still a lot more that management can do with turning around the business.

Earlier this year it identified 76 Frankie & Benny's sites considered to be in unfavourable locations. It has now earmarked 42 more sites, most of which are understood to be Chiquitos. It will consider closing them once their leases are up for renewal.

SHARES SAYS: →

There is a clear plan how to improve earnings and the customer proposition. The difficult part is waiting for the plan to be executed. We will sit tight for now, but nervous investors may want to take some profit.

COMPUTACENTER

(CCC) £13.34

Gain to date: 10.2%

Original entry point:

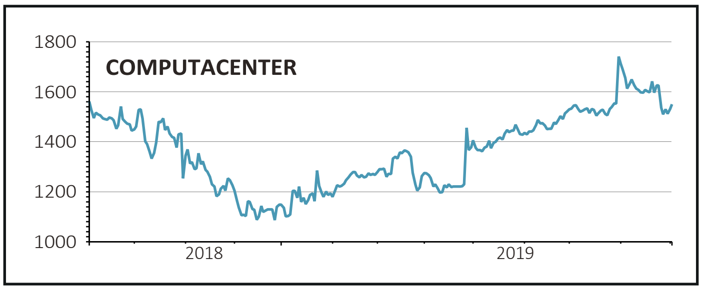
Buy at £12.10, 2 May 2019

IF YOU'VE BEEN on holiday and missed some of the results that came out in August, you may be interested to note a comment from Computacenter. Its first half results (23 Aug) said that the full year profit growth in monetary terms will be the best in the company's history.

While these gains are mainly expected to come from organic growth, Computacenter says its acquired business in the US should provide a more significant contribution in the second half of the year.

Against this confident backdrop it is worth noting that the UK operations saw sales fall by 7.8% in the first half of the year. The previous year contained two very large one-off deals which made for tough comparative figures to beat this time. Excluding those deals the UK grew in the first half of 2019 by 3% which is fine but not outstanding.

The second half period also has some tough comparative figures to beat with the French arm up against some big numbers achieved in 2018. A good first half this year for the geographic region is encouraging but France is certainly a territory to watch closely over the coming months for the business.



SHARES SAYS: ↗

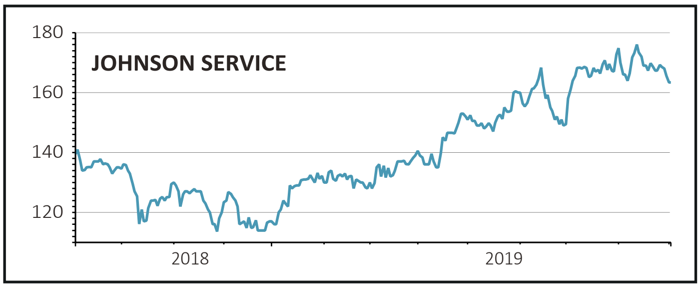
Overall a decent performance. We're happy to retain a 'buy' rating on the stock but admit it could be a volatile period ahead.

JOHNSON SERVICE
(JSG:AIM) 165P

Gain to date: 27.9%

Original entry point:

Buy at 129p, 7 March 2019



OUR 'BORING IS beautiful' call on catering and workwear hire and laundry firm Johnson Service continues to deliver as the half-year results show.

Revenue was up almost 10% with like-for-like growth of 7.5% thanks to strong demand and higher prices. Since the end of June demand has continued at such a pace that the firm has increased its full year sales and profit guidance.

The group prides itself on the quality of its service and delivery, and this is reflected in high customer satisfaction ratings and retention rates. Happy customers mean repeat sales, but there have been some significant new contract wins as well.

In order to manage this growing demand, especially from the hotel, restaurant and catering sectors, a new plant is opening in Leeds next spring. As well as servicing customers in the north of England the plant will take in work from existing plants, freeing up capacity to service new customers.

Given how strong organic growth was in the second half of last year we're impressed that the firm has increased guidance for this year and would continue to buy the shares.

SHARES SAYS: ↗

This is a great long-term growth story which still isn't widely known by retail investors.

ShareSoc
UK Individual Shareholders Society

ShareSoc Investor Seminars - Come and Join Us!
ShareSoc is a not-for-profit membership society created by investors for investors. Our aim is to help our members become better investors and to defend their interests.

Visit www.sharesoc.org for more

MANCHESTER
10 September 2019

- Avation PLC (AVAP)
- The Merchants Trust (MRCH.L)
- Non-Standard Finance (NSF)
- Presentation by Roger Lawson.

REGISTER FOR THIS EVENT

LONDON
11 September 2019

- Avation PLC (AVAP)
- Collagen Solutions (COS)
- Open Orphan (ORPH)
- Trinity Exploration (TRIN)

REGISTER FOR THIS EVENT

MEETING WITH INTERCONTINENTAL HOTELS GROUP (IHG) - LONDON
17 September 2019

- Limited places available! Priority will be given to Full Members.

REGISTER FOR THIS EVENT

All you need do is complete the registration form for your chosen event on our website. Go to www.sharesoc.org for more about ShareSoc.

London suffers a sharp decline in the number of IPOs

We also reveal the performance data for the stocks that have floated in 2019

There has been a dearth of companies floating on the UK stock market this year, perhaps understandably given Brexit-induced volatility.

A mere 25 companies have floated in London so far in 2019, compared with 87 in 2018 and 106 in 2017 excluding listings classified as international offerings where stocks aren't available to retail investors. The majority have chosen to list on the Main Market with only seven opting to join AIM.

Most notably there has been a scarcity of big names floating in the UK with only four IPOs (initial public offerings) worth more than £1bn.

> "A mere 25 companies have floated in london so far in 2019, compared with 87 in 2018 and 106 in 2017"

It's a different story in US markets with the New York Stock Exchange and Nasdaq attracting a large number of very big floats including Uber, Pinterest and Beyond Meat.

WHY HAVE COMPANIES SHUNNED THE UK?

Jake Robbins, fund manager at Premier Asset Management, suggests there are three reasons why the UK has lagged with IPOs this year.

First, he blames the low valuation of UK markets at the moment, both historically and relative to the rest of the world. 'If companies are looking to raise capital, doing so in the UK seems like an unattractive place to do it given the low rating that domestic stocks are likely to receive.

'Companies may be willing to wait until uncertainties such as Brexit, trade wars and economic slowdown have passed in the hope of achieving better valuations in the future.'

Second, Robbins believes that the US market has succeeded by grabbing big name IPOs because that's where many of the high profile technology disruptors are based. The UK currently doesn't have these sorts of businesses at the right stage in their development to attract big money from investors.

And third, Brexit uncertainty has prompted companies to delay big decisions which includes floating. Even when they regain confidence, the UK may not necessarily be the listing venue of choice.

'Given that so many businesses are more global in nature these days, just because companies may have started life in the UK doesn't necessarily mean they need to list in London. Listing in markets such as the US may

LONDON-LISTED IPOS IN 2019 – RANKED BY PERFORMANCE

Company	Category	IPO date	Issue price (p)	Latest price	Gain/loss (%)
Dev Clever	Software	21/11/19	1	4.55	355.0
Starcrest Education	Cash shell	31/1/19	20	35.5	77.5
Trainline	Travel & Leisure	26/6/19	350	473	35.1
Network International	Support Services	15/4/19	435	586	34.7
Argentex	Financial services	25/6/19	106	135.25	27.6
Bermele	Cash shell	3/5/19	1	1.25	25.0
Diaceutics	Health Care Services	21/3/19	76	91.5	20.4
The Schiehallion Fund	Fund	27/3/19	1*	1.18*	18.0
Blencowe Resources	Cash shell	18/4/19	4	4.5	12.5
Mustang Energy	Cash shell	29/7/19	10	11	10.0
Essensys	Software	29/5/19	151	165	9.3
Watches Of Switzerland	Personal Goods	4/6/19	270	292	8.1
Aquila European Renewables Income Fund	Fund	5/6/19	1**	1.07**	7.0
Brickability	Construction	29/8/19	65	68	4.6
Finablr	Support Services	20/5/19	175	179	2.3
Loungers	Travel & Leisure	29/4/19	200	204.5	2.3
Induction Healthcare	Health Care Services	22/5/19	115	117.5	2.2
US Solar Fund	Fund	16/4/19	1*	1.01*	1.0
BSF Enterprise	Investor	26/7/19	5	5	0.0
Riverstone Credit Opportunities Income	Fund	28/5/19	1*	0.99*	-1.0
Uniphar	Healthcare services	17/5/19	1.15**	1.12**	-2.6
DWF	Legal services	15/3/19	122	117.5	-3.7
MetalNRG	Investor	23/7/19	0.3	0.28	-6.7
Airtel Africa	Telecoms	3/7/19	90	68	-24.4
Ferro-Alloy Resources	Mining	28/3/19	70	25.45	-63.6

*US dollars; **euros

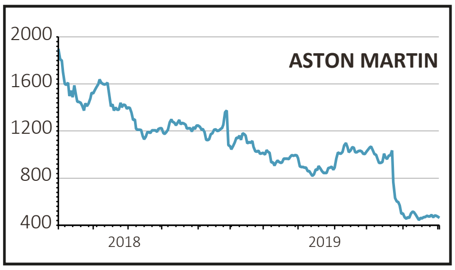
Source: Shares, London Stock Exchange. Data taken 29 Aug 2019.

offer deeper sources of capital at more attractive terms than the UK so some may be choosing that option instead,' adds the fund manager.

MORE ISSUES TO CONSIDER

Other reasons may include companies preferring to stay private for longer as well as private equity companies being flush with cash and acquiring businesses off-market that might have been considering an IPO.

The poor performance from some of last year's IPOs,



notably **Aston Martin (AML)** and **Funding Circle (FCH)**, will have put many people off new market listings.

Oliver Brown, fund manager at RC Brown, says investment banks may also be to blame as they may be advising companies not to list when markets are volatile. 'Some overseas investors simply see the UK market as uninvestable until there is greater clarity in terms of the UK's future trading relationship with the EU,' he adds.

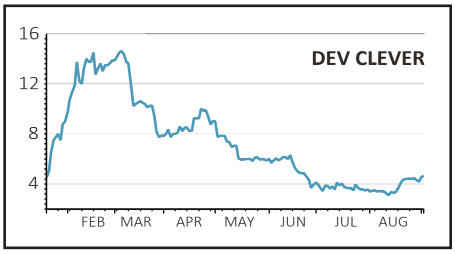
WHAT ABOUT THE IPOS THAT DID HAPPEN?

The average gain from all new market listings this year is 22% but retail investors would have only made a 4.8% average gain if you add up the figures based on the first chance they could buy the shares, namely the market opening price on day one.

Institutional investors tend to be the winners as they are able to take part in an IPO offer and buy at the issue price, yet retail investors typically have to wait until the stock begins trading before they can buy. They often miss out on an immediate bump in the share price.

STAR PERFORMERS

The best performing London-listed IPO so far this year is software group **Dev Clever (DEV)** with a 355% gain.



You could have made significantly more money on this stock if you timed it right and sold in March. At their peak shares in Dev Clever had surged 1,381% from their 1p issue price.

Dev Clever actually started trading at 2.25p versus its 1p IPO offer price, a difference of 125%. Another micro-cap jumping at the market open on the first day of trading was **Bermele (BERM)**, a cash shell hoping to buy a pharmaceutical business, which traded 50% higher on its market debut.

It is quite common to see investors bid up shares in cash shells to far beyond the value of their assets in the hope that such vehicles will find earnings-enhancing acquisitions. This is the best explanation as to why shares in **Starcrest Education (OBOR)** have shot up by 77.5% since floating in January. It wants to capitalise on China's 'Belt and Road' initiative to economically connect 71 countries and intends to buy companies involved in education services.

Among the larger floats, **Trainline (TRN)** has done the best with a 35.1% gain since joining the market in June. Close behind is payments group **Network International (NETW)**, up 34.7% in four months.

The highest profile disappointment is **Airtel Africa (AAF)**, the continent's second-largest mobile operator which has seen its shares slump by nearly 25% since joining the London market in June. First quarter results in July were in line with market expectations so it is hard to know precisely what investors are worried about.

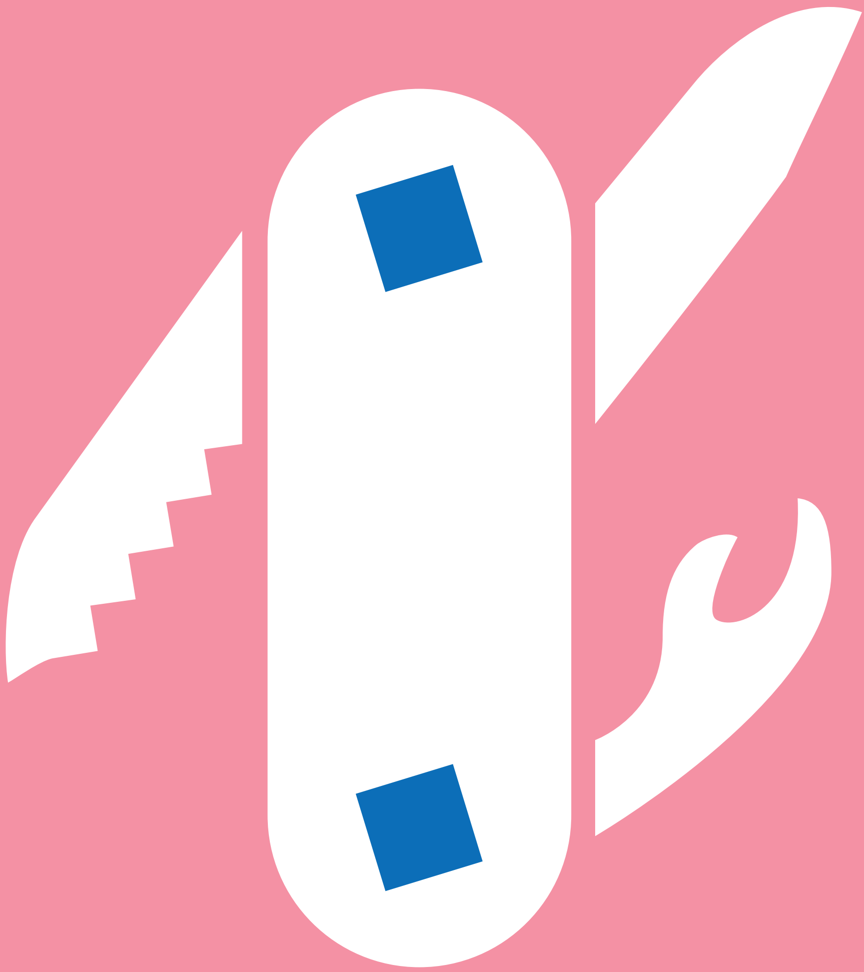
LATEST LONDON-LISTED IPOS

THE MOST RECENT batch of London-listed IPOs includes **Brickability (BRCK:AIM)** which floated on 29 August. The AIM-quoted company is a construction materials distributor in the UK and is heavily leveraged to the housebuilding sector. It supplies more than 300m bricks a year as well as products linked to roofing, heating, flooring, doors and windows.

