

SHARES

WE MAKE INVESTING EASIER

TAKING THE TEMPERATURE OF THE MARKET

**WE MAKE SENSE
OF THE LATEST
ISSUES PUZZLING
INVESTORS**

PLUS

**CAN YOU
TRUST
YOUR FUND
MANAGER?**

**FTSE 100
STOCKS WITH
A NEGATIVE
EARNINGS TREND**



Can you trust your fund manager?

The Woodford debacle could lead to some positive changes in the fund sector

The Woodford fund debacle has triggered a thousand articles about how a single investment product has not lived up to its hype, and how currently investors across the country are barred from cashing out of the fund if they so wish.

The significant amount of media attention is likely to lead some individuals to question their actively-managed fund holdings, and rightly so. If you are paying a fund manager to do the hard work, are they generating value for you?

The aftermath of the Woodford incident could see investors follow two different paths. First, they may probe fund managers' performance and anyone not delivering the goods could see investors switch to alternative products. Second, more investors could embrace passive exchange-traded funds (ETFs) which simply track an index and don't require the services of a fund manager to make all the decisions.

While many fund managers often enjoy a few good years' performance, this may simply be down to luck and not skill. Very few fund managers have the skill with which to consistently deliver market-beating returns over a long period.

Even though the rise of the ETF has been much slower in the UK compared to the US, there is still growing demand. In recognition of this trend, *Shares* has recently increased the volume and frequency of its ETF coverage, providing readers with plenty of investment ideas and we will continue to look more closely at the passive space.

The investment trust space may also benefit from the Woodford situation as investors start to appreciate the fund structure's advantage when it comes to holding more illiquid assets – namely that the fund manager doesn't suffer from redemptions when investors want to get out and so the manager isn't forced to undertake a fire-sale of assets in such a situation.

Our view is that active fund management is still



valid and that the actions of Woodford should not put you off the space. We also believe there is room for investors to blend both an active and passive strategy in their portfolio.

The priority for investors should now be reassessing all actively-managed fund holdings. Are the managers doing what they originally said they would do when you bought each fund? If not, think about why they have deviated from the process and consider moving to a different fund – be it passive or actively-managed.

It is on this point that investment trusts benefit from having a board of directors. They have the power to fire a fund manager who isn't doing what they said they would do, or has taken too many (or not enough) risks. Investors should take comfort that there is someone overseeing the fund manager and not letting them do anything they want.

The Woodford situation is likely to put more pressure on investment trust boards to review actions and performance, and ultimately keep fund managers on their toes. And it is likely to put pressure on managers across all types of funds to stick to a defined process, which has to be for the benefit of investors.



By Daniel Coatsworth 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.

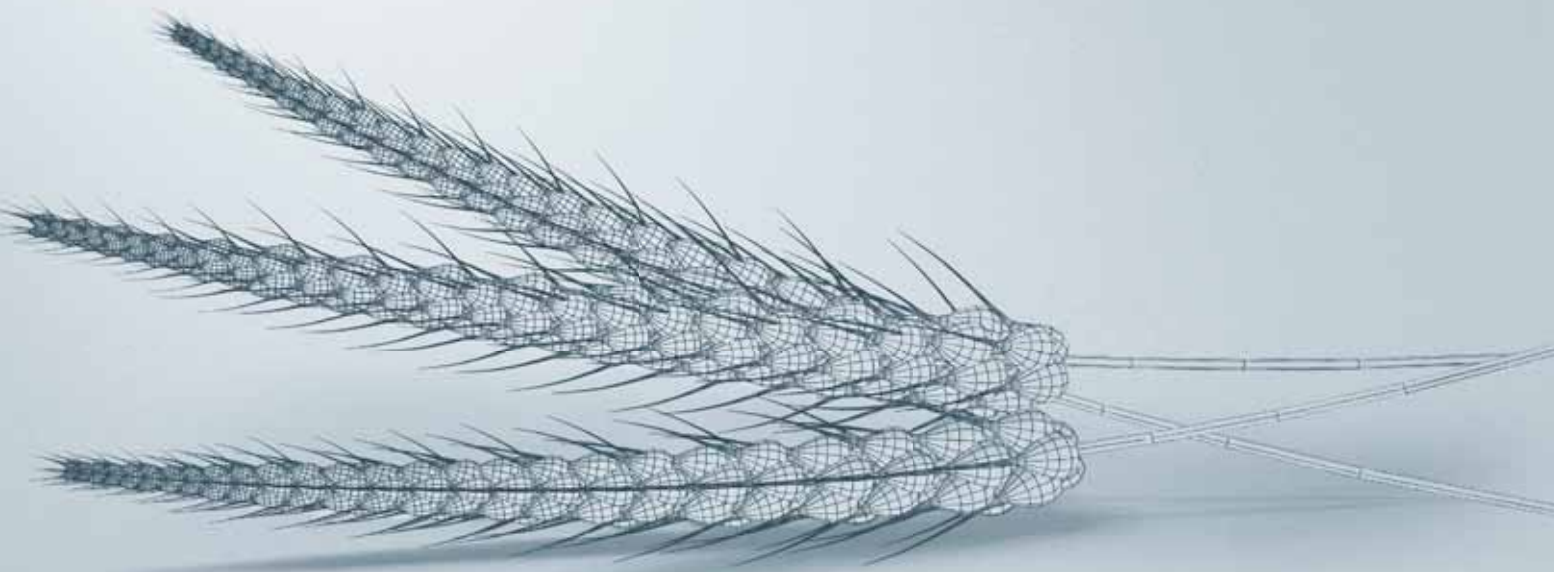
To see our range of investment trusts visit
www.hendersoninvestmenttrusts.com
call us on

0800 832 832

or email us at
support@janushenderson.com

 Find us on Facebook

 @JHiTrustsUK



For promotional purposes

Janus Henderson
—KNOWLEDGE. SHARED—

Contents

VIEWING
SHARES AS
A PDF?

CLICK ON PAGE
NUMBERS TO JUMP
TO THE START OF
THE RELEVANT
SECTION

02	EDITOR'S VIEW	Can you trust your fund manager?
06	BIG NEWS	UK real estate / Billion-pound stock market flotations / Moss Bros / Income tax / Ted Baker / Ferguson / Games Workshop
11	GREAT IDEAS	New: Carnival / RIT Capital Partners Updates: Halma / Joules / Codemasters / Alpha Financial Markets Consulting
18	TALKING POINT	New threat to Facebook and Google matters to UK investors
20	FEATURE	FTSE 100 stocks with a negative earnings trend
22	MAIN FEATURE	Taking the temperature of the market
28	AEQUITAS	What can we learn from different industry sector performance?
30	INVESTMENT TRUSTS	Henderson Alternative Strategies Trust / Woodford Patient Capital Trust
36	FUNDS	All you need to know about open-ended funds
38	FEATURE	Two stocks which analysts say you should now buy
40	UNDER THE BONNET	Media group Future bounces back to join the FTSE 250
42	MONEY MATTERS	How investors will be affected by peer-to-peer lending clampdown
44	ASK TOM	'I have a tricky lifetime allowance situation'
46	INDEX	Shares, funds, and investment trusts in this issue

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.



**SENECA
GLOBAL
INCOME &
GROWTH
TRUST PLC**

Our aims are simple and ambitious:

- A total return of at least CPI plus 6 percent per annum after costs, over a typical investment cycle*
- Low volatility
- Aggregate annual dividend growth at least in line with inflation

If this sounds appealing, click [here](#) to find out more.

Find out more about Seneca Investment Managers at senecaim.com or call us on **0151 906 2450**

The value of investments and any income may fluctuate and investors may not get back the full amount invested.