Coming later in September is investment trust **JPMorgan Global Core Real Assets (JARA)** which has a plan to provide retail investors with access to real asset sectors normally restricted to institutional investors.

It is targeting 4% to 6% dividend yield and a 7% to 9% total return each year. Research group Kepler says its aim is to provide investors with a defensive income stream from high quality real assets with low correlation to major equity markets.

By **Daniel Coatsworth**
Editor



Equipped for every kind of saver

Investing in Witan through an ISA, SIPP or general savings account could be a wise move. We're not limited by the performance of one manager. Instead, we draw on the wisdom of up to 12 experts with an aim to provide long-term capital growth and increase your income ahead of inflation.

Experience collective wisdom
witan.com

Witan Investment Trust plc is an equity investment.
Past performance is not a guide to future performance.
Your capital is at risk.

Witan investment trust

We explain how Google's owner Alphabet makes its money

Growth, cash and buybacks combine for a compelling investment story

Google has become a major part of everyday life thanks to its range of sought-after products and services.

To 'Google' has become an English verb to describe searching the internet, while many readers will own Android-powered smartphones or tune in to YouTube videos regularly – all part of the Google empire.

Yet there are probably a lot of things you don't know about one of the biggest technology companies in the world.

FROM G TO A

Most investors still know it as Google, even though the internet search giant reorganised as holding company Alphabet in 2015. So if you want to buy shares in Google, you now have to look for the name Alphabet on your investment platform.

The corporate rejig was designed to separate all of Google's internet properties, like Search, YouTube, Gmail, Maps, Apps, Drive and Chrome from Other Bets, the company's nascent ventures in biotech, healthcare, artificial intelligence and much else.

Its self-driving technology developer Waymo, life sciences arm Verily and Wing, its drone delivery start-up, are some of the better-known activities that fall under the banner of Other Bets. Some sound quite madcap, like Loon, which is developing internet services being supplied using high-altitude balloons.

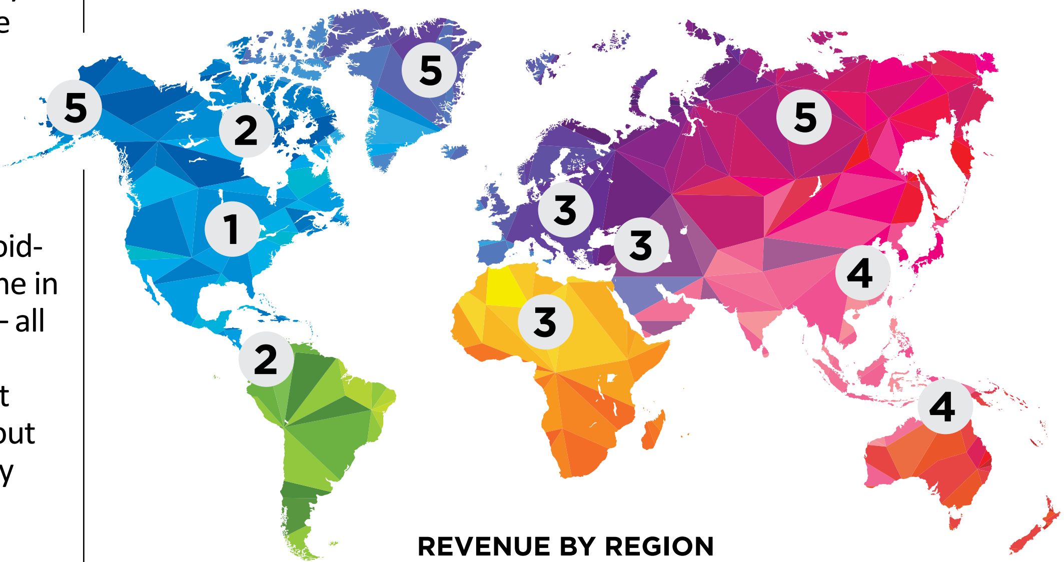
But there is no question that the revenue and profit powerhouse of Alphabet remains its internet search and advertising business.

DIGITAL DOMINANCE

In 2018 Alphabet generated 70.4% of the $136.8bn overall revenue from its internet search and advertising, plus user activity on platforms like Gmail, Google Maps, Google Play and YouTube.

When you use Google to search for anything from financial information to local weather, you're given a list of search results generated by

HOW GOOGLE COMPETES WITH FACEBOOK ON DIGITAL ADS



REVENUE BY REGION

GOOGLE

1. US	46%
2. OTHER AMERICAS	6%
3. EUROPE, MIDDLE EAST, AFRICA	33%
4. ASIA PACIFIC	15%

FACEBOOK

1. US	43%
2. CANADA	3%
3. EUROPE	24%
4. ASIA PACIFIC	21%
5. REST OF WORLD	9%

Both Alphabet and Facebook generate billions of dollars of revenue from advertising. Their platforms allow advertisers to target you at scale with incredible precision, which is why they dominate the online ad industry.

Google's top secret algorithm. The algorithm attempts to provide the most relevant results for your query, and, along with these results, you may find related page suggestions from an AdWords advertiser.

AdWords integration touches almost all of Google's web properties so the recommended websites you see when logged into Gmail, YouTube, Google Maps, and other Google sites are generated through the AdWords platform.

To gain the top spot in Google advertisements, advertisers have to outbid each other in an auction. Higher bids move up the list while low bids may not even be displayed.

Advertisers pay Google each time a visitor clicks on an ad, anything from a few cents to more than $50 for highly competitive search terms such as insurance, personal injury, loans and other financial services.

Bolted on to this technology is AdSense which directs tailored ads to third-party websites for a fee. Other revenue streams include Pixel phones, Nest in-home connected products and Ring, the smart doorbell that lets you see who's at the door from anywhere via your phone. There's also Google Cloud, with a now $8bn annual revenue run-rate, although still well behind market leader Amazon Web Services' $34bn.

What this translates into is market dominance of the internet search and ads space. It's now estimated that Google has about 2bn monthly users, which translates to approximately 3.5bn searches every day. As of 2019, Alphabet

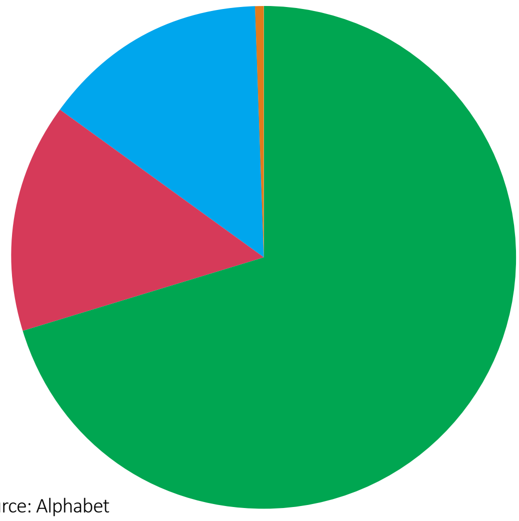
HOW ALPHABET MAKES ITS MONEY

Google Search 70.4%
(AdWords plus YouTube, Google Maps, Gmail, etc)

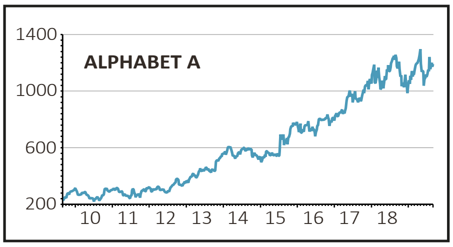
Google Network Members 14.6%
(AdSense, third-party advertising)

Google Other 14.6%
(Pixel phones, Nest, Ring and Google Cloud)

Other Bets (Loon, Waymo, Nest, Wing) 0.4%
(Google's moonshot ideas for the future, internet balloons, self-driving cars, smart home products, drone deliveries)



Source: Alphabet



has approximately 90% of the search engine market share globally, plus capturing around a third of the world's online advertising revenue, with Facebook a distant second at 20%, although Amazon looms as a new rival in digital ads.

QUESTIONS TO ANSWER

This has prompted some analysts to wonder if Alphabet's income streams are diverse enough, 'as it remains heavily dependent on advertising', note analysts at Morningstar.

Others are more optimistic. 'Its core Google business shows that the online advertising industry is still growing quickly,' noted Christopher Rossbach, chief investment officer at investment company J Stern & Co, in response to second quarter results in July.

'Those that had prophesised that Google's glory days for search-related ad revenues were over clearly had to think again,' says Richard Holway, the founder of TechMarketViews.

But the relative health of the online advertising market is not the only concern. Stiffer regulation is a worry for Alphabet as well as other internet companies that gather consumer data.

The US Department of Justice is exploring an antitrust investigation of Alphabet's internet search and advertising business, and in March the company was handed a €1.49bn fine by the EU for breaching antitrust rules.

If the worst came to pass Alphabet could possibly restructure itself under regulatory pressure but it would likely fight tooth and nail and a legal battle could drag on for years.

THE KEY NUMBERS

What we can say with confidence is that Alphabet remains a financially strong business awash with cash. Net cash jumped $12bn in the first half of 2019 to $121bn, with second quarter earnings jumping from $11.75 to $14.21 per share year-on-year.

That led the company to accelerate its share buyback plans to $25bn, and that's on top of the rough $7bn shares bought back so far in 2019.

In Q2, the number of paid clicks jumped by 28% year-on-year although cost per click – the amount advertisers pay when someone clicks on their advert via Google – dropped by a worrying 11%.

'Alphabet continues to strike a good balance between investing for long-term growth and operating margins,' said J Stern's Rossbach in July. Operating margins this year are forecast at around the 21% to 22% mark on high single-digit revenue growth to $162.5bn.

The shares trade on 22.2 times forecast earnings for the next 12 months. This is based on the $1,198.375 A shares, which carry one vote each. Non-voting C shares trade modestly cheaper at $1,197.43, but either way the power still sits with founder-owned B shares, which carry 10 votes each but are not traded on public markets.

It's worth noting that Alphabet floated at $85 back in 2004, implying a hike of more than 1,300% to date.

'Alphabet's outlook remains very bright, with numerous growth options for the company that can provide significant upside to the current share price,' is how Rossbach sees the stock.

FUNDS AND TRUSTS OFFERING RELATIVELY LARGE EXPOSURE TO ALPHABET

Funds	Code	% of assets in Alphabet
L&G Global Technology Index Trust	B0CNH16	10.2
Metropolis Value	B3LDLX8	9.2
Janus Henderson Global Technology	771607	8.6
AXA Framlington Global Technology	B4W52V5	8.2
Trojan Global Equity	B0ZJ023	6.3

Investment trusts	Code	% of assets in Alphabet
Menhaden	MHN	11.5
Manchester & London	MNL	10.7
Polar Capital Technology Trust	PCT	7.6
JPMorgan Global Growth & Income	JPGI	3.5
Alliance Trust	ATST	3.4

Source: FE, Shares

ALPHABET'S BIG NUMBERS

- **3.5bn** Google searches are made every day
- **60%** of Google searches are done via mobile devices. Only five years ago, the figure was nearly half that at **34%**
- **2bn** monthly active YouTube users
- Top 10 YouTube channels earned **$180.5bn** between June 2017 and June 2018
- YouTube has **1.9bn** monthly active users, second only to Facebook's **2.27bn**

SHARES SAYS:

With so many fingers in so many potential growth pies Alphabet remains a very solid holding for the long-term. We've published a table in this article showing the funds and investment trusts with the biggest holding in Alphabet as a proportion of their overall portfolio in case investors want an alternative way of getting exposure than buying the NASDAQ-listed shares.

By **Steven Frazer**
News Editor

Janus Henderson exists to help you achieve your long-term financial goals.

REAP THE BENEFITS

Investment Trusts, managed by Janus Henderson

Every farmer knows one of the keys to a good crop is finding the right soil.

At Janus Henderson we believe in the same principle; that to reap the benefits of a successful investment, you must carefully consider where you invest.

Our history dates back to 1934, but today we manage 13 investment trusts across a wide range of sectors, geographies, regions and markets.

Your capital is at risk.