*Seneca Investment Managers Ltd defines a typical investment cycle as one which spans 5-10 years, and in which returns from various asset classes are generally in line with their very long term averages. There is no guarantee that a positive return will be achieved over this or any other period. There is no guarantee that the above aims will be achieved. Seneca Investment Managers Ltd does not offer advice to retail investors. If you are unsure of the suitability of this investment, take independent advice. Before investing you should refer to the Key Information Document (KID) for details of the principle risks and information on the trust's fees and expenses. Net Asset Value (NAV) performance may not be linked to share price performance, and shareholders could realise returns that are lower or higher in performance. The annual investment management charge and other charges are deducted from income and capital. The KID, Investor Disclosure Document and latest Annual Report are available in English at www.senecaim.com. Seneca Investment Managers Limited is the Investment Manager of the Trust (0151 906 2450) and is authorised and regulated by the Financial Conduct Authority and is registered in England No. 4325961 with its registered office at Tenth Floor, Horton House, Exchange Flags, Liverpool, L2 3YL. All calls are recorded. FP19 041

What recent property takeover action reveals about UK real estate

Amid the gloom there are some bright spots in the sector



Recent M&A activity shows the discounts to net asset value (NAV) endured by many property stocks are attracting interest from within the industry, showing UK assets still have appeal despite Brexit.

However, the £415m bid from **LondonMetric Property (LMP)** for **A&J Mucklow (MKLW)** at the end of May may have been the exception in that it was successful and pitched at a premium to NAV. Other recent bids for property groups have come in below NAV.

Mucklow's situation suggests the industrial sector remains much more popular than offices and, even further down the food chain, retail.

Office-owner **Helical (HLCL)** has assets in Manchester and London and its shares currently trade at an 18% discount to NAV.

Outside of London, and notwithstanding Brexit uncertainty, the market for offices is supported by supply constraints. Since the financial crisis there have only been a limited number of new office developments beyond the capital. Outfits such as Midlands-focused **Real Estate Investors (REI)** and **Regional REIT (RGL)** look better plugged into this trend than Helical.

While the positive story for regional offices is perhaps under-appreciated by the market, the same cannot be said for industrial assets.

The requirement from online retail for storage and sorting facilities has led to a boom in demand for warehouses and, in this context, it is perhaps little surprise Mucklow's portfolio of industrial

FTSE 350 PROPERTY STOCKS SELECTED PREMIUMS AND DISCOUNTS

Company	Discount/premium to NAV
Industrial focus	
LondonMetric	19%
Segro	19%
Office focus	
Derwent London	-13%
Retail focus	
Hammerson	-60%
Intu	-69%
Diversified	
British Land	-40%
Land Securities	-36%

Source: Shares, SharePad.

and distribution assets in a relatively strong West Midlands economy attracted an 11.4% premium to NAV bid according to investment bank Liberum.

Bid activity in the retail property space has foundered amid uncertainty over exactly where the floor for valuations in this space lies. In 2018 this scuppered a merger between shopping centre investors **Hammerson (HMSO)** and **Intu (INTU)** and saw Hammerson reject a £5bn offer from France's Klepierre.

The turmoil in the retail sector is reflected in a faltering rescue plan for Philip Green's struggling Arcadia which owns Top Shop and Burton.

Intu, among its largest landlords, is believed to be opposed to the proposals which encompass a CVA agreement. This is an insolvency process that allows financially-challenged companies to renegotiate debts with creditors including landlords. It inevitably sees landlords having to accept lower rents to avoid vacant lots.

Billion-pound stock market flotations heading for London

The UK stock market is set to cash in on a wave of public offerings

Following the runaway success of the US initial public offering (IPO) of Beyond Meat, which we [correctly called](#) in our overview of the market in May, London looks set for a swathe of billion-pound main-market offerings in the coming months.

The names heading for the London market include life insurance firm ReAssure, a subsidiary of the world's second-largest re-insurer, Swiss Re. Although it may not be a familiar name for investors, ReAssure is actually the UK's sixth largest life insurer.

Its registration document is due to be filed this Friday, although the final timing of the IPO – expected to value ReAssure at £3.5bn, putting it comfortably in the top half of the FTSE 250 mid-cap index – has yet to be decided.

Also in the financial space, household goods warranty provider Domestic & General is being prepared for IPO by private equity owner CVC.

After a failed takeover attempt by **Homeserve (HSV)** in 2007, Domestic & General was scooped up by venture capitalist Advent for £524m and then sold to CVC in 2013. Now, after more than a decade in private hands, D&G is expected to return



to the stock market with a price tag of around £1.5bn.

The firm, which insures millions of boilers, washing machines, laptops

and cameras in 14 countries including the UK, is chaired by David Tyler, who stood down from the chairman's role at **Sainsbury's (SBRY)** in March in anticipation of the retailer's merger with Asda.

A third company expected to list in London this summer is Airtel Africa, a subsidiary of Indian telecoms giant Bharti Airtel.

The owners are hoping to raise \$1bn (just under £800m) to fund its expansion in Africa, where it currently operates in 14 markets.

Major shareholders, aside from India's Bharti, include Japanese venture capital fund SoftBank, Singaporean state-owned investment fund Temasek and the Qatar Investment Authority.

Transport booking group Trainline is also expected to float in London very soon. It tried to float in 2015 but was acquired by private equity days before the listing.

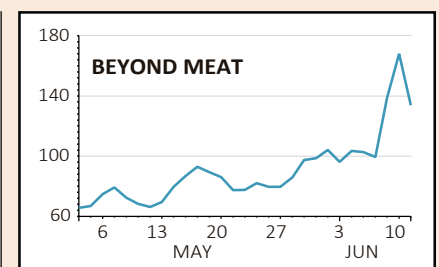
BEYOND MEAT

Investors who bought Beyond Meat at IPO must be leaping up and down at their success. On the first day of dealing shares jumped by an incredible 163% to over \$65.

Last Friday, the firm forecast that full-year sales would be \$210m, marginally above the market consensus. However it also forecast

break-even at the operating profit level while the market was expecting a \$10m loss.

Chief executive Ethan Brown is confident that Beyond Meat will surpass investor expectations, claiming 'we are very conservative and view this [forecast] as a floor'.



The shares surged again to hit \$168.10, or more than six times its \$25 IPO price.

Activist to tailor change at Moss Bros?

Gatemoore Capital's arrival on the shareholder register suggests an activist campaign may be in the offing

Activist investor Gatemoore Capital Management has acquired a 9.57% stake in struggling, lately unloved high street suit hire specialist **Moss Bros (MOSB)**.

News of the stake may spur on expectations of an activist campaign from Gatemoore, although according to a source close to the asset manager cited by *Sky News*, it has yet to engage with management.

Gatemoore's arrival on the share register could be the precursor to change at the men's suit seller and wedding hire specialist and will certainly make management nervous.

The activist fund previously pressed for a break-up of faded fashion brand **French Connection (FCCN)** and has recently taken a 3.79% stake in **Majestic Wine (WINE:AIM)** too.

Moss Bros has been hit by the wider UK high street malaise. In March, the London-headquartered concern posted its first adjusted



pre-tax loss since 2010/11, on declining retail and hire like-for-like sales during the year ended 26 January, and also shelved the final dividend.

Management bemoaned spring 2018 stock shortages, extreme weather and weak consumer demand, heavy discounting and the distraction from England's summer of 2018 World Cup success for the deficit.

In a more recent AGM update (15 May), Moss Bros said its overall performance had continued to show an improvement on the prior year despite a tough market backdrop, although the hire business remains 'challenging'.

Politicians pledge radical changes to income tax

Boris Johnson's plans may not be good for long-term retirement saving

A PLEDGE BY Boris Johnson, in the running to be leader of the Conservative Party, to cut income taxes for a large number of people should he become prime minister isn't necessarily positive for many people's retirement savings.

His pledge to raise the higher-rate income tax threshold from £50,000 to £80,000 would see higher

earners pay up to £6,000 less in income tax each year.

However, the move would be negative for pension savings as the tax relief on contributions for those earning between £50,000 and £80,000 would drop from the current 40% rate to 20%.

In such a situation, individuals affected by the changes would no doubt be encouraged to use some

of their income tax savings to top up their retirement pot to help ensure they have sufficient funds in later life.

Labour leader Jeremy Corbyn wants to lower the 45% tax rate from £150,000 to £80,000, and then introduce a new highest 50% rate on individuals earning £123,000 or more.

Dominic Raab, another Tory party leader hopeful, wants to help low paid earners by increasing the rate of which national insurance becomes payable, from £8,628 to £12,500. He also wants to reduce income tax by 1% a year until it hits 15%.