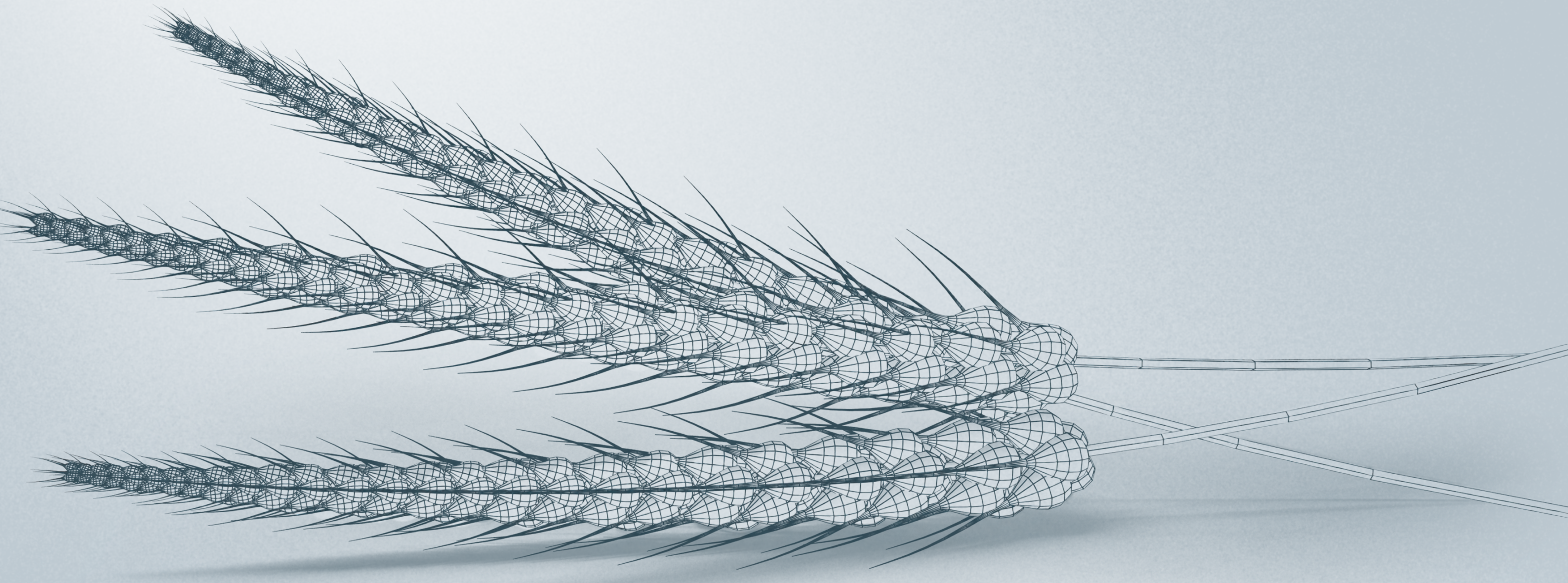
To see our range of investment trusts visit
www.hendersoninvestmenttrusts.com
call us on

0800 832 832

or email us at
support@janushenderson.com

Find us on Facebook

@JHiTrustsUK

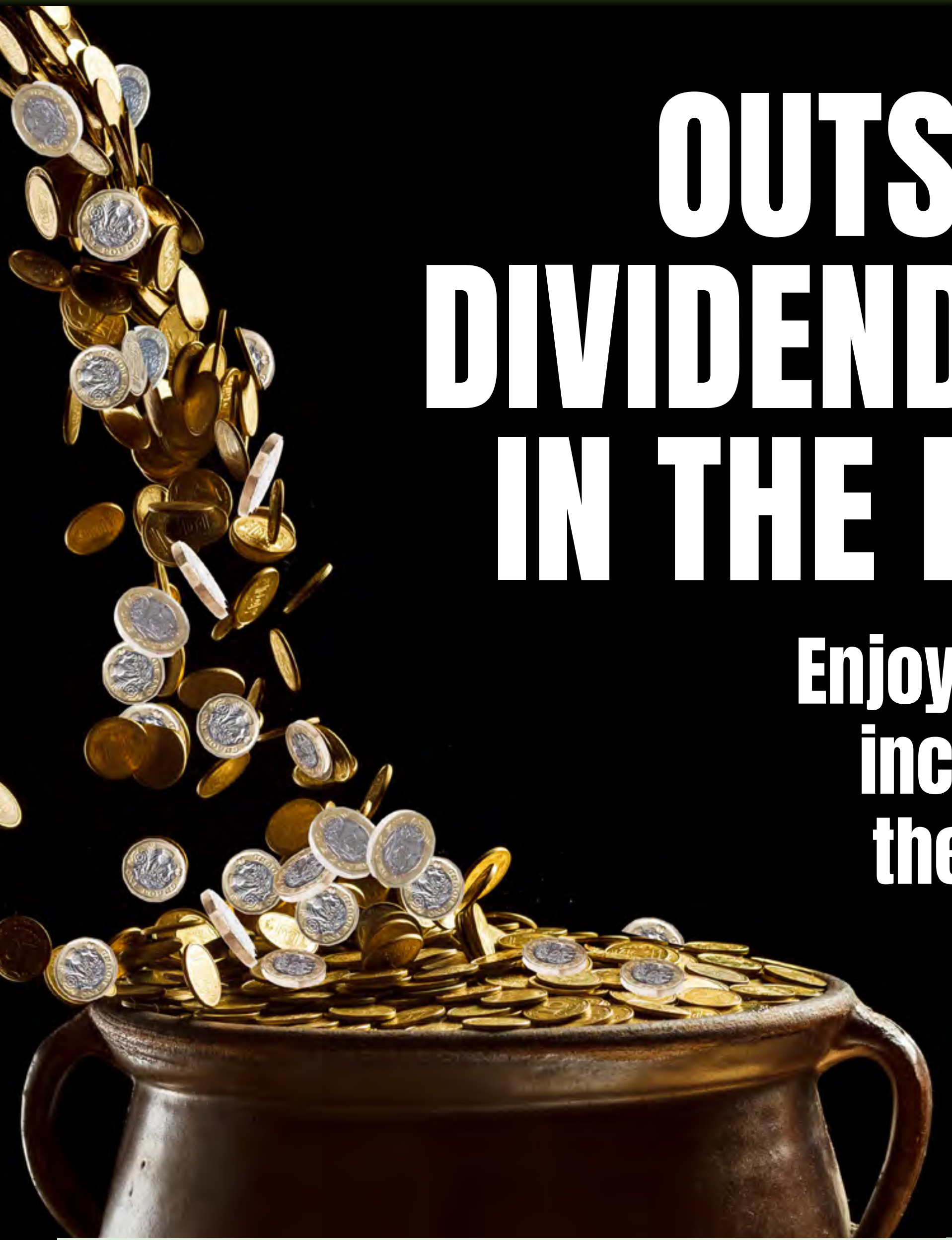


Janus Henderson
—KNOWLEDGE. SHARED—

For promotional purposes

Issued in the UK by Janus Henderson Investors. Janus Henderson Investors is the name under which Janus Capital International Limited (reg no. 3594615), Henderson Global Investors Limited (reg. no. 906355), Henderson Investment Funds Limited (reg. no. 2678531), Henderson Investment Management Limited (reg. no. 1795354), AlphaGen Capital Limited (reg. no. 962757), Henderson Equity Partners Limited (reg. no. 2606646), Gartmore Investment Limited (reg. no. 1508030), (each incorporated and registered in England and Wales with registered office at 201 Bishopsgate, London EC2M 3AE) are authorised and regulated by the Financial Conduct Authority to provide investment products and services. Telephone calls may be recorded and monitored. © 2017, Janus Henderson Investors. The name Janus Henderson Investors includes HGI Group Limited, Henderson Global Investors (Brand Management) Sarl and Janus International Holding LLC.

H034018/0218



OUTSTANDING DIVIDEND PAYERS IN THE FTSE 350

Enjoy inflation-busting income growth from these mid and large cap champions

By **Martin Gamble**
Senior reporter

Investors looking for income from their portfolio should be mindful of the drag effect that inflation can have on their dividends as well their sustainability. Inflation reduces the purchasing power of each pound spent and over time can seriously reduce the 'real purchasing' value.

For example over the last 10 years the consumer price index (CPI) has averaged 2.1%, which doesn't sound much, but that is equivalent to a 21% reduction in purchasing power over that period.

Investors should therefore look for companies which grow their dividends at least in line with the underlying trend rate of inflation.

But if you were wondering about how to go about finding the best companies offering inflation-busting income, *Shares* is here to help.

GOOD VERSUS BAD DIVIDENDS

It might be tempting to look for the highest yields, especially with interest rates at such low levels, but we would caution against following this approach. Dividend yields above 6% should be viewed with suspicion as a high level may indicate that the market thinks they are unsustainable.

Investors in **Vodafone (VOD)** and **Centrica (CNA)** know this story only too well given recent cuts in their dividends following a period of very high yields.

Also, it doesn't really matter what the size of the yield is if the dividend doesn't grow at least as fast as inflation over time.

OUR SEARCH PROCESS

We've taken a look at the constituents of the FTSE 350 and have crunched the numbers from SharePad to identify shares that income investors might consider including in their portfolios.

Of the 350 companies in the index we excluded investment trusts and those companies which didn't have 10 years of data available. That whittled the universe down to 168 companies, which we analysed further to find those companies which consistently raised or maintained their dividends, rather than picking the fastest growers.

One caveat we should point out is that the limitations of the available data from SharePad restricted the time period to the last 10 years which roughly coincided with the end of the financial crisis and the start of the latest economic expansion.

Therefore we suspect that the growth rates shown probably overstate the natural long-term growth rate because the start date represents an abnormally low point in the cycle.

That said, the results are still interesting and informative as well as surprising. For example, not many people would have guessed that silver and gold miner **Fresnillo (FRES)** would top the dividend growth table, with a 10-year average growth rate of 72.7%. However, the average masks very high volatility.

The dividend was cut on four occasions over the last 10 years and some of the cuts were pretty brutal. In the three years from 2012, the dividend was cut by 41%, 92% and 36% respectively, not a pleasant result for investors relying on the company to provide them with a steady income.

In addition the cover ratio (the amount of times the dividend is covered by earnings) fell steadily from around five-times to under two-times, a level we consider a minimum to give confidence in the reliability of the dividend actually being paid.

WE WANT SUSTAINABLE GROWTH

As we saw with the likes of Fresnillo, focusing on growth rates alone is not necessarily the best approach to finding inflation-busting companies. What's more relevant is the *sustainability* of the dividend and its future growth rate, which should be above the inflation rate of 2.1%.

There are so few companies that always increase their dividends which suggests that it doesn't happen by chance, but is the result of strong and stable fundamentals. It also probably means that management run operations smoothly.

There is something called the Lindy effect, coined in 1964 by Albert Goldman. In the present context, this means that a company's track record of growing dividends is a good indicator of its future growth rate. However, we should point out that, like many things in life, nothing is guaranteed to continue forever.

THE NEXT STEPS IN OUR SEARCH

In our screening exercise we excluded companies that had reduced or suspended their dividend as well as those unable to grow the dividend faster than the rate of inflation. This reduced the universe from 168 to just 37 companies.

Our next step was to filter the list by removing those companies whose dividends were less than twice covered by earnings.

We would be particularly sceptical of any company that borrowed money in order to pay its dividend, as they are just storing up trouble for the future.

Filtering for at least two-times dividend coverage reduced our universe to 20 companies. To guide us towards the best five companies we applied another measure of financial robustness which also has the added benefit of steering us away from the most expensive shares.

FREE CASH FLOW YIELD

Free cash flow yield is measured by taking the cash generated by the business, deducting capital expenditure, then dividing this figure by the total value of the company, or enterprise value. The

Silver and gold miner Fresnillo tops the dividend growth table. Is this sustainable though?

free cash flow yield can be used as a measure of cheapness where the higher the number, the better value on offer.

Essentially, this measure is less susceptible to manipulation, because it is a cash number rather than an accounting number, which are generally non-cash based.

Free cash flow can be used by the company in a variety of ways. Management can use it to service debts, invest in the business for growth or pay dividends to income investors.

GETTING TO THE FINAL FIVE

It would be tempting to buy those companies with the highest historical growth rates, giving us inflation-busting success, if only future growth rates matched those of the past.

But if you look at the companies on the list, we just don't know whether, for example, equipment rental company **Ashtead (AHT)** will be able to replicate the 10-fold increase in dividends that it has delivered since 2009.

As a cyclical company mainly exposed to the US, it has clearly benefited from the upswing in US GDP growth, but it would be susceptible to any future downturn, although its strong dividend cover may give investors some comfort.

Even during the depths of the financial crisis the company continued to increase its dividends, demonstrating the robustness of its business.

Rather than rely on historical growth rates as a guide, we also incorporated the free cash flow yield to help pick out the best five companies.

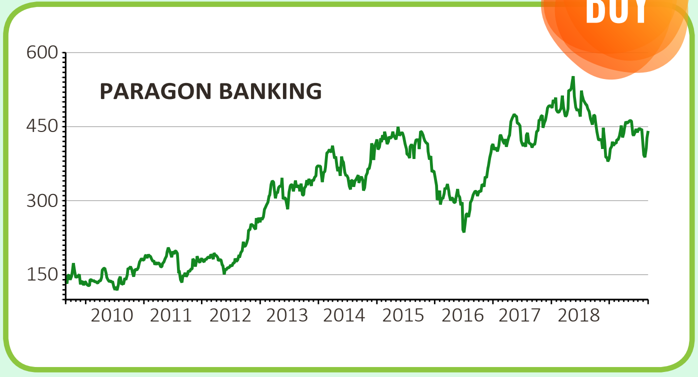
To recap, each company on the list has increased its dividend more than inflation every year for the last 10 years, and current dividends are covered at least two times by earnings per share.

You can find the full list of the 20 stocks in the FTSE 350 with inflation-busting income growth at the end of this article

5 OUTSTANDING DIVIDEND PAYERS

PARAGON BANKING (PAG) 440P

BUY



Paragon has grown its dividend six-fold over the last 10 years, an average rate of 22% per year. In addition the company has been actively buying back shares, on average around 2.2% a year, while it currently offers a 5.3% yield which is 2.4 times covered by earnings.

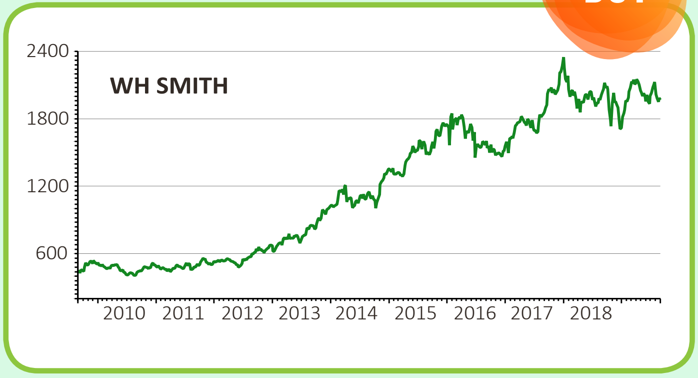
The company has consistently earned a return on equity of around 13%, while the shares trade in-line with book value, which seems stingy given the impressive track record. The core tier-one ratio, a key measure of financial strength, sits at an impressive 14.6%, way above the 10.5% minimum required by the regulator.

Paragon has been listed since 1985 and provides specialist banking services to the professional buy-to-let market which accounts for 62% of its loans with commercial lending making up the rest.

A quarterly update released on 30 June showed the company delivering on its goals, with lending volumes rising 20% year-on-year. The group remains on track to achieve its full year guidance of mortgage lending of £1.6bn and commercial lending of at least £0.9bn.

WH SMITH (SMWH)
£19.63

BUY



One of *Shares*' running *Great Ideas* selections, WH Smith has successfully transformed from a staid high street books and stationery seller into a growth company focused on international travel outlets and hospitals.

The company has grown its dividends almost three-fold over the last 10 years, equivalent to 14.5% per year. It currently has a yield of 2.7%, covered twice by earnings.

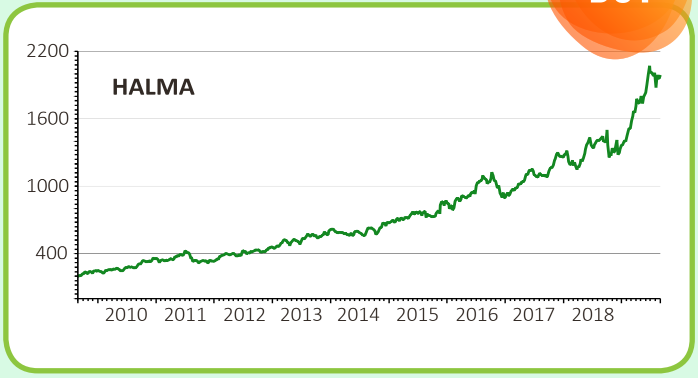
Its travel arm continues to perform strongly as does the international business and with the acquisition of InMotion, the company now operates from 428 stores outside the UK.

Continued cost savings have been achieved in the UK high street stores helping to deliver margin improvements in line with the company's plans.

Chief executive Stephen Clarke is stepping down on 31 October after 15 years with the company and overseeing 24% growth in pre-tax profit and a 177% rise in the share price.

HALMA (HLMA)
£19.66

BUY



Electronics equipment maker Halma has increased its dividend consistently over the last 10 years, averaging 7.1% a year, which means they have roughly doubled over the period. In fact, the company has increased its dividend every year for the last 40 years. The shares currently yield 0.8% while the dividend cover is a healthy 3.8-times.

You may think it is odd that we are saying to buy Halma as an income stock when the yield is so low, yet we would remind investors that the income stream has been growing a very attractive rate and we hope this will continue in the future.

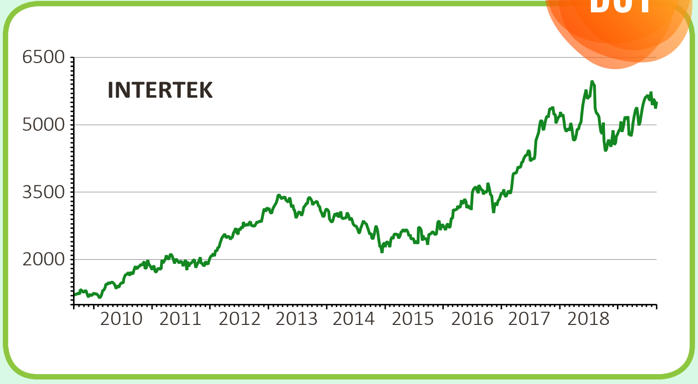
The firm's focus on health, safety and environmental markets continues to drive long-term growth and thanks to its disciplined cost control, full year pre-tax profit rose by 15% marking a record 20.3% margin.

Halma achieves impressive returns on invested capital, averaging around 16% over the last six years, and the company highlights some reasons why that might be sustainable.

These include a focus on niche markets which have growth characteristics; a clear strategy to grow organically and selectively through acquisitions; and a simple financial model focusing on high levels of cash generation, allowing the company to reinvest in future growth and finance a progressive dividends to shareholders.

INTERTEK (ITRK)
£54.50

BUY



Testing and certification company Intertek has grown its dividends almost four-fold over the last 10 years, giving an average annual growth rate of 17.6%. The 1.8% dividend yield is covered two times by earnings.

The company is the largest tester of consumer products in the world and has over 1,000 laboratories, operating in 100 countries across the global. Intertek works for governments and customs offices to improve compliance of imports with safety standards.

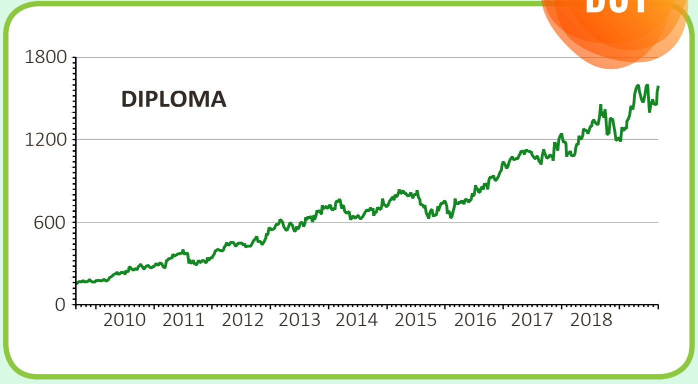
The recent half year results saw revenue growing 7% and operating profit up 8% while operating cash flow was up an impressive 12% to £219m. Operating margins improved for the fifth year in a row with progression seen across all three divisions.

In line with a dividend policy that targets a payout ratio of circa 50%, and underpinned by high margins and a cash generative earnings model, the company announced a half year dividend of 34.2p per share, an increase of 7.2%.

Maris-Interiors

DIPLOMA (DPLM)
£15.83

BUY



A distributor of specialised technical products, Diploma has increased its dividends two and a half-fold over the last 10 years, giving an annual growth rate of 13.6%, handsomely beating inflation. It currently offers a 1.6% dividend yield, which is 3.3 times covered by earnings.

One of the big advantages of Diploma's business is how resilient it is in downturns when other suppliers tend to struggle, helped by having a large interest in the supply of products to the healthcare sector which operates regardless of good or bad economic conditions.

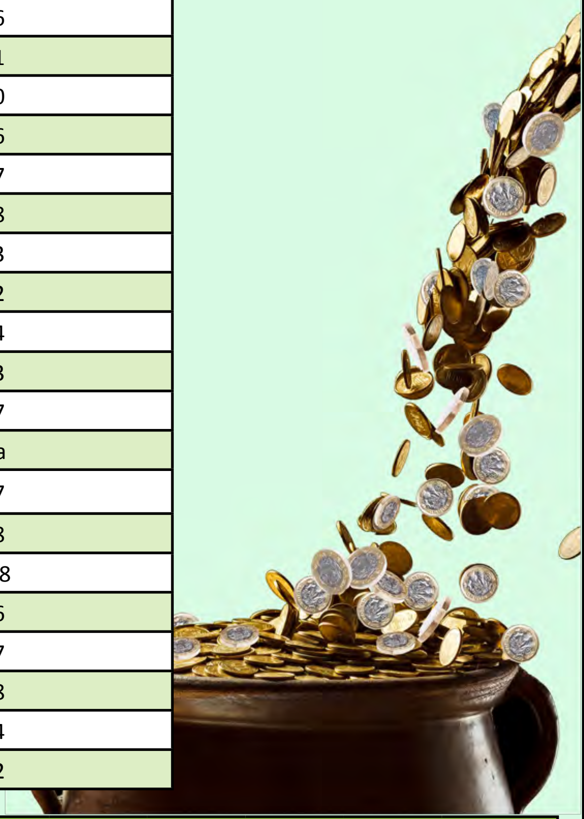
In the case of seals and gaskets, customers like construction and mining firms are always replacing worn-out parts to keep what are typically fairly expensive pieces of machinery working.

In an update released on 28 August Diploma said that trading remained in line with expectations and revenue is expected to grow by circa 13%, comprising of 5% underlying revenue growth and 6% being contributed from acquisitions, net of disposals. Currency tailwinds should also boost revenue by 2%.

The operating margin is expected to be modestly ahead of last year, benefiting from tight control of costs and operating leverage from growth in revenue.

FTSE 350 STOCKS WITH INFLATION-BUSTING DIVIDEND GROWTH

Name	Div Yield %	Div cover	Free Cash Flow Yield %
Ashtead	1.9	4.3	2.6
Associated British Foods	2.0	3.0	3.1
Bunzl	2.5	2.6	6.0
Cranswick	2.1	2.6	0.6
Croda International	1.9	2.2	2.7
Dechra Pharmaceuticals	0.9	3.0	1.8
Diploma	1.6	2.2	3.3
Fisher (James) & Sons	1.5	2.8	4.2
Genus	1.0	2.9	1.4
Halma	0.8	3.4	2.3
Hill & Smith	2.8	2.4	5.7
Hilton Food	2.2	2.0	n/a
Informa	2.6	2.2	3.7
Intertek	1.8	2.0	3.8
Paragon Banking	4.5	2.5	96.8
Sage	2.4	2.0	4.6
Spectris	2.7	2.7	2.7
Spirax-Sarco Engineering	1.3	2.5	2.8
Ultra Electronics	2.4	2.1	4.4
WH Smith	2.7	2.0	4.2



Name	Year-on year dividend growth %										
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	10 yr Avg
Ashtead	21.2%	20.0%	22.2%	47.1%	33.0%	53.3%	114.3%	16.7%	3.4%	11.5%	34.3%
Associated British Foods	10.5%	11.4%	5.1%	2.9%	3.0%	15.8%	14.9%	4.2%	13.3%	3.4%	8.5%
Bunzl	9.1%	9.5%	10.5%	7.0%	9.6%	11.0%	10.6%	12.8%	8.8%	4.4%	9.3%
Cranswick	4.1%	21.8%	17.6%	10.3%	6.3%	6.7%	5.3%	3.6%	10.0%	15.2%	10.1%
Croda International	8.1%	9.5%	3.6%	5.3%	1.6%	8.4%	8.0%	57.4%	62.7%	8.6%	17.3%
Dechra Pharmaceuticals	29.4%	15.7%	9.5%	9.7%	10.0%	14.8%	10.9%	15.8%	15.9%	9.3%	14.1%
Diploma	14.3%	15.0%	9.9%	7.1%	8.3%	9.0%	20.0%	33.3%	15.4%	4.0%	13.6%
Fisher (James) & Sons	10.1%	9.5%	10.1%	8.2%	10.0%	13.0%	9.9%	9.5%	8.1%	4.6%	9.3%
Genus	13.6%	10.3%	9.7%	10.2%	9.9%	10.3%	9.8%	9.9%	10.0%	10.0%	10.4%
Halma	6.8%	7.3%	7.0%	6.7%	7.1%	7.7%	7.2%	6.6%	7.1%	7.6%	7.1%
Hill & Smith	8.0%	13.6%	27.5%	15.0%	12.5%	6.7%	13.6%	3.9%	10.4%	15.0%	12.6%
Hilton Food	12.6%	11.1%	17.1%	9.8%	4.7%	5.8%	8.1%	8.8%	8.5%	16.0%	10.3%
Informa	9.3%	6.2%	4.3%	3.9%	2.3%	2.4%	9.7%	20.2%	22.9%	14.1%	9.5%
Intertek	42.2%	14.3%	19.3%	6.5%	6.7%	12.2%	21.7%	19.9%	10.2%	22.6%	17.6%
Paragon Banking	33.1%	16.3%	22.7%	22.2%	25.0%	20.0%	50.0%	11.1%	9.1%	10.0%	22.0%
Sage Group	7.8%	9.2%	7.6%	8.3%	7.1%	5.6%	3.9%	25.6%	5.1%	2.6%	8.3%
Spectris	10.4%	8.7%	5.1%	6.5%	8.6%	9.7%	16.1%	20.0%	15.2%	3.8%	10.4%
Spirax-Sarco Engineering	17.7%	15.1%	10.1%	3.1%	9.3%	7.2%	8.1%	14.0%	19.0%	8.4%	11.2%
Ultra Electronics	4.8%	3.8%	3.7%	4.1%	5.0%	5.5%	3.9%	11.3%	10.9%	20.0%	7.3%
WH Smith	14.7%	9.8%	11.4%	12.6%	14.0%	14.1%	19.6%	16.0%	16.2%	16.8%	14.5%
Consumer Price Index	**2.0%**	**2.7%**	**1.8%**	**0.5%**	**0.7%**	**2.0%**	**2.4%**	**3.6%**	**3.2%**	**2.1%**	**2.1%**

Source: Shares, SharePad

SIPPs | ISAs | Funds | Shares

AJBell
Youinvest

The number cruncher

Discover your inner investor with our low cost dealing, from just £1.50.

youinvest.co.uk

Recommended Provider
Which?
Investment Platforms June 2019

AJ Bell Youinvest does not provide advice. Capital at risk.