Ted Baker, Ferguson, Games Workshop, and more of the week's big news

We look at the latest market movers and significant announcements

Faded British design champion **Ted Baker (TED)** continues to suffer, falling more than 25% as it warned profit for the year to January 2020 would fall significantly short of forecasts (11 Jun).

The company, reeling from the recent departure of founder Ray Kelvin amid a storm of controversy, guided for underlying profit of between £50m and £60m. Broker Liberum Capital reduced its own forecast from £70.7m to £50.3m.

Liberum suggested in the wake of this latest warning that the stock might be vulnerable to a takeover.

In a very different part of the retail sector, table-top games specialist **Games Workshop (GAW)** continues to thrive. Its stock hit fresh new highs close to £50 as, despite the previous year being a hard act to follow, it unveiled strong sales and profit growth for the year to 2 June.

HOUSEBUILDERS IN FOCUS

Several updates put the spotlight on the

housebuilding sector, including **MJ Gleeson (GLE)** chief executive Joylon Harrison departing on 10 June after a row over his remuneration.

A day later **Bellway (BWY)** and **Crest Nicholson (CRST)** saw their shares largely unchanged as both revealed some pressure on margin performance.

This was exacerbated at Crest by the company's transition away from high-end properties in the south east to homes at lower price points and areas like build-to-rent.

WASHOUT FOR FERGUSON

Moving across the Atlantic, plumbing products firm **Ferguson (FERG)** looked a victim of a slowdown in the US construction market, partially caused by severe rain, as quarterly organic growth from its main country of operation fell to 3.3% from 9.7% in the previous three-month period.

The company attempted to soften the blow for investors with news of a \$500m share buyback programme, but the stock tumbled on the growth disappointment.

FTSE 350 MOVERS OVER THE PAST WEEK

BEST PERFORMERS

STOCK	SHARE PRICE RISE	REASON
Millennium & Copthorne Hotels	36.0%	New takeover offer from Singaporean investor
Games Workshop	11.4%	Bullish trading update
KAZ Minerals	10.2%	Copper miner boosted by China stimulus hopes

WORST PERFORMERS

STOCK	SHARE PRICE FALL	REASON
Ted Baker	-26.6%	Major profit warning
Metro Bank	-13.1%	Broker downgrades, negative press coverage
FirstGroup	-6.8%	Ongoing battle with activist investor

Source: Shares, SharePad, Data to 11 June 2019

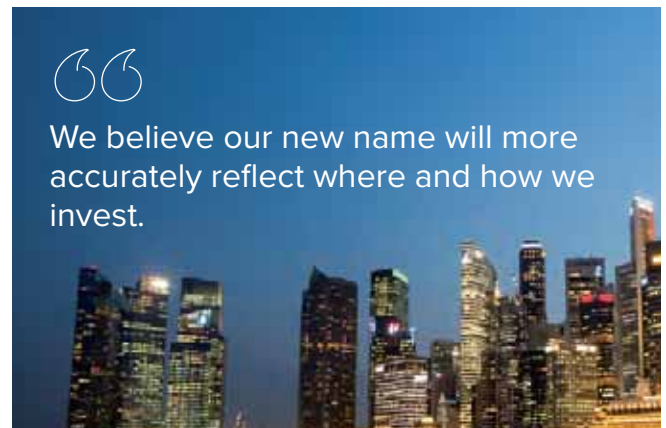
Introducing AVI Global Trust

Name change

We are pleased to announce that the British Empire Trust has been renamed to the AVI Global Trust (ticker: AGT), with effect from 28th May 2019.



Since incorporation in 1889 as the *Transvaal Mortgage Loan & Finance Company*, AGT's name has always made reference to the scope of its investment mandate. In 1906, the name was changed to the *British Empire Land Mortgage & Loan Company* to reflect an increasingly global focus, and in 1964 the more familiar name of *British Empire Securities & General Trust* was adopted. Today, 130 years after being founded, the company has developed a truly global reach and we believe its new name will more accurately reflect where and how it invests.



Investment Approach

Asset Value Investors (AVI) has managed the c. £1 bn AVI Global Trust since 1985. The strategy over that period has been to invest in asset-backed companies around the world, where we believe that attractive risk-adjusted returns can be earned through detailed research with a long-term mind-set.

Asset-backed companies is a broad category, and includes family-controlled holding companies, property companies, closed-end funds and, most recently, cash-rich Japanese companies. The approach is benchmark-agnostic, with no preference for a particular geography or sector.

AVI has a well-defined, robust investment philosophy in place to guide investment decisions. An emphasis is placed on three key factors: (1) companies with attractive assets, where there is potential for growth in value over time; (2) a sum-of-the-parts discount to a fair net asset value; and (3) an identifiable catalyst for value realisation.

A concentrated portfolio of c. 25* investments allows for detailed, in-depth research which forms the cornerstone of our active approach.

Once an investment has been made, we seek to establish a good relationship with the managers, directors and, often, families behind the company. Our aim is to be a constructive, stable partner and to bring our expertise – garnered over three decades of investing in asset-backed companies – for the benefit of all.

AGT's long-term track record bears witness to the success of this approach, with a NAV total return well in excess of its benchmark. We believe that this strategy remains as appealing as ever, and continue to find plenty of exciting opportunities in which to deploy the trust's capital.



Joe Bauernfreund,
Portfolio Manager

DISCOVER AGT AT WWW.AVIGLOBAL.CO.UK



*One investment is the Japan Special Situations basket of 18 Japanese stocks.

Past performance should not be seen as an indication of future performance. The value of your investment may go down as well as up and you may not get back the full amount invested. Issued by Asset Value Investors Ltd who are authorised and regulated by the Financial Conduct Authority.

Invest in Carnival now it's a higher quality business

The leisure group has the right characteristics to bounce back after a weak spell for the stock

After a great run between 2015 and 2017, shares in cruise ship operator Carnival have been in retreat for some time. We think the stock has fallen too far and that now is a great time to buy.

Its dividend has increased at a compound annual growth rate of 13.5% over five years, while the number of shares have been reduced by 13% as the company bought back shares. This powerful combination has delivered around £7.6bn of cash into the pockets of shareholders since 2014, and representing 42% of the value of the business in 2014.

So why haven't the shares kept pace with an underlying 26% compound annual growth in earnings per share since 2014? Perhaps investors fear that slowing global growth and overcapacity will result in lower revenues which, given a high operating leverage, will overly impact profit. Operating leverage measures the sensitivity of profit to changes in revenue.

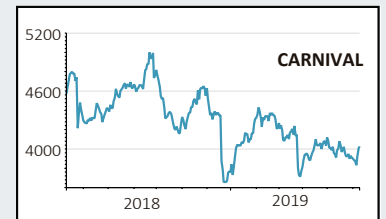
However, we believe the company has addressed these worries and plans a more measured approach to capacity management. Over the past five years, the company has put 12 new state-of-the-art vessels into operation and retired nine less efficient ships.

Greater economies of scale are promised, with a further 17

CARNIVAL
BUY

(CCL) £39.35
 Stop loss: £31.50

Total assets: £28bn



new ships going into operation over the next five years, as the company continues to divest the less efficient part of the fleet. This will be the underlying driver of growth going forward.

Lower costs and more efficient fleet has resulted in higher operating cash flows and an improving trend in return on capital. In other words, the quality of the business has been improving.

Carnival is unusual in that it operates a significant negative working capital position. This is due to the fact that its customers pay deposits for cruises upfront. The company is permitted to use these funds as it sees fit, to pay down debts, or invest in the business.

In addition, unlike most companies, Carnival has virtually no money owed to it by debtors,

and very little inventory. This reduces financial risk considerably.

Carnival benefits from a tax rate under 5% due to the fact that its US assets are based in international waters and are currently exempt from US federal income and branch profit taxes.

Operations outside the US such as P&O Cruises and Costa Cruises benefit from similar tax exemptions.

Although cyclical, Carnival is a highly cash generative business that is demonstrating improving returns on capital. It's surely only a matter of time before the shares reflect the quality of the business.



By Martin Gamble
 Senior Reporter

Why it's the right time to invest with RIT Capital

This investment trust is just the ticket during times of market stress

Sometimes it is better to pay a premium price to get a product that is high quality and could serve you well for a long time in the future. That's certainly how we feel about **RIT Capital Partners (RCP)** which is trading on an 8.6% premium to net asset value (NAV).

The investment trust should appeal to cautious investors with a longer term horizon. It offers exposure to a defensive growth portfolio with proven pedigree, a progressive dividend and is guided by a management team that has a history of making clever macro calls.

Numis Securities explains: 'RIT has an exceptional record since listing in 1988, with NAV growth of 11% per year versus 8.5% per year for global equity indices, despite having a lower risk profile, participating in 74% of market upside but only 39% of market declines.'

WHY IS RIT CAPITAL DIFFERENT?

RIT Capital is a unique investment vehicle with the stated objective of long-term capital growth while preserving shareholders' money through market cycles.

Whereas a traditional wealth manager seeks to achieve this outcome through a portfolio balanced between blue chip shares, government and corporate bonds, this investment

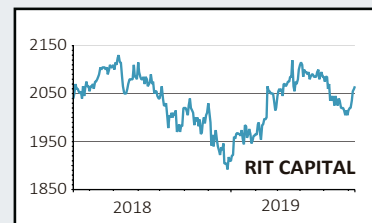
RIT CAPITAL PARTNERS

BUY

(RCP) £20.55

Stop loss: £16.44

Total assets: £3.38bn



trust has a different approach. It invests in a widely diversified, international portfolio across a range of asset classes, both quoted and unquoted.

With a truly long-term approach, RIT Capital adds value through unconstrained global investing – putting money to work without the constraints of a formal benchmark but looking to outperform both inflation and the world markets over time – and it also has a multi-asset mandate.

Though the fund has an equity bias, it also invests in private investments, credit, macro

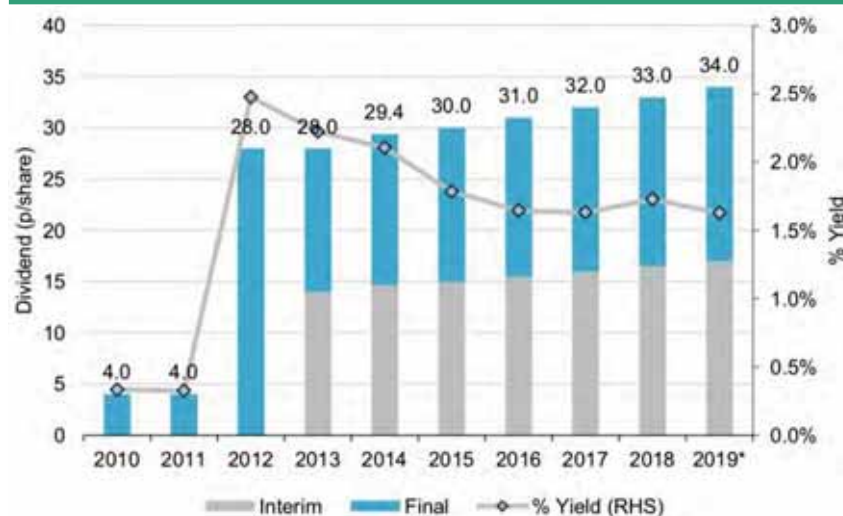
strategies and in real assets.

Furthermore, while RIT has an in-house investment team, it also taps into the expertise of a number of 'exceptional' third-party managers that provide expertise in specialist areas and present the trust with compelling co-investment opportunities.

INTERESTS ARE FULLY ALIGNED

Founded by Lord Rothschild, who has driven its investment strategy for the past 30 years, RIT Capital is a self-managed trust. This has the advantage of

RIT CAPITAL – DIVIDEND HISTORY



Source: RIT/Numis

meaning the portfolio managers are fully aligned with the fund's truly long term approach and emphasis on capital protection. The investment trust structure means the managers aren't forced sellers of quoted holdings during times of market strife either.

Being highly diversified, the portfolio's NAV is unlikely to keep pace with equity markets during rampaging bull markets. Indeed, this defensively-oriented trust missed out on some of the equity markets upside in 2016 and 2017, but the benefits of the trust's capital preservation emphasis came to the fore in 2018 as volatility returned.

Last year, RIT Capital achieved a positive NAV total return of 0.8% during a year when the benchmark MSCI AC World index fell by 5.7%. RIT has also delivered a healthy NAV total return of 4.8% in the four months to 30 April 2019. It yields 1.7%; investors should expect the majority of returns to come from capital gains.

NO NEED TO PANIC

RIT Capital has long been synonymous with Lord Rothschild whose family remains the biggest shareholder with a 21.35% stake.

Rothschild steps down as chairman on 30 September to take up the role of president of RIT, but this hasn't rattled investors.

The trust has tended to trade at a premium to both NAV and its global investment companies peer group over the past decade due to its strong performance track record and the allure of its risk-averse approach.



Rothschild's UK headquarters

Rothschild has been responsible for shaping an investment approach that relies heavily on a network of some of the globe's most highly regarded investors, yet the premium hasn't been impacted by the news of his role change.

Smooth succession planning and the Rothschild family commitment to remaining a long-term shareholder have helped support the valuation. We believe the combination of capital preservation and wealth creation will remain popular with investors, especially in current volatile market climates.

NETWORK EFFECT

RIT Capital's aforementioned investment network is a real competitive advantage in the funds space. It includes such luminaries as Warren Buffett as well as US-based groups Sequoia and Social Capital, China's Hillhouse and some leading hedge fund groups including Elliott, Pershing Square, Trian and Brevan Howard.

In recent years, Rothschild has been stepping back from his investment role, having found a management team in which he has faith. Crucially, he has passed on key relationships to the current executive team led by Francesco Goedhuis (CEO) and Ron Tabbouche (CIO).

According to Numis, the

portfolio remains cautiously positioned with modest equity exposure of 43%, which is towards the bottom end of the 40%-to-60% range of recent years. This caution reflects the managers' view that investors are living through a challenging and uncertain environment where the valuations of many asset classes have been pumped up by a long period of cheap money.

As Numis explains, Tabbouche believes markets have yet to reflect potential risks on the horizon in terms of lower growth and declining corporate profits, with limited scope for government stimulus.

In terms of the quoted equity portfolio, RIT Capital's current emphasis remains on the US, with a focus on cyclicals and financials.

Having acquired GVQ Investment Management from Swiss-based Hansa in late 2014 and then sold the business to senior management in 2017, RIT Capital still holds a 15.3% stake in **Strategic Equity Capital (SEC)**, the GVQ-managed London-listed UK smaller companies fund acquired from Hansa as part of the original deal.



By James Crux
Funds and Investment
Trusts Editor

The number cruncher

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

youinvest.co.uk

SIPPs | ISAs | Funds | Shares



We do not offer advice about the suitability of our products or any investments held within them. If you require financial advice you should consult a suitably qualified financial adviser. Capital at risk.

HALMA

(HLMA) £19.41

Gain to date: 53.8%

Original entry point:

Buy at £12.62, 18 October 2018

SHARES IN ELECTRONICS

equipment maker **Halma (HLMA)** hit a new all-time high of £19.42 this week after the company reported record revenue and profit for the 16th consecutive year.



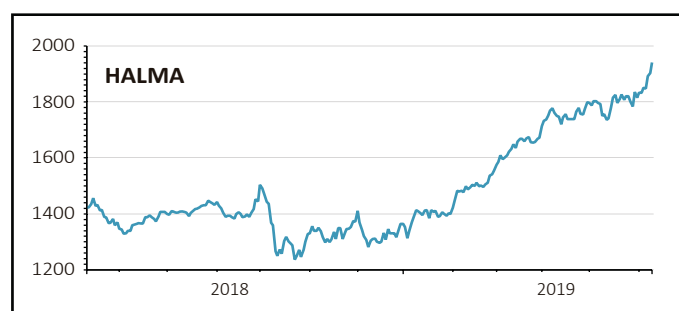
Revenue for the 12 months to 31 March grew by 13% to £1.2bn thanks to strong performances in the US and UK and 'solid' growth in Asia Pacific.

Thanks to tight cost control, adjusted pre-tax profit rose by 15% to £245.7m meaning a return on sales of 20.3%, also a record.

With strong cash generation and a robust balance sheet, the dividend has been lifted by 7% to 15.7p making Halma one of the few companies to have raised its dividend 40 years in a row.