Bank of Mum and Dad on the rise: how to navigate gifting

We answer six important questions around the funding process and tax implications

Parents are increasingly helping their children get on to the property ladder – so much so that if they were counted alongside mortgage lenders they'd be a top 10 lender.

Research from finance firm L&G found that parents have gifted £6.3bn to their children to help them buy their first home. The average amount has seen a steep rise, as property prices have risen, with the average parent now giving £24,100.

This parental gifting is seen as essential by many in order to get on the property ladder, with the average first-time buyer deposit now sitting at an eye-watering £49,480, according to estate agent Savills.

This figure is heavily skewed by London, where the average first-time buyer deposit is just over £143,000. However, the figure is still almost £72,000 in the south-east and just shy of £39,000 in the West Midlands.

But what should parents watch out for if they are gifting money? Here we answer the most popular questions:

1 What's the difference between gifting and loaning the money?

Some parents might be able to spare the cash temporarily but ultimately want it back, so they could loan the money rather than gift it. This could be a win-win: you charge a low or no interest rate, your child gets on to the property ladder sooner, but you still get the money back.

Bear in mind mortgage companies will take into consideration any loan, even if it is from a parent, when assessing affordability.

This means if you decide you want to loan the money to your offspring, even interest-free, the mortgage company will need to know this and will count any monthly repayments as a regular outgoing when working out what the buyer can afford.

This doesn't mean you shouldn't loan the money, but check with a mortgage broker to see what your child can now afford.

While you will, presumably, trust your child it is important to draw up a formal agreement on how the loan will work, over what period it will be repaid or what happens if the property is sold.

Research from the London School of Economics found just 14% of parents loaning money took legal advice before setting up the loan – but getting help could pay off in the long-run.

2 Do most people gift a lump sum?

The type of financial support offered by parents varies widely. For some it's gifting money, for others it's helping with the monthly mortgage payments, while many parents will act as a guarantor on the mortgage.

Most think that helping with deposit money is most useful, as often mortgage costs are the same or cheaper than rent, but getting a deposit together is the biggest hurdle to getting on the property ladder. However, it's worth having a frank discussion with your children about where the money can best be used. It might be that paying the stamp duty and legal fees will help, or that by helping with mortgage payments the term of the loan could be reduced.

3 What happens if my child is buying with a partner?

This is a particularly thorny issue for parents to navigate. They might be perfectly happy giving money to their child but might not want their child's partner to get their hands on the cash.

If a parent gifts the money for a deposit and their child and partner buy the property 50:50, should the relationship break up they may find the partner walking away with their money.

It's here that legal advice will really pay off. Drawing up a declaration of trust will help and should make clear exactly about who owns what.

You'll also want to consider whether your child is buying with their partner as tenants in common or on a joint tenancy basis. As tenants in common should one person die their share of the house will pass to their beneficiaries. It also allows for different shares of the property to be owned by each person. Joint tenants own an equal share and if one dies their share automatically goes to the other person.

4 Do I need to worry about tax?

Yes. If you gift money to your child and die within seven years of gifting the money there may be inheritance tax due. The amount due is on a sliding scale, until none is due after the seven year mark. It also depends whether your estate is liable for inheritance tax, but you should take it into account.

5 Can't I just buy the property with my child?

You can do this, meaning you would also be on the property deeds alongside your child. If you already own a property you will be liable to pay the 3% extra stamp duty surcharge for additional properties, which puts some people off.

6 Should I use my pension money to help my children?

The L&G research found that a number of parents are raiding their pension fund to gift money to their children, with more than a quarter of the people it surveyed saying they weren't confident they had enough for retirement.

Region	Average first-time buyer deposit
Scotland	£26,822
Wales	£25,508
North East	£25,796
North West	£31,543
Yorkshire and Humberside	£29,371
West Midlands	£38,877
East Midlands	£37,549
East Anglia	£50,487
South West	£52,906
South East	£71,698
London	£143,111

Source: Savills

Above everything else you need to make sure that you are leaving yourself enough to live on, and that if you expect your child to supplement your retirement income later in life in return for this gift, you've had that conversation.

The money you gift should be money that you can spare, and that you can access tax-efficiently. It is worth seeking financial advice to make sure you're confident in what you're gifting.

By **Laura Suter**
AJ Bell Personal Finance Analyst

BLACKROCK®

WHERE NEXT FOR THE US STOCK MARKET?

BLACKROCK NORTH AMERICAN INCOME TRUST PLC

The US market continues to confound many sceptics. It has pushed ahead of other global stock markets, even as valuations of US companies have appeared high compared to their peers. As the global economy cools, can the US stock market sustain its growth path?

Tony DeSpirito
Co-manager of the BlackRock North American Income Trust plc

Capital at risk. The value of investments and the income from them can fall as well as rise and are not guaranteed. You may not get back the amount originally invested.

As US managers, we understand many of the arguments. ‘It’s all about FANGs’ (Facebook, Amazon, Netflix, Google), for example, is something we hear a lot. Certainly, the FANG stocks have performed well and led the market higher. However, the US market is the broadest and most diverse in the world and has far more to offer investors than just a handful of large technology companies.

The FANGs don’t pay dividends so are not part of our universe. However, we retain an overweight position in technology, finding plenty of companies that fit our high quality and dividend growth criteria. A rising number of companies in the sector have added dividend payments to shareholders as a viable use of their high cash balances, rejecting the notion that IT firms can only add value to their investors via share price growth.

Equally, it’s important not to think that technology is the only show in town for growth. There are plenty of areas locked in to long-term structural change that do not command some of the giddy valuations of parts of the technology sector. For example, the portfolio holds an overweight position in healthcare, where the ageing population continues to drive demand.

This is a long-term demographic shift and an important support for healthcare companies. We particularly like innovative companies focused on improving efficiencies because rising costs are a challenge for the healthcare sector. Innovation and strong cost control can work hand in hand to improve efficiency and companies that can help have a natural tailwind. We are also looking at investing in pharmaceutical companies that have increased their research and development capabilities.

‘It’s expensive’ is another familiar cry about the US market. Yes, the valuations of certain high growth companies are high, which skews the overall picture for the US market. The market has also been prone to some exuberance in the value it assigns to new companies coming to market. These companies are undoubtedly disruptive but may never make profits.

However, this is not the majority of the market and not where we choose to focus our attention. We still find plenty of high-quality businesses that are making good returns for shareholders and paying attractive, growing dividends.

There is also the perception that it is difficult to beat the index. The US is an efficient market, but it doesn’t mean that active investment managers can’t provide a differentiated return. For many investors, a growing income is a far greater priority than capital growth. To our mind, in the US market, investors need a manager who is genuinely active and providing something different to the index. In this way, the BlackRock North American Income Trust can sit comfortably alongside index exposure.

Finally, more recently, investors have started to worry about the US market’s long period of outperformance. Can it last? Is the economic and market cycle turning? We believe there

THIS IS AN ADVERTISING PROMOTION

is more room for this cycle to run: household finances look to be in good shape, while inflation is moderate and government spending is increasing. Certainly, the ongoing trade tensions are a source of concern, but we believe we can navigate these problems in the portfolio.

It is worth adding that if the cycle does turn, a passive option may not be protective and will simply track the index lower. Holding an active manager who can make strategic shifts could prove important in this environment.

Our approach on the Trust is to look for high-quality businesses – both in terms of their management, but also their franchises and their balance sheet strength. We want to find those businesses that have shown a disciplined approach to paying dividends, but which in our view offer significant prospects of dividend growth in years to come.

For more information on this Trust and how to access the potential opportunities presented by North American markets, please visit www.blackrock.com/uk/brna

TO INVEST IN THIS TRUST CLICK HERE

Risk Warnings

Past performance is not a reliable indicator of current or future results and should not be the sole factor of consideration when selecting a product or strategy.

BlackRock has not considered the suitability of this investment against your individual needs and risk tolerance. To ensure you understand whether this product is suitable, please read the Key Investor Document (KID) and the current Annual and Half Yearly Financial Reports which are available on blackrock.com/uk/brna and which provide more information about the risk profile of the investment. If after reading this you have any questions or would like any additional information, please contact your financial adviser or speak to our Investor Services Team.

Trust Specific Risks

Exchange rate risk: The return of your investment may increase or decrease as a result of currency fluctuations.

Risk to capital through derivative use: The Fund may use derivatives to aim to generate more income. This may reduce the potential for capital growth.

Capital growth/Income variation: Investors in this Fund should understand that capital growth is not a priority and values may fluctuate and the level of income may vary from time to time and is not guaranteed.

Derivative risk: The Fund uses derivatives as part of its investment strategy. Compared to a fund which only invests in traditional instruments such as stocks and bonds, derivatives are potentially subject to a higher level of risk.

Gearing risk: Investment strategies, such as borrowing, used by the Trust can result in even larger losses suffered when the value of the underlying investments fall.

Important Information

Issued by BlackRock Investment Management (UK) Limited, authorised and regulated by the Financial Conduct Authority. Registered office: 12 Throgmorton Avenue, London, EC2N 2DL. Tel: +44 (0)20 7743 3000. Registered in England and Wales No. 2020394. For your protection, telephone calls are usually recorded. BlackRock is a trading name of BlackRock Investment Management (UK) Limited.

The Company is managed by BlackRock Fund Managers Limited (BFM) as the AIFM. BFM has delegated certain investment management and other ancillary services to BlackRock Investment Management (UK) Limited. The Company's shares are traded on the London Stock Exchange and dealing may only be through a member of the Exchange. The Company will not invest more than 15% of its gross assets in other listed investment trusts. SEDOL™ is a trademark of the London Stock Exchange plc and is used under licence.

Net Asset Value (NAV) performance is not the same as share price performance, and shareholders may realise returns that are lower or higher than NAV performance.

The BlackRock North American Income Trust plc currently conducts its affairs so that its securities can be recommended by IFAs to ordinary retail investors in accordance with the Financial Conduct Authority's rules in relation to non-mainstream investment products and intends to continue to do so for the foreseeable future. The securities are excluded from the Financial Conduct Authority's restrictions which apply to non-mainstream investment products because they are shares in an investment trust.

Any research in this material has been procured and may have been acted on by BlackRock for its own purpose. The results of such research are being made available only incidentally. The views expressed do not constitute investment or any other advice and are subject to change. They do not necessarily reflect the views of any company in the BlackRock Group or any part thereof and no assurances are made as to their accuracy.

This material is for information purposes only and does not constitute an offer or invitation to anyone to invest in any BlackRock funds and has not been prepared in connection with any such offer.

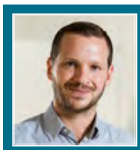
© 2019 BlackRock, Inc. All Rights reserved. BLACKROCK, BLACKROCK SOLUTIONS, iSHARES, BUILD ON BLACKROCK and SO WHAT DO I DO WITH MY MONEY are registered and unregistered trademarks of BlackRock, Inc. or its subsidiaries in the United States and elsewhere. All other trademarks are those of their respective owners.

ID: MKTGQR0719E-900918-3/3

'I need help with annual allowance calculations'

AJ Bell pensions expert Tom Selby has the answers

When calculating the net income for the tapered annual allowance, do we have to add capital gains and dividends from an ISA given that they are not taxable?
Sotirios



Tom Selby
AJ Bell
Senior Analyst says:

The tapered annual allowance is one of three pensions annual allowances that exist in the UK. The rules are quite complicated so it's worth a quick reminder of how it all works.

The tapered annual allowance is intended to only apply to higher earners, progressively reducing the annual allowance from £40,000 to just £10,000.

Whether or not you trigger the tapered annual allowance depends on two income measures: adjusted income and threshold income.

If someone's adjusted income is above £150,000 and their threshold income above £110,000, then the taper kicks in, with their annual allowance

reduced by £1 for every £2 of adjusted income they earn.

For those with an adjusted income of £210,000 or more and a threshold income of £110,000 or more, the annual allowance is £10,000.

WHAT COUNTS AS ADJUSTED INCOME?

Adjusted income includes all taxable income – including from any investments not held in tax-free wrappers like ISAs and SIPPs, and things like bonuses and buy-to-let earnings – plus employer pension contributions made during the tax year. Any lump sum death benefits that are liable to tax will also be deducted to reach the final figure.

So any non-taxable income, including income generated through ISA investments, won't be counted.

Because employer contributions are included in the measure (your personal pension contributions are deducted), you can't use salary sacrifice arrangements – whereby salary or bonuses are swapped for pension contributions to lower your taxable income – to reduce your adjusted income.

WHAT COUNTS AS THRESHOLD INCOME?

If your adjusted income is above £150,000, you might still not be affected by the taper – and thus be able to continue saving up to £40,000 into a pension each year tax-free – if your threshold income is below £110,000.

Threshold income includes your net taxable income (that is total taxable income less any personal pension contributions entitled to tax relief at source) plus any salary sacrifice arrangements set up from 9 July 2015.

As with adjusted income, taxable lump sum death benefits are deducted to reach the final figure. Any non-taxable income from investments held in vehicles such as ISAs won't be included.

As I often say at the end of these columns, this isn't straightforward and if you get it wrong the cost could be significant. If you are in any doubt about how the taper works or the options available, you should speak to a regulated financial adviser.

DO YOU HAVE A QUESTION ON RETIREMENT ISSUES?

Send an email to **editorial@sharesmagazine.co.uk** with the words 'Retirement question' in the subject line. We'll do our best to respond in a future edition of *Shares*.