The firm's focus on health, safety and environmental markets continues to drive long-term growth and pleasingly order intake since the start of April is higher than both orders and revenue in the same period last year.

On almost 40 times 2020 earnings the shares can't be described as cheap and given their rapid ascent there is likely to be profit-taking if the market wobbles. However it remains a high-quality investment and we would buy more on a sell-off.



SHARES SAYS: ↗

Although the valuation is demanding this is another record performance. Hold on to the stock and buy more if the market wobbles.

JOULES

(JOUL:AIM) 279p

Gain to date: 8.1%

Original entry point:

Buy at 258p, 31 January 2019

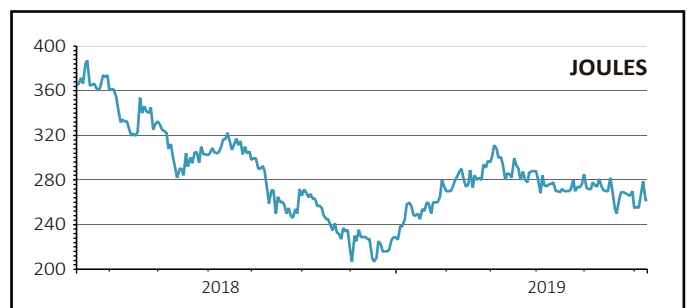
OUR BULLISH JANUARY call on premium British lifestyle brand **Joules (JOUL:AIM)** is a pleasing 8.1% in the money and we remain positive with the retailer continuing to confound the wider sector doom and gloom.

In a positive pre-close trading update, the clothing, accessories and homewares seller guided full year pre-tax profit to be at the upper end of the £14.8m-to-£15.3m consensus range following a year of strong sales momentum and disciplined cost management.

In an earnings upgrades cycle since its May 2016 IPO, Joules grew sales by 17.2% to £218m in the 52 weeks to 26 May with especially strong growth in the e-commerce channel.

Delivering solid growth in retail at a time when sector rivals are floundering, Joules' distinctive brand is also gaining traction overseas. Within the wholesale business, the US and Germany now speak for half of sales thanks to growth with the likes of Dillards and Nordstrom.

Investment bank Berenberg argues the e-commerce opportunity remains undervalued and sees potential for further upgrades from Joules' flourishing licensing business, which is on a growth tear.



SHARES SAYS: ↗

We remain very excited about the long-term global growth potential of the Joules brand and believe the retailer can continue to outperform sector peers. Keep buying.

CODEMASTERS

(CDM:AIM) 251p

Gain to date: 37.5%

Original entry point:

Buy at 182.5p, 22 November 2018

WE CORRECTLY ANTICIPATED that **Codemasters' (CDM:AIM)** shares would regain their momentum after a period of poor performance. After a near-40% return it's time to lock in those gains.

The shares have benefited from deals announced with Chinese giant NetEase, with the prospect of selling into a market with 600m gamers, worth an estimated \$25bn a year.

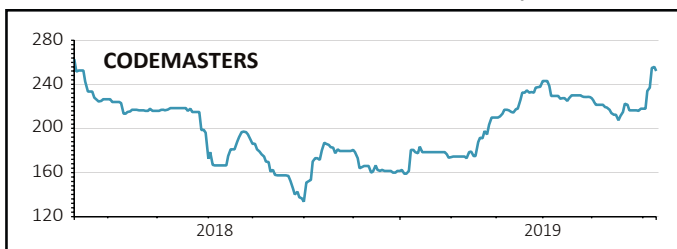
The company's F1 game GRID was one of only a few sports games to be selected for Google's new cloud streaming service, Stadia, due to launch in November.

The service is expected to attract a wider audience of gamers, is competitively priced at \$9.99 per month and can be played across different platforms, with no need for hardware. Because the games run in the cloud, initial downloads will not be necessary, removing frustration among players.

The share price has moved to reflect these exciting new developments. There is now arguably a news vacuum, creating uncertainty before the financial benefits start to flow through.

Broker Liberum doesn't expect material revenues from the NetEase partnership until 2020 or 2021. Codemasters has already booked most of the \$8m in guaranteed three-year revenues from the venture.

Without the contribution from the NetEase venture, recently reported full year revenue growth of 12% to £71.2m would have been only 3%.



SHARES SAYS: ↘

We think the market will be more circumspect until evidence of traction from the two growth initiatives start to emerge. Time to cash out.

ALPHA FINANCIAL MARKETS CONSULTING

(AFM:AIM) 231p

Loss to date: 2.1%

Original entry point:

Buy at 236p, 7 February 2019



FULL YEAR RESULTS from **Alpha Financial Markets Consulting (AFM:AIM)** show the business is still growing at a decent clip.

Revenue for the 12 months to 31 March was up 15% to £76m and group operating profit expanded by 47% to £12.6m, all due to organic growth.

Growth softened in the second half due to a combination of the US business consolidating its position, after doubling revenue the previous year, and some hesitation by clients to sign off on projects with the Brexit cliff-edge looming.

However trading since 1 April has been robust across all its markets. A new office in Zurich is servicing German-speaking clients, taking Alpha to 10 offices globally, while the US business has been beefed up with the appointment of two more senior directors to exploit what it calls a 'significant opportunity for growth'.

Alpha has also announced the acquisition of Axxsys which extends its capabilities in portfolio management systems and is immediately earnings-accretive.



SHARES SAYS: ↗

Growth last year was somewhat slower than we anticipated but with greater geographical reach, thanks partly to the Axxsys deal, Alpha should deliver this year. Hang on to the shares for now.

NEW
SUBSCRIBER
OFFER

LOOKING TO DRIVE YOUR INVESTMENTS FORWARD?

Let SHARES market insight
keep you up to speed

Stay on track!

Subscribe to Shares digital magazine and get access to your investment hub with investor tools, live share prices, and the latest news and insight. Try it now for just £1 for the 1st month and then just £12 a month*.

The SHARES experts offer 24/7 coverage and insight into today's vibrant investment markets. Helping you easily track and choose the right investment for you and your money.

A subscription to SHARES gives you access to the SHARES digital investment hub and a host of benefits including:

- > Your weekly digital magazine brimming full of investment ideas
- > 24/7 market news and company updates
- > Exclusive investor tools including live share prices

**SHARES - Catch the best investment news
and latest share prices**



Subscribe today at www.sharesmagazine.co.uk/subscribe

SHARES

YOUR INVESTMENT HUB



Digital
magazine



Online
Toolkit



Investment
Ideas

* The £1 for 1 month and then £12 a month offer is only available to new subscribers. Your first payment will be £1 and thereafter subscriptions will automatically continued, billed at £12 per month unless cancelled. Subscriptions can be cancelled at any time by calling 0207 378 4424 between 8am - 4.30pm on Monday to Friday. No refunds are offered during the cancellations period but all outstanding issues and services will be fulfilled. For enquires contact us at support@sharesmagazine.co.uk

New threat to Facebook and Google matters to UK investors

Both stocks tumble in value amid fears of rising regulatory scrutiny

After the S&P 500 index lost \$1.6trn in value in May due to fears of a tariff-induced US economic slowdown, investors in tech stocks Amazon, Facebook and Google-owner Alphabet faced further heavy losses on the first trading day of June over fears of rising regulatory scrutiny.

Alphabet shares lost 6% in a day, or more than \$45bn in market value; Amazon lost 4.6% or \$40bn in value; and Facebook lost 7.5% or \$38bn in value.

Many UK investors hold these stocks in their portfolio. A further group will have exposure, even if they aren't aware of it. A lot of investment trusts and funds – covering tech-specific ones to broader global collectives – have these stocks in their top holdings including **Allianz Technology Trust (ATT)** and **Polar Capital Technology Trust (PCT)**.

It's therefore important to look at the underlying story and whether the case for investing in these tech giants has changed.

SCRUTINY HAS BEEN BUILDING FOR YEARS

Last month we wrote about the rise of market power and warned that companies with dominant market positions like Amazon and

EXAMPLES OF INVESTMENT TRUSTS INVESTED IN ALPHABET AND FACEBOOK

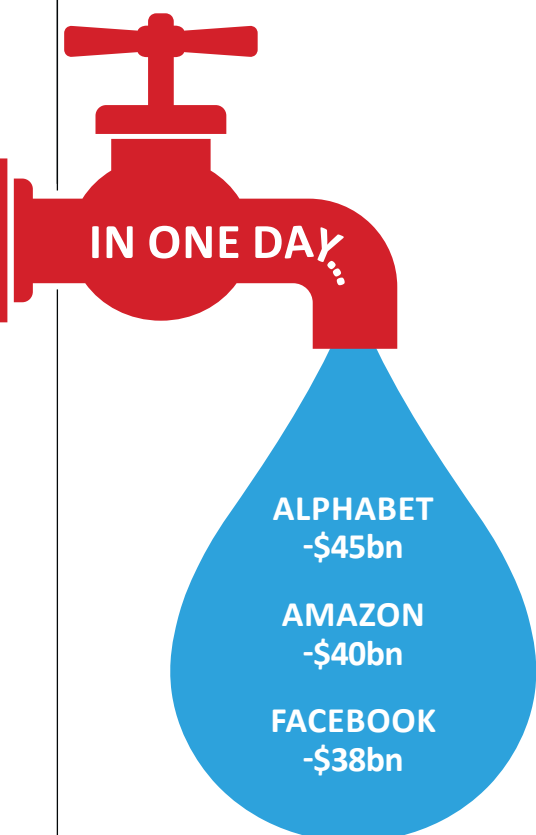
ALPHABET (GOOGLE)

	% of portfolio
Manchester & London	13.0%
Menhaden	9.9%
Polar Capital Technology Trust	9.0%
Monks Investment Trust	2.0%
Bankers Investment Trust	1.5%
F&C Investment Trust	1.3%

FACEBOOK

	% of portfolio
Manchester & London	5.1%
Allianz Technology Trust	4.3%
Polar Capital Technology Trust	3.6%

Source: FE, Shares





UNDER SCRUTINY

Google were likely to face greater oversight, based on public and political concerns that the playing field has been tilted too far in their favour.

Until now the US regulators appeared to be taking a fairly relaxed stance, whereas the EU Commission has taken a high-profile role in investigating firms which it suspects of gaining an unfair advantage.

In recent years it has fined Google over €8bn for ‘illegal practices’ in search advertising and it ordered Apple to repay the Irish government €14bn in taxes after it ruled that the tax breaks offered to it amounted to ‘state aid’ and were also therefore illegal.

Behind the scenes the Department of Justice’s (DOJ) anti-trust department and the Federal Trade Commission (FTC), who share the job of anti-trust enforcement, have been planning their individual approaches.

Out of public view, the DoJ agreed with the FTC – which investigated Google in 2013 – to take the lead in a new probe into the search giant’s potential abuse of its market power.

FINGERS EVERYWHERE

DoJ officials are interested not just in Google’s dominant position in online search, where it is both a platform for selling advertising space on its own site as well as selling ads on sites across the web, but in its Android operating system which is now used in the majority

of smartphones around the world.

The question is whether, given that Google controls much of the technology to buy online ads and its operating system dominates mobile phones, it gives preference to its own businesses in search results, as its accusers argue.

Officials will look at the transparency of the digital advertising business and whether Google is mis-using its position to extract a greater share of online advertising revenues.

Company executives insist that the firm is ‘just helping web users get information’ and letting advertisers and publishers connect better, and that it is transparent about how it promotes its own services.

The company claims that each new product or feature it has developed in recent years has been designed first and foremost to help consumers and to reduce ‘friction’.

FACEBOOK FACES OFF

While the DoJ gets to grips with Google, the FTC has secured the right to investigate Facebook for potentially illegal monopolistic practices.

Facebook has been under considerable scrutiny over the last year for privacy and how it handles users’ data, and has faced record fines for its failure to respond quickly enough to take down violent rhetoric and ‘fake news’. It has also been accused of involvement in election meddling on both sides of the Atlantic.

Founder Mark Zuckerberg admitted at a shareholder meeting recently that ‘if people were re-writing the rules for the internet, I don’t think they would want companies to have so much unilateral authority’.

The FTC hasn’t yet launched an investigation, but it is believed to be looking into whether the firm is stifling competition through its acquisitions of Instagram and WhatsApp.

Zuckerberg has called the argument that Facebook has a dominant position in advertising as ‘a little stretched’.

BREAKING UP IS HARD TO DO

Critics of both firms, including politicians, argue that they are too big and should be broken up, but there is no evidence that cracking down on them to that extent would benefit consumers in the long term. In contrast, breaking them up might stifle innovation and growth instead.

Break-ups are rare but not completely unheard of. Standard Oil and AT&T were both considered monopolistic and were broken up at the US government’s insistence but famously an attempt to break up Microsoft in 2000 failed.

More likely is that the anti-trust probes, when they arrive, will require the big tech firms to change certain business practices or face further fines. They could also see the government take a more aggressive stand in blocking future acquisitions.

Investors obviously need to be aware of the increased business risk of owning shares in these US tech giants going forward, but if history is any guide the regulators are more likely to just take away the punchbowl than try to end the party altogether.



By Ian Conway
Senior Reporter

FTSE 100 stocks with a negative earnings trend

We find some surprising names among the culprits

Last week we looked at which stocks in the FTSE 100 index had the fastest earnings growth over five and 10 years and what price investors were prepared to pay for **them**.

This week we've delved into the murky waters of the stocks with the worst record of growing earnings. We have used the same metrics, looking at five and 10 years of data, supplied by SharePad.

Again, the question boils down to what should you pay for a stock given its past (and implied future) earnings growth?

LOW DOWN AND DIRTY

The average rate of earnings growth across both five and 10-year periods in our screening is roughly 10%, the average 12-month forward rating is 15.5-times and the average discount to the 10-year share price peak is 23%.

Again these are mean or average values, not market capitalisation-weighted like the indices, but they are still useful for context.

We found negative earnings growth concentrated in a few sectors, principally basic materials (essentially mining), consumer discretionary, financials and what we would call utilities. There were also a couple of energy stocks, a couple of industrials and even a healthcare stock.



This group of miscreants has managed to destroy earnings by between 7% and 9% per year on average over the last five and 10-year periods, and trades at an average discount to its 10-year price high of 38% which sounds fair.

Strangely though, the average forward earnings multiple for these stocks is 14.3-times which is not that different to the market average. Even stranger, for some stocks which consistently destroy earnings, we are actually paying a hefty premium.

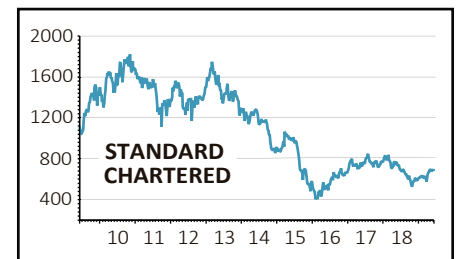
NAMING AND SHAMING

The biggest stock in our sample by market value, and surprisingly the stock with the worst record bar none of destroying earnings over the past five and 10 years, is mega-bank **HSBC (HSBA)**.

We've said on several occasions in the past that you should avoid investing in HSBC yet it still trades on the highest forward multiple of any high street bank and the smallest

discount to its 10-year price high (11.2-times and 18%). Clearly investors see something in its future which we don't.

The other bank to find itself in the 'sin bin' is **Standard Chartered (STAN)**, which like HSBC has a large Asian business and has somehow managed to destroy earnings at almost a double-digit rate every year for the past decade while still commanding a multiple of 11-times.



As way of comparison, former bad boy **Barclays (BARC)** has actually grown its earnings by 6% a year over the last five years so it doesn't feature on our list. Despite this, investors still won't pay more than 7 times earnings for its shares which seems perverse in this context.

The other financial stock on the list is **St James's Place (STJ)** which trades on a whopping 23-times despite having shrunk its earnings by an average of 7% a year over the past decade.

INDEX HEAVYWEIGHTS GALORE

The big oil pairing of **BP (BP)** and **Royal Dutch Shell (RDSA)**

both feature thanks to volatile commodity prices.

Yet both have seen an improvement in their earnings generation over the last five years (i.e. earnings have shrunk, just at a slower rate) and both trade at a discount to the group and the market average on forward multiples.