Please note, we only provide guidance and we do not provide financial advice. If you're unsure please consult a suitably qualified financial adviser. We cannot comment on individual investment portfolios.

SHARES

Only SHARES magazine subscribers benefit from an investment toolkit that gives them the edge and helps them make the very best investing decisions.

Do you have the SHARES advantage?

- Live share prices
- Customisable live watch list
- Portfolio manager
- Fund selector and prices
- Intraday and historic charts
- Latest broker forecasts with alerts
- Latest director deals with alerts
- Fundamentals and investor tools
- Educational and company videos
- ...and of course, the weekly digital Shares magazine with the latest news and views from the Shares experts

Catch the best investment news and latest share prices

Subscribe at www.sharesmagazine.co.uk/SUBSCRIBE

SHARES

YOUR INVESTMENT HUB

Digital magazine

Online Toolkit

Investment Ideas

Make more from your investments with the shares investment hub. Our Subscriptions can be cancelled at any time in the 'Manage Account' area under 'Subscription'. For all enqiries contact us at customersupport@sharesmagazine.co.uk

Choose wisely with thematic ETFs

Many products have closed after failing to attract enough investor support


The whisky sector is an example of a closed thematic ETF

THEMATIC ETF CLOSURES

Examples of thematic ETFs which have come and gone include ones tracking areas such as:

- Industries involved in the whiskey and bourbon economy
- US brands
- The agriculture industry
- Companies demerged from bigger entities

Many investors like to invest in big themes, seeking exposure to a range of companies which could benefit from something hot in the market or structural growth in a certain industry, geography or demographic.

Historically investors have achieved this exposure through putting money into certain unit trusts, Oeics and investment trusts. Exchange-traded funds are now providing another avenue for investors, although the range of themes is much more limited.

We would expect this situation to change over time but for now investors in the UK may find the best options for thematic investing to be found among ETFs targeting three categories – technology, the environment and social responsibility.

The ETFs track various indices, each of which containing a basket of stocks related to a specific theme. Many of these stocks will be big, multinational companies with high liquidity and which are in a strong position to take advantage of clear, long-term structural trends.

LARGE NUMBER OF PRODUCT CLOSURES

ETF providers will launch new products to meet demand for different themes, although it is worth noting that their longevity is dependent on attracting sufficient funds from investors and gaining the scale to keep operating. The track record is mixed to say the least.

A report by Morningstar last year found that almost four in five thematic ETFs launched in Europe before 2012 have now closed, compared with less than half of the more traditional ETFs which track mainstream stock indices such as the FTSE 100 or S&P 500.

In total, 35% of all thematic ETFs launched in Europe have already closed. ‘This means that even if investors select a winning theme, they will be lucky if their chosen ETF survives long enough to profit,’ Morningstar’s report said.

It also found that only two of the 18 funds that have closed ever breached €100m in assets, and then only for a brief period.

That’s quite an alarming fact about thematic ETFs and something that investors should consider before they hand over any money.

It may therefore be wise to focus on the thematic ETFs which have survived a long time, namely those in the aforementioned areas of technology, the environment and social responsibility.

Technology mostly relates to robotics and automation

ETFs, investing in companies developing and using products and services that could one day change the world.

Environmental ETFs relate mostly to those with a water focus, designed to gain from shortages in fresh drinking water exacerbated by climate change and a booming global population.

TECH IS THE MOST POPULAR

According to Morningstar, technology ETFs have by far the most money poured into them by investors, totalling €5.25bn last year. The next highest category, environmental ones, by comparison have €1.27bn.

Investor demand for technology companies in the last decade has seen the sector's weighting double in the MSCI World Index, the most commonly used benchmark for funds that invest in companies around the world. By comparison, the amount of energy companies in the index has halved.

It's the returns that lure people in. The popular **L&G ROBO Global Robotics and Automation ETF (ROBO)** for example returned 40.6% in 2016 and 33.3% in 2017. But it fell 16.6% in 2018, reflecting the volatility often seen in nascent industries with investors who continually demand increasing growth.

Aside from purely looking at returns, a key selling point of thematic ETFs is the diversification benefits they can add to a portfolio.

LOOK UNDER THE BONNET

Once you get past the story of the ETF, always look under the bonnet and consider what it actually invests in.

Matt Brennan, AJ Bell's head of passive portfolios, says it's important when investing in areas like technology to pick ETFs that consider all the different companies that will benefit from a particular technology, not just the ones developing it.

HOW SUSTAINABLE IS THE INVESTMENT THEME?

Many hot themes turn out to be short-lived fads. Make sure you don't get caught up in the hype and put money into a thematic ETF which is tracking something that quickly loses popularity.

TWO EXAMPLES OF THEMATIC ETFS

Here are two ETFs which have recorded strong returns, have a longer track record than the majority and also have a decent amount of investors' money already in them.

ISHARES GLOBAL CLEAN ENERGY UCITS ETF (INRG)

Tracking the 30 largest and most liquid listed companies globally that are involved in clean energy related businesses, year-to-date this ETF has returned 38.4%, although this is behind the 42.8% returned from its benchmark (S&P Global Clean Energy TR USD).

Its performance is also strong over three years (10.6% annualised) and five years (7.2% annualised).

While it does have a total expense ratio of 0.65%, which is on the expensive side for ETFs, it has been going longer than most thematic products having been launched in 2007. It also has a reassuring $270m in assets.

LYXOR WORLD WATER UCITS ETF (WATL)

Reflecting the 20 largest companies in the world which operate in the field of water utilities, infrastructure and treatment, this ETF has returned 24.2% so far this year, close to the 24.9% return from its benchmark.

Its annualised three-year return is something of a concern at 6.9%, well below the benchmark's figure of 12%, but over five years this figure improves to 13.3% annualised.

It has €618.8m in assets and 0.6% annual charges.

By **Yoosof Farah**
Reporter

Throgmorton manager applies his magic to second fund

BlackRock UK Emerging Companies Absolute Returns Fund looks for long-term winners

Investors will be familiar with the phrase 'past performance cannot be relied upon as a guide to future performance'. These words, or something very similar, have become the investment industry's ubiquitous risk warning. They are designed to make clear to investors that no matter how good an investment has been in the past, there are no guarantees that it will continue to perform in the future.

This makes identifying stocks capable of generating attractive returns for years to come all the more important, especially for newer investors with limited returns already banked.

BlackRock fund manager Dan Whitestone does this by seeking out 'emerging companies', stocks that are at an early stage in their life cycle and/or those expected to enjoy significant growth into the future.

BENCHMARKING THE MANAGER

Whitestone is best known among retail investors as the manager of **BlackRock Throgmorton Trust (THRG)**, the £420m smaller company investment trust that has returned 116.9% over the past five years, more than twice its benchmark.

He now also calls the shots for the £312m **BlackRock UK Emerging Companies Absolute Returns Fund (BDRMQN4)**, which operates a very similar investment ethos.

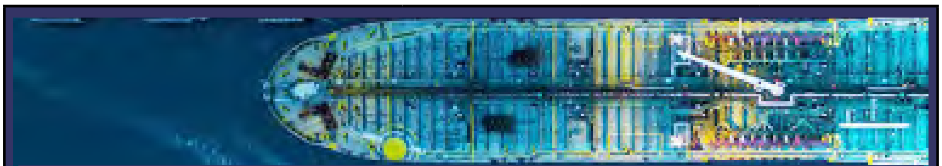
It's a style that may also chime with investors of the popular **Scottish Mortgage Trust (SMT)**.

The 'emerging companies' strategy effectively concentrates on unearthing companies with good management, robust finances with strong market positions that are exposed to industry change and which are capable of capitalising on long-term secular trends that triumph over macro or economic cycles.

'Forget growth versus value, forget quantitative easing or tightening, deflation, forget it all,' Whitestone says. 'Industry change is happening like it or not, and faster than ever.'

Whitestone looks for high quality differentiated companies. These are typically capital-light companies whose products are not purely competing on price but provide real solutions to customers' problems in industries with structural growth drivers. These companies will also be debt-light and cash generative, so surplus funds can be redeployed into future growth.

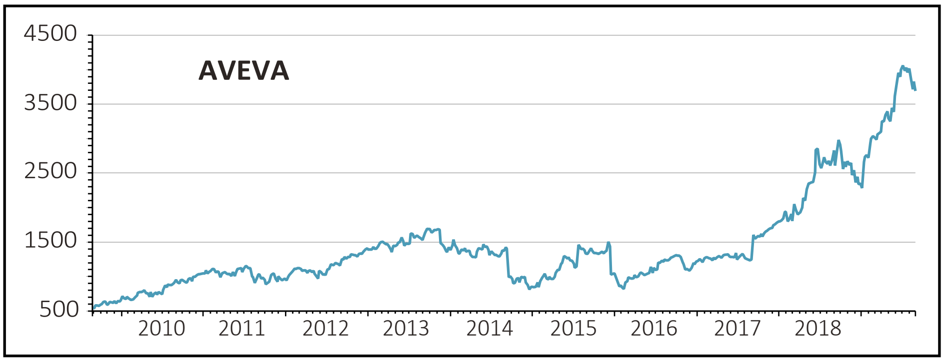
Engineering software provider **Aveva (AVV)** is a good example and one that Whitestone clearly admires. 'Everyone agrees it is a good a company,' he says. Aveva's share price has rallied 53% so far in 2019 giving the company an enterprise value worth £5.78bn and a spot in the FTSE 100.



BlackRock Throgmorton is setting the standard for BlackRock's Emerging Companies fund

Total returns	1 year	3 years	5 years
Share price	4.7%	84.7%	116.9%
NAV	-2.7%	55.4%	91.7%
IT UK Smaller Companies benchmark	-9.3%	29.1%	55.6%

Source: Trustnet



The March 2021 fiscal year price-to-earnings multiple stands at 47.6 which is too eye-watering for many. Yet AVEVA has never been cheap on traditional metrics.

COST VERSUS OPPORTUNITY

'The market struggles to price big, structural growth businesses,' argues Whitestone.

Aveva is bringing disruptive technology to an engineering industry that has been very slow to embrace digitisation.

Digital twins, for example, allow industry engineers to design massive and expansive projects – such as buildings, power plants, oil rigs, planes and ships – in virtual form, where they can be completely tested for faults and weaknesses or improvements identified before a brick, steel girder or cement foundation has been laid. This is hugely cost effective and embeds design creativity.

But Aveva is also helping itself, looking for internal process and operational improvements that can enhance profit margins. Building up its recurring revenue streams by offering software access as a service (monthly subscriptions) is bolstering earnings reliability and quality.

Whitestone's BlackRock UK Emerging Companies Absolute Returns Fund has 1.8% of assets in Aveva, a stake worth more than £5.6m at today's prices, but there are other stocks where the fund has an even greater stake.

The fund's **London Stock Exchange (LSE)** stake, its largest, is worth almost £9m while **Rentokil Initial (RTO)**, **SSP (SSPG)** and temporary power equipment supplier **Ashtead (AHT)** are other holdings all larger than Aveva, as is its £8.4m holding in US software giant Microsoft.

The BlackRock UK Emerging Companies Absolute Returns Fund has scope to invest up to 30% of asset into companies outside the UK. But this is an absolute returns fund which means it will use financial instruments to go short where the team see an opportunity.

While Whitestone refuses to reveal the fund's open short positions one could suggest that accountancy, payroll and enterprise software firm **Sage (SGE)** has the hallmarks of a potential candidate because of the way cloud computing is shaking up its bookkeeping industry.

Sage has spent years trying to adapt to the cloud without damaging its traditional and profitable licence model in the face of intensifying competition from long-standing rivals like Quickbooks-owner Intuit. It has also faced a mini deluge of 'born in the cloud' start-ups like Kashflow and Xero, the latter of which is in the BlackRock fund.

RISK INDICATOR

LOW RISK,
POTENTIALLY LOW REWARDS

1
2
3
4
5
6
7

HIGH RISK,
POTENTIALLY HIGH REWARDS

BlackRock itself rates the fund as a five out of seven higher risk ranking, which suggests it is not for widows and orphans and would only suit those with a fairly long-term investment horizon.

But like most absolute return funds, investor costs can be chunky. Ongoing charges stand at 1.41% but there is also a hefty-looking 20% performance fee to factor in.

The BlackRock UK Emerging Companies Absolute Returns Fund only launched in October 2018 so has little performance track record to judge it by, but given the style similarities, it makes the BlackRock Throgmorton's returns record a useful guide.

By **Steven Frazer**
News Editor

Changing a fund manager can benefit investors

It can bring fresh thinking and put a new lease of life into a portfolio and its performance

In the same manner a football team's fortunes can turn upwards when a new manager enters the dressing room, performance can also improve when a new portfolio manager takes over or assumes sole responsibility for an investment trust.

A long-standing manager can benefit a trust if they have experience of how to navigate both good and bad markets. However, by bringing a fresh pair of eyes, a new broom is at liberty to shake up the portfolio in ways such as altering the investment strategy, allocating capital differently or perhaps pruning a long tail of underperforming stocks.

Within the diverse investment trusts sector, recent exemplars include **Baillie Gifford UK Growth Fund (BGUK)**. In June last year, the board of what was then Schroder UK Growth awarded the mandate to Baillie Gifford, alarmed by a period of poor performance.

Over the year to 31 July 2019, it is now the third best performing investment trust out of the Association of Investment Companies' (AIC) 13-strong UK All Companies sector.

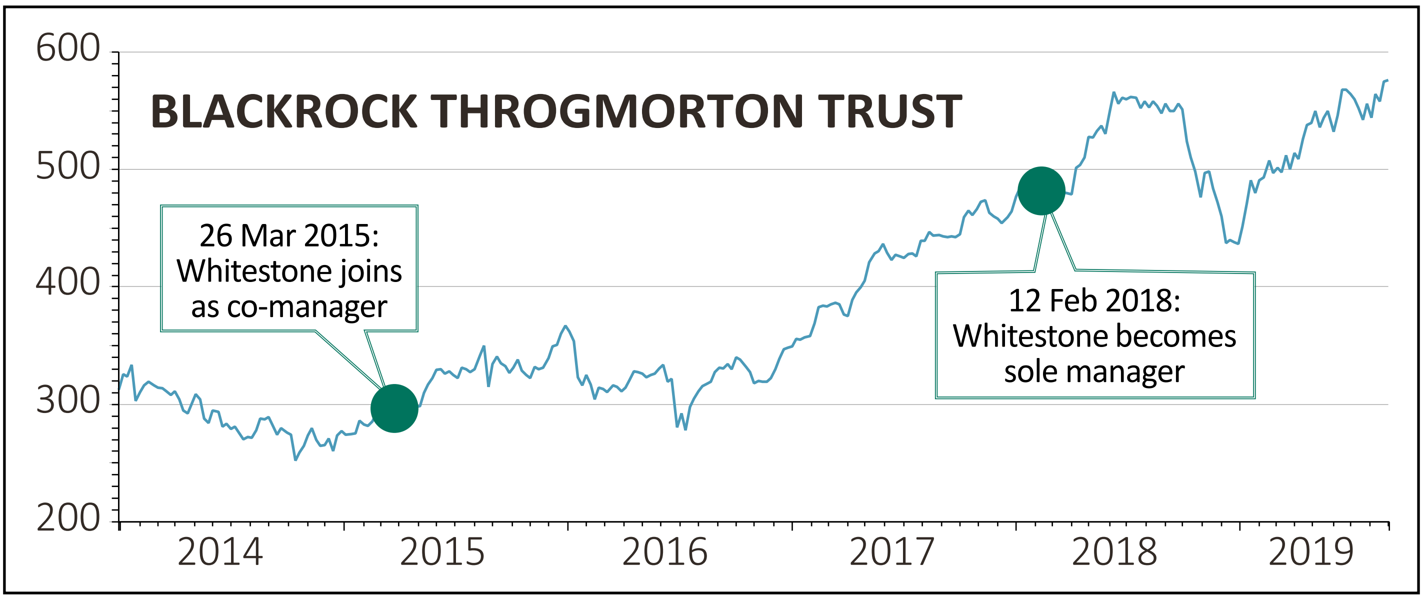
Strictly-speaking, Dan Whitestone isn't a new broom at BlackRock. He'd co-managed **BlackRock Throgmorton Trust (THRG)** with the veteran investor Mike Prentis since 2015. Yet the trust has performed strongly since Whitestone took over as sole manager in February 2018, being the AIC UK Smaller Companies sector's third best performer out of 23 over the year to July.

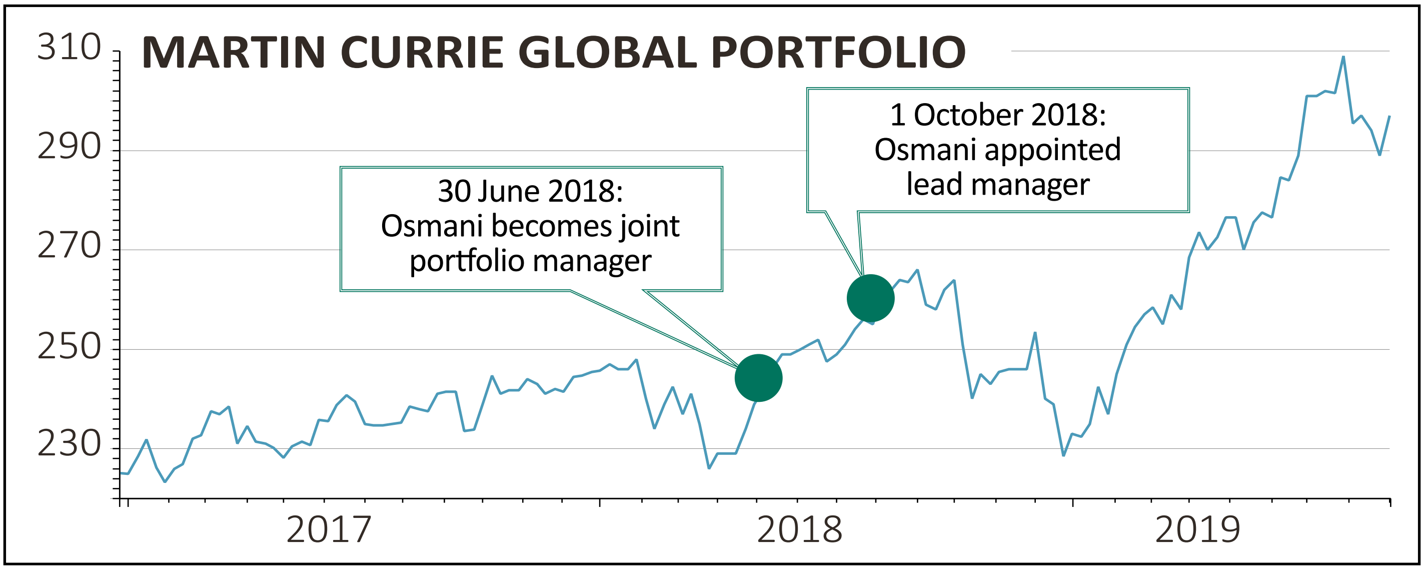
CHANGES AT MARTIN CURRIE TRUST

A former under-19's Academy player at French football giant PSG who went on to become head of European research at BlackRock, Zehrid Osmani was appointed joint portfolio manager of **Martin Currie Global Portfolio Trust (MNP)** in June 2018 alongside industry veteran Tom Walker.

He took over as lead manager on 1 October 2018 following Walker's retirement and the self-styled 'long-term unconstrained investor' has subsequently exhibited his deft stock picking skills, having turbo-charged returns.

Martin Currie Global Portfolio Trust is the top performing investment trust on a share price total return basis within the Global sector in the first seven





months of 2019.

Improved performance means the discount to net asset value has narrowed, even swinging back to a premium, enabling the company to issue shares at a premium for the first time since 2016 to sate investor demand.

We also note the quarterly dividend payer has increased or maintained the dividend every year since launch in 1999 and offers shareholders inflation-beating dividend growth.

OSMANI'S HIGH QUALITY BIAS

Martin Currie Global Portfolio has a high quality bias, offering exposure to names including Visa, Microsoft, Adidas and Ferrari.

Under Osmani, the portfolio has become more concentrated around the new man's highest-conviction ideas. The portfolio's quality exposure, as defined by return on equity, has increased. And as 31 July, the book contained 33 holdings across 15 countries.

Active share, a measure of how different a fund's holdings are from its benchmark, amounted to 93.6%. If a fund had no holdings at all in common with its benchmark, it would have an active share of 100%, and if all its holdings were the same as the benchmark, its active share would be 0%. High active share is considered roughly 80% or more.

'We are persistently quality growth, which should be reassuring to our investors,' Osmani informs *Shares*.

He defines quality growth as companies that have got sustainably high returns. His philosophy is that companies with a high and sustainable return on invested capital generate above-average total returns over the long term.

'How we find these stocks is through fundamental research, which we do systematically', he continues. Part of the in-depth fundamental research process involves focusing on three long-term megatrends: the future of technology, demographic change and resource scarcity.

Given an uncertain global macroeconomic backdrop, Osmani stresses the importance of focusing on companies that have an element of pricing power and can deliver in economic weathers fair and foul.

In addition to Ferraria, a unique franchise with a high degree of pricing power, the portfolio includes Italian luxury apparel brand Moncler, the puffer jackets-to-sweaters designer generating very high returns and significant revenue from Asia and with potential to increase its global presence.

Osmani also manages a stake in Sweden's Assa Abloy, the world's biggest lock maker, behind the Chubb brand and offering a play on the transition from mechanical to digital locks.

He explains that Assa Abloy is number one in a fragmented industry and has a major size advantage. 'Assa Abloy can spend more on research and development and is also a play on the connected home. Its digital locks are compatible with both Amazon and Apple.'

If any money manager understands the competitive strengths of Assa Abloy it should be Osmani, whose father actually used to be a locksmith.

By **James Crux**
Funds and Investment Trusts Editor

Why shipping stocks are running full steam ahead

Concerns about economic data would suggest the sector shouldn't be prospering

There are probably many investors who, late at night, gently doze off while listening to the shipping forecasts on BBC Radio as the announcer gently runs through Viking, North Utsire, South Utsire, Forties and the 31 sea areas that define the waters around the British Isles.

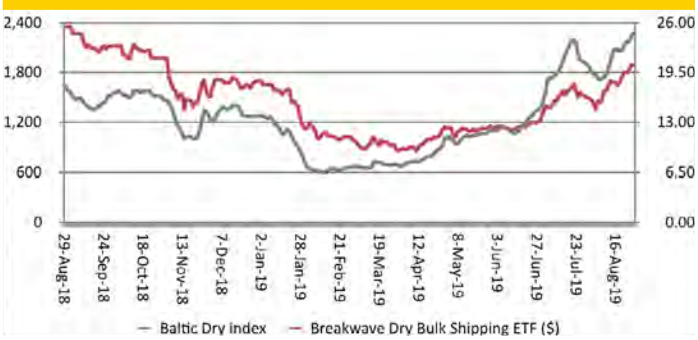
But the news that the broadcast imparts is potentially life-saving and, looking at it through the narrow prism of investment and financial markets, shipping is anything but boring right now.

Given all of the concern over tariffs, trade and a global slowdown, it would be reasonable of investors to expect the shipping industry to be in turmoil.

Yet the Baltic Dry index stands at a five-year high. The benchmark measures the cost of shipping raw materials such as coal, steel, metallic ores and grains across three classes of vessel on 20 different shipping routes, which link Asia, Latin America, Africa, Australasia and Europe.

This advance is pulling shipping stocks along its wake, using the US-quoted Breakwave Dry Bulk Shipping exchange-traded fund as an industry proxy.

BALTIC DRY INDEX AND SHIPPING STOCKS ARE RISING SHARPLY



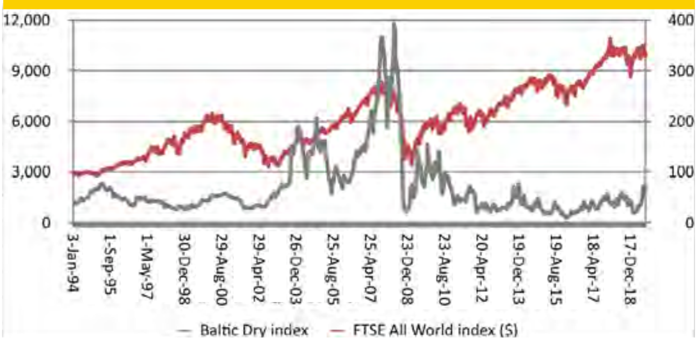
Source: Refinitiv, AJ Bell

This has wider implications beyond shipping stocks. Given the nature of the goods involved, and the inability of financial markets and traders to influence it, the Baltic Dry index can been seen as a proxy for global economic activity.

And while the past is no guarantee for the future,

the experiences of the last 25 years suggest the health of the Baltic Dry index can provide some steer on the fate of global stock markets, which are ultimately also sensitive to global economic activity.

BALTIC DRY INDEX CAN BE SEEN AS A POINTER FOR GLOBAL EQUITIES

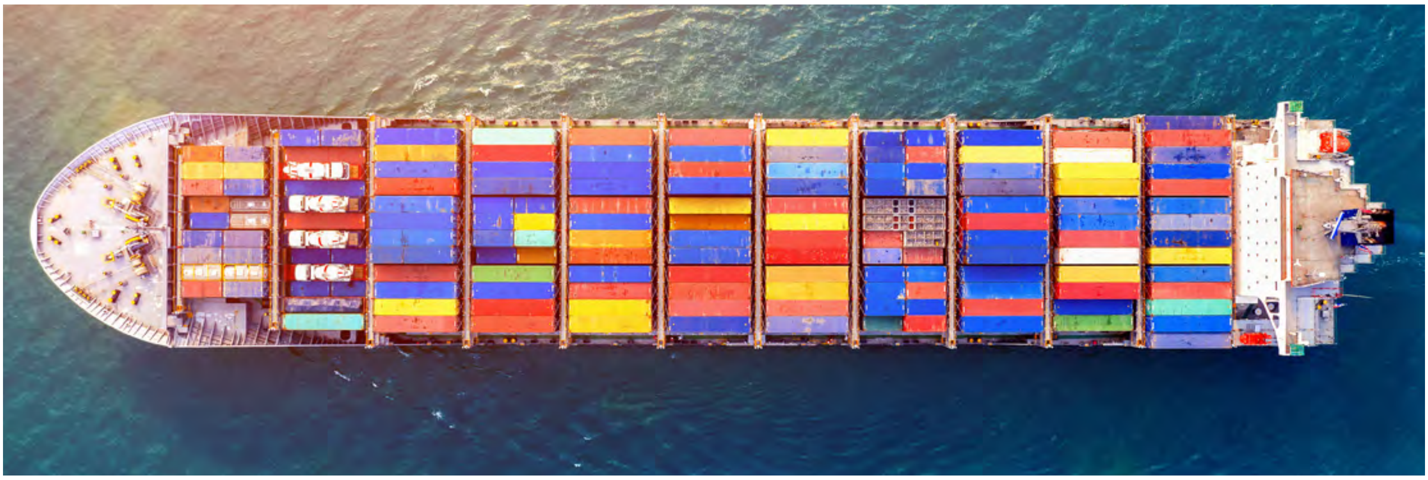


Source: Refinitiv, AJ Bell

SCRUBBING UP

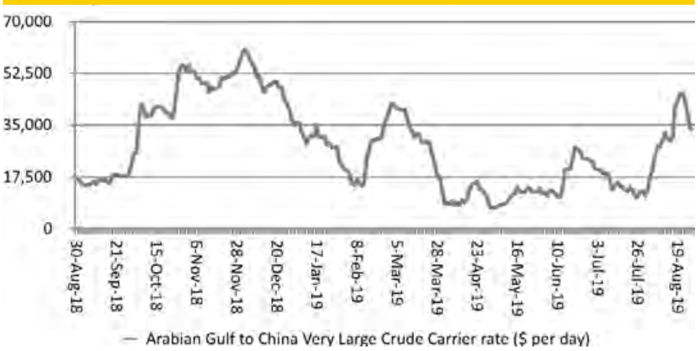
There are three possible explanations as to why the Baltic Dry index is sailing higher when financial markets are becoming concerned about ever-more mixed economic data from the West.