The miners are also well represented thanks to the period including a long spell for metal and mineral prices falling from the previous bull-run which ended circa 2012.

Anglo American (AAL), Antofagasta (ANTO), BHP (BHP) and Rio Tinto (RIO) are all on the list, as are what we've have collectively called utilities such as **BT (BT.A), Centrica (CNA), SSE (SSE) and Vodafone (VOD)**.

Another big name which we were surprised to see on the list is £80bn healthcare giant **AstraZeneca (AZN)**. Despite shrinking profits over both periods, with a worsening trend over the past five years, the stock still trades on over 20 times earnings and is less than 10% below its 10-year high. This may be down to a resurgence in earnings growth in the past year and a stronger outlook for earnings.

In comparison, rival **GlaxoSmithKline (GSK)** has grown its earnings consistently over five and 10 years, trades on less than 14-times and is 12% below its 10-year high.

ON YOUR MARKS, GET SET, GO

The last cluster of stocks in our screening is supermarkets, which is less surprising given the brutal turf war being waged by the discounters and the continued



	10y EPS %chg	5y EPS %chg	FY1 PE
HSBC	-22.8	-39.2	11.2
Lloyds Banking	-15.8	n/a*	7.4
Vodafone	-15.2	-24.2	15.5
Barclays	-11.4	6.5	6.9
Standard Chartered	-9.9	-20.6	11.0
BT	-9.3	-1.4	8.2
Rolls-Royce	-8.0	-24.4	39.0
RSA Insurance	-7.4	n/a*	12.6
Anglo American	-7.4	-0.8	8.2
St James's Place	-7.0	-0.8	22.9
Centrica	-6.9	-15.9	10.7
Tesco	-6.1	-13.6	13.9
BP	-5.9	-2.1	12.5
BHP	-5.1	-5.8	11.8
Antofagasta	-5.0	-5.2	14.1
Royal Dutch Shell	-5.0	-0.1	11.4
SSE	-4.2	-11.5	12.0
Melrose Industries	-3.6	-8.8	12.3
Morrison (Wm)	-2.9	-10.9	14.1
Rio Tinto	-2.5	-1.5	9.0
AstraZeneca	-1.9	-7.3	21.6
Marks & Spencer	-1.0	-4.5	11.0
Sainsbury (J)	-0.3	-8.8	9.6

n/a* - not available as period included negative earnings
Source: SharePad FY1 = forward year one

investment in prices needed to keep market share.

Sainsbury (SBRY), Tesco (TSCO) and WM Morrison (MRW) have seen their earnings fall in both periods but at an accelerating pace over the last five years.

While some would argue otherwise, we would put **Marks & Spencer (MKS)** in the same camp as its earnings growth – or lack thereof – and its lowly rating

is more reminiscent of a grocery business than a fashion retailer.

Which begs the question, if the market treats M&S like a grocer, maybe the company should sell off its clothing business, return cash to shareholders and focus on food?



By Ian Conway
Senior Reporter

TAKING THE TEMPERATURE OF THE MARKET



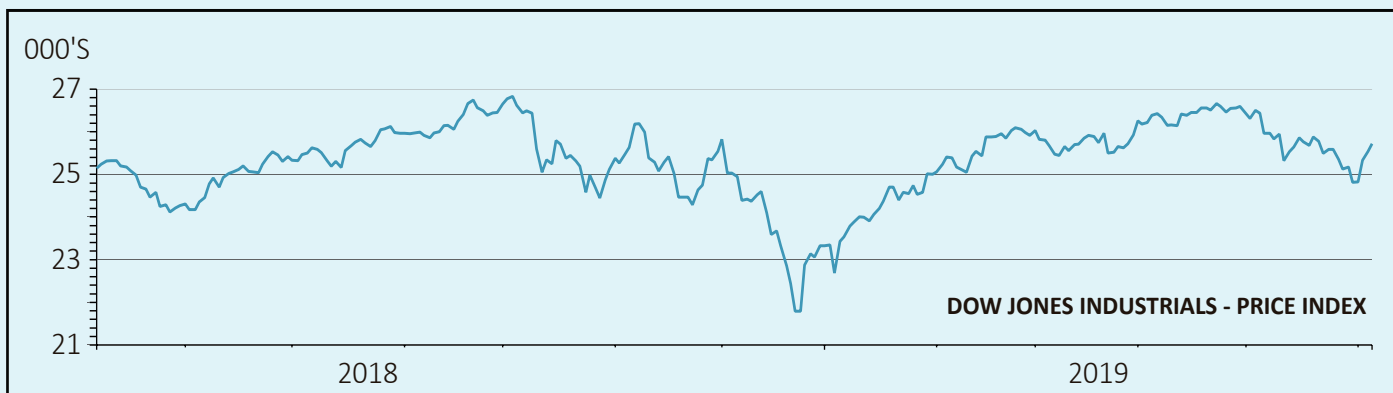
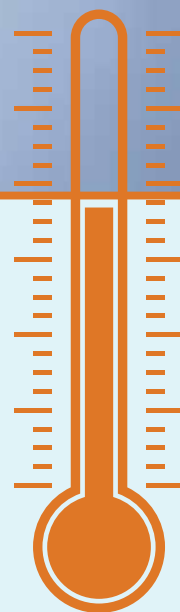
We make sense of the latest issues puzzling investors

It's not easy to be an investor in the summer of 2019. The market continues to swing from one extreme to another and the headlines are dominated by geopolitical turmoil, trade wars and worries over global growth.

Fortunately, *Shares* is on hand to cut through the noise and look at some of the key developments in the markets and what they are telling us, while also considering the most significant political and economic factors.

WHAT'S BEEN GOING ON?

After a big stock market sell-off in the last three months of 2018, the New Year seemed to herald a change in fortunes. That was until US president Donald Trump intervened with renewed escalation of trade tensions with China and put the Dow Jones Industrial Average on course for its worst May for years.



June started in similar fashion before hints of rate cuts in the US and Eurozone helped shift global stocks back on to the front foot.

The deteriorating relationship between the US and China is just one of several factors the market is having to contend with, along with fluctuating interest rate expectations, volatile commodity prices as well as Brexit. Many of these issues are inter-connected and investors would be wise to take time to understand them.

WHAT CAN INVESTORS DO?

It is important to keep on top of all this activity. However confident you are in your own investments, you should not blind yourself to what is happening in the wider market.

And if you want to make use of your investment pot in the near future then you might need to consider reducing your exposure to shares.

Should we be headed for a period of more pronounced market turbulence then having some cash on hand to take advantage of market opportunities as they arise could be a logical approach.

However, an investor with a long-term horizon needs to think carefully before acting. Rather than seeking to time the markets, staying invested through the ups and downs helps you avoid crystallising a loss at the bottom and could see you benefit as your investments recover.

It is always sensible to review your portfolio regularly and now could be a good time. If any of your holdings look particularly exposed to some of the factors discussed in this article, or if there's anything more speculative or something you're less than sure about, now could be the time to switch into different investments which provide necessary diversification.



WHAT ARE EQUITY MARKETS SIGNALLING TO INVESTORS?

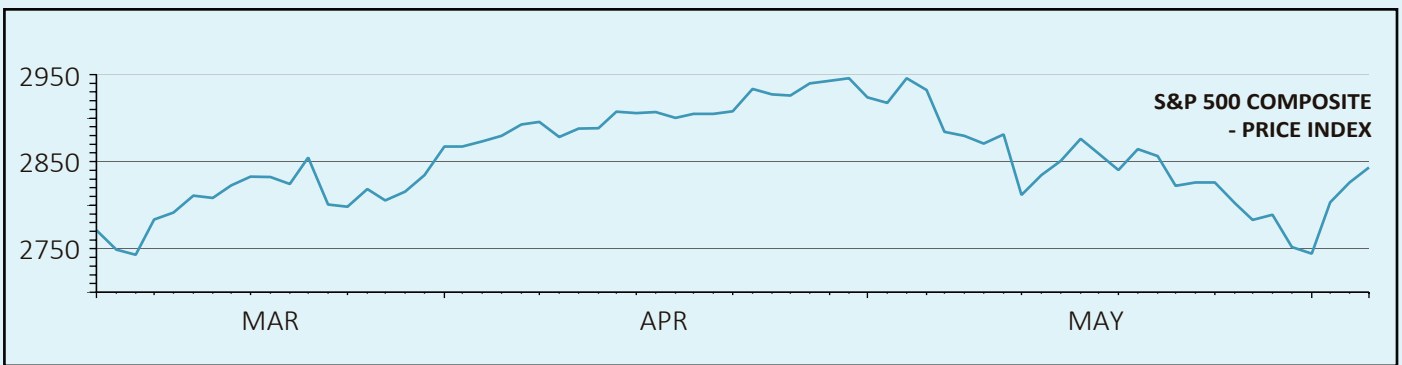
MAJOR MARKETS PRICE CHANGES SINCE 30 APRIL 2019



Index	% Change
Hang Seng (Hong Kong)	-9.2
Nikkei 225 (Japan)	-6.7
NASDAQ Composite (US)	-6.4
FTSE All-World	-4.1
S&P 500 (US)	-4.1
Euronext 100 (Europe)	-4.1
Dow Jones Industrial Average (US)	-4.0
FTSE AIM 100	-3.7
FTSE 250	-3.7
FTSE 350	-2.3
FTSE All-Share	-2.3
FTSE 100	-2.1
FTSE SmallCap	-2.1

Source: SharePad

SINCE 30 APRIL this year, the main equity markets around the world have fallen from anywhere between 2% and 9%, while US 10-year bond prices have rallied by around 3%, as their yields have fallen. Equity, or equities, is another word for stocks and shares.

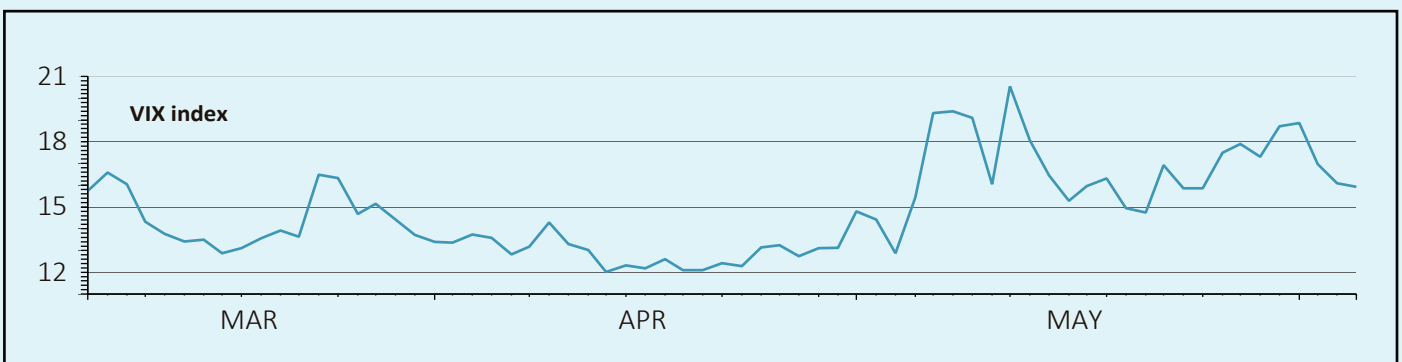


Defensive sectors such as healthcare, beverages and leisure are holding up best with gains of 2% to 6% while economically sensitive sectors like industrials and autos have seen the brunt of the damage, down 10% to 13%. Often seen as an asset with safe-haven qualities, gold has risen during the recent market turbulence.

This all points to markets pricing in fears over flagging global growth, exacerbated by the increasingly fractious US-China trade negotiations. This was given extra impetus on 10 June when Donald Trump tweeted that he would place tariffs on Mexico until it stopped illegal migrants crossing the border into the US. He has since backed down.

A knock-on effect has seen equity market volatility on the rise, with the VIX 'fear gauge' up from a reading of 12 in mid-April to 20.55 in mid-May and 16.14 on 10 June.

**THE CURRENT VIX
READING SUGGESTS
INVESTORS ARE
NOT PANICKING**



The index was nearly twice the latter level at the end of 2018 when investors were particularly nervous going into the New Year. It suggests that despite the move down in global equities, investors are not yet in panic mood.

FED U-TURN

Federal Reserve chairman Jay Powell surprised markets in January after opening up the possibility of interest rate cuts, despite six weeks earlier

indicating that at least two rate rises were on the agenda for 2019.

Financial futures markets have quickly moved to price in a response to Powell's comments.

Investors currently seem convinced the Fed will continue to prop up the equity market through accommodative policies. However, several experts including investment bank Goldman Sachs believe the markets are being too hopeful about a succession of rate cuts in the US.

WHAT ARE GLOBAL BOND MARKETS TRYING TO TELL US?

THE PAST SIX months have seen a remarkable change in expectations for US interest rates. In January the chances of a 0.25% rise in the Federal Reserve's discount rate this year was put at 90%. Today the chances of a 0.25% *cut* at the next meeting of Fed governors in July are put at almost 70%.

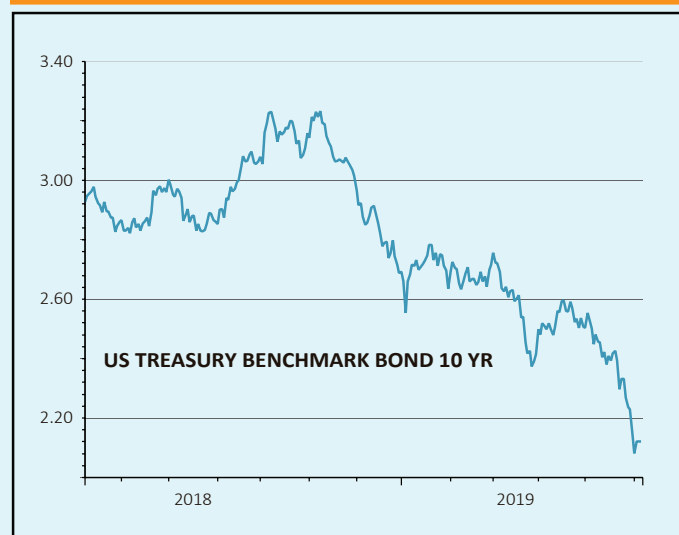
Towards the end of last year there were concerns that the US economy was over-heating thanks to the growth stoked in part by Trump's generous tax cuts for US firms.

Fast forward and Trump's tariffs are now prompting fears of a global recession. As well as imposing levies on Chinese goods, the president has threatened to punish Mexico, one of America's biggest trading partners, and has stripped India of its 'developing country' status thereby exposing it to tariffs on billions of dollars of exports.

WHAT'S ALL THIS ABOUT INVERTED CURVES AND NEGATIVE YIELDS?

Fearing a global contraction, bond investors have rushed back to the safety of government bonds pushing US 10-year Treasury yields close to two-year lows below 2.10%. This has forced long-term rates below short-term rates, creating what is known as an 'inverted yield curve'.

YIELDS FALL ON LONGER-DATED US GOVERNMENT BONDS



Typically, longer-dated bonds trade at a higher yield than shorter-dated ones to compensate for the higher risk of inflation over long holding periods, and an inverted yield curve has preceded every US recession of the last 60 years.

ARE INTEREST RATE CUTS GOOD OR BAD FOR STOCKS AND BONDS?

Interest rates cuts have historically been good for equities. A decrease in the cost of borrowing can help companies and it also encourages them to invest in their business. This can increase their earnings potential which is positive for share prices.

Bonds can also benefit from lower interest rates as when new bonds with lower yields than older fixed-income securities are issued in the market, investors are less likely to purchase new issues. Hence, the older bonds that have higher yields tend to increase in price.

At the moment it seems like equity markets are telling us that many investors are still happy to take higher risks by owning shares, although the fact that markets aren't racing ahead implies that some investors are worried about the risks of a recession.

And the rally in bond prices (which move in the opposite direction to bond yields) would suggest investors are indeed getting worried and are loading up on fixed income for fear of economic turmoil.

In Europe, yields on German government bonds, known as bunds, last month hit their lowest level in 700 years as money rushed into supposed safe havens. The yield on the German 10-year bund hit -0.2% meaning that investors are now paying the German Treasury to own its bonds.

The collapse