The first is that the global economy could be doing better than many think. This contradicts the softness seen in many indicators, and weak trade flow data, but it must not be dismissed out of hand.



The second is that an acceleration in Brazilian iron ore exports (which were hit by a terrible accident in January at Vale's Brucutu mine) is stoking fresh demand for dry bulk carriers. But this does not account for how rates for Very Large Crude Carriers (VLCCs) and container shipping rates look to be firming, too.

OTHER TYPES OF SHIPS ARE ALSO SEEING FIRMER RATES



Source: Refinitiv, AJ Bell

The third is that a wider shipping trend is at work and the biggest one seems to be the imposition from 1 January 2020 of tougher emission rules by the International Maritime Organisation (IMO). They state that all ships must use fuel that has less than 0.5% sulphur (rather than 3.5% now) or fit exhaust gas cleaning systems ('scrubbers').

Fitting scrubbers will take time and temporarily remove fleet capacity while, in the longer term, the higher-cost low-sulphur fuel could make it uneconomic to run older vessels that have not been retrofitted and persuade owners to scrap them, permanently reducing capacity – or so the theory goes.

The problem is that the scrubbers will make the ships heavier, so they consume more fuel, and they can mean that the sulphur simply ends up the sea rather than the air.

Singapore, California and Belgium are already insisting on the use of cleaner fuel rather than scrubbers and this may help to explain why the share prices of leading exhaust gas system suppliers like Finland's Valmet and Wärtsilä are sliding and not soaring, despite the apparent retrofit bonanza that lies ahead.

WAVING OR DROWNING?

One further test is to see what the real shipping industry shrewdies are doing, namely the owners.

Intriguingly, the year began with a rash of share buybacks from US-listed firms such as Golden Ocean, Diana Shipping and Star Bulk, at a discount to net asset value, while in August US-listed shipping firm Frontline bought 10 vessels from commodities trader Trafigura for $675m.

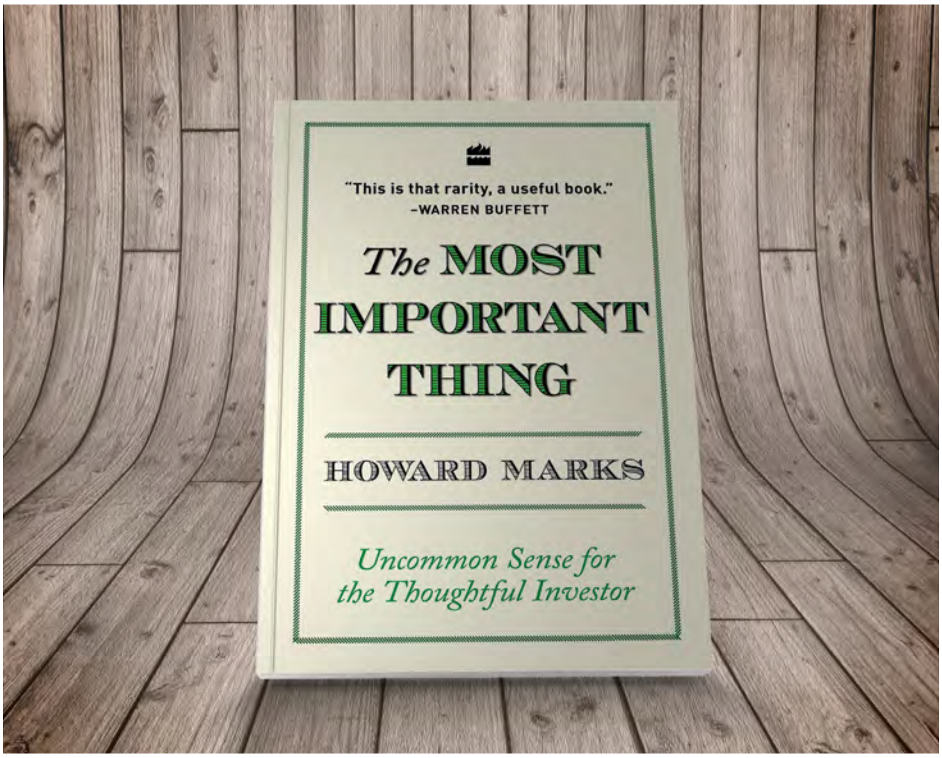
This suggests that ship owners think their stocks are cheap and better times lie ahead. But investors might do well to keep an eye on the shipping sector, through UK-listed shipbrokers such as **Clarkson (CKN)** and **Braemar (BMS)** or US-quoted shipping ETFs such as Invesco Shipping and Breakwave Dry Bulk Shipping.

If they start sinking again, then the global economy could indeed be in trouble. But the IMO 2020 rules might just mean the owners of young, well-equipped fleets could be primed to clean up as older, dirtier vessels are put out of business, especially if the economy holds up better than expected.

By **Russ Mould**
AJ Bell Investment Director

A glimpse inside the mind of fascinating investor Howard Marks

The Most Important Thing is praised by Warren Buffett as being a rarity among investment books



Howard Marks is an American investor and author who has come to be viewed as something of a 'sage' in recent years.

His name is often mentioned in the same reverential tones as Warren Buffett, who describes *The Most Important Thing* on the jacket as 'that rarity, a useful book'.

Buffett also admits that when he sees one of Marks' memos, which are published several times a year and available to everyone on [Oaktree Capital's website](), they are the first thing he reads.

'UNCOMMON SENSE FOR THE THOUGHTFUL INVESTOR'

After more than 25 years in investment banking, Marks founded Oaktree Capital in 1995. Today the company manages $120bn in alternative investments ranging from credit and real assets to private and public equities. Last year its closed-end funds gained 9% despite the final quarter sell-off which wrecked returns at many other firms.

Unlike most great investors, Marks isn't hung-up on high-quality stocks. In fact he typically avoids them because they trade at high multiples and everyone has high expectations of them, which in his view makes them risky.

Instead he looks for what other people consider risky: cheap, unloved assets which are so downtrodden that they have substantial upside if things go right and minimal downside if they go wrong. Much of the book is taken up with risk, how to recognise it and control it, but certainly not how to avoid it.

ORIGINS AND INSPIRATIONS

By Marks' own admission there is no single, most important thing. In his early meetings with some Oaktree clients he would insist that cheap valuations were the most important thing while with others he would insist it was controlling risk.

In one of his memos from 2003 he actually listed 19 'most important things', and that memo became the basis for this 2011 book.

What he sets out to explain, unlike the writers of most investment books, is that successful investing isn't easy. In fact it's extremely hard, and there's certainly no 'magic formula'.

For example, contrary to

YOU'VE GOT TO GO OUT ON A LIMB SOMETIMES BECAUSE THAT'S WHERE THE FRUIT IS

popular belief buying risky assets doesn't guarantee you high returns. If it did they wouldn't be risky and everyone would be doing it.

By the same token, just because one outcome is the most likely across a range of outcomes there is no guarantee that it will happen. As the economist Elroy Dimson said, 'risk means more things can happen than will happen'.

THE MOST IMPORTANT THING(S)

Each reader may come away with a different view as to what is the most important thing, but for Marks it begins with value and its relationship with price.

Just as high quality stocks can be risky if bought at the wrong price, so poor quality stocks can be a good investment if the price is far enough below the underlying value.

This is where investors like Marks get their hands dirty doing deep fundamental analysis in order to establish what they believe is the underlying value.

Even when stocks are trading well below their underlying value, it still takes a strong contrarian streak to buy. Most of us are happiest buying what other people like and going with the flow rather than making trouble for ourselves by buying what other people think is 'junk' or is going bust.

As American writer Will Rogers said, however, 'you've got to go out on a limb sometimes because that's where the fruit is'.

As long as you build in a 'margin of safety' – a concept Buffett has sworn by since he started investing – and you pay less than the asset is worth then the risk/reward is good.

Along with a contrarian streak, you need patience because you can be right with your view but be wrong with your timing. As economist John Maynard Keynes warned, markets can stay irrational longer than most of us can stay solvent.

BE AWARE OF THE CYCLE

While buying low and selling high is the aim, you need to be aware of market cycles. The market is like a pendulum swinging between over-valuation and under-valuation, euphoria and depression, greed and fear. Most importantly, it's hardly ever at the middle.

Individually and collectively we tend to think that the future will look like the recent past. When markets have been rising for a long time, we assume that they will continue rising.

When euphoria takes over, we start to think we are in some kind of 'new era' and that stocks will carry on rising indefinitely. As another great investor John Templeton said, the most dangerous words in the English language are 'this time it's different'.

The point is it's never different. Cycles are self-correcting, so you need to be aware of where we are in the cycle and whether risk is being priced correctly. When optimism, stock prices and valuations are high, the chances are people aren't paying enough attention to risk or to the cycle.

BE LUCKY, BUT TAKE OUT INSURANCE

Finally, you need to understand the role of chance or luck. You can make a stellar return on your investment just through being lucky because the price can go up for completely different reasons to the ones you expected.

It's impossible to know whether an investor is good or bad just by measuring their returns because you don't know how much risk they took to get them.

Controlling risk is like buying house insurance: you might be lucky and not need it but if you don't have it and your house burns down – or the market collapses – you've lost everything.

Marks' views won't be to everyone's tastes, but if you think all investment books are the same, seek out a copy.

By **Ian Conway**
Senior Reporter

SHARES
INVESTOR EVENINGS

12 SEPT 2019

Radisson Blu
Hotel Edinburgh
EH1 1TH

Sponsored by
AJBell Youinvest

Belvoir Lettings
Speaker: Dorian Gonsalves, CEO
Belvoir Lettings (BLV) provides networks with the Central Office systems and support that is not available to the smaller independent agents.

Diurnal
Speaker: Martin Whitaker, CEO
Diurnal (DNL) is a specialty pharmaceutical company developing hormone therapeutics to aid lifelong treatment for rare and chronic endocrine conditions.

Open Orphan
Speaker: Cathal Friel, CEO
Open Orphan (ORPH) is a European-focussed, rare and orphan drug consulting services platform. The Company will target the fragmented orphan drug services market in Europe.

ValiRx
Speaker: To be confirmed
ValiRx (VAL) is a life science company which focuses on clinical stage cancer therapeutic development, taking proprietary & novel technology for precision medicines towards commercialisation and partnering.

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 and other investors

Event details
Registration 18.00
Presentations to start at 18.30
Complimentary drinks and buffet will be available after the presentations

Register for free now
www.sharesmagazine.co.uk/events

Contact
Lisa Frankel,
Events Operations Manager
Lisa.Frankel@sharesmagazine.co.uk
020 7378 4406

KEY

- **Main Market**
- **AIM**
- **Investment Trust**
- **Fund**
- **Exchange-Traded Fund**
- **Overseas Share**
- **IPO Coming Soon**

KEY ANNOUNCEMENTS OVER THE NEXT WEEK

Full-year results

6 September: Ashmore. **9 September:** Abcam, Associated British Foods. **10 September:** Litigation Capital Management. **11 September:** Galliford Try. **12 September:** Brooks Macdonald, Haynes Publishing.

Half-year results

6 September: SIG. **9 September:** Diaceutics, Filta, Medica. **10 September:** 888, Ashtead, Boku, Cairn Energy, Gulf Keystone Petroleum, Hilton Food, IP Group, JD Sports Fashion, Nucleus, Petropavlovsk, SimplyBiz, Team 17, Vectura. **11 September:** Advanced Medical Solutions, DP Eurasia, Futura Medical, Gulf Marine Services. **12 September:** Cairn Homes, Morrison Supermarkets, Safestore, Silence Therapeutics.

Trading statements

6 September: Berkeley

WHO WE ARE

EDITOR: Daniel Coatsworth @Dan_Coatsworth

DEPUTY EDITOR: Tom Sieber @SharesMagTom

NEWS EDITOR: Steven Frazer @SharesMagSteve

FUNDS AND INVESTMENT TRUSTS EDITOR: James Crux @SharesMagJames

SENIOR REPORTERS: Martin Gamble, Ian Conway @SharesMagIan

REPORTER: Yoosof Farah @YoosofShares

CONTRIBUTORS Russ Mould, Tom Selby, Laura Suter

ADVERTISING
Senior Sales Executive
Nick Frankland
020 7378 4592
nick.frankland@sharesmagazine.co.uk

CONTACT US:
support@sharesmagazine.co.uk

All chart data sourced by Refinitiv unless otherwise stated

PRODUCTION
Head of Design: Darren Rapley
Designer: Matt Ely

Shares magazine is published weekly every Thursday (50 times per year) by AJ Bell Media Limited, 49 Southwark Bridge Road, London, SE1 9HH.
Company Registration No: 3733852.

All Shares material is copyright.
Reproduction in whole or part is not permitted without written permission from the editor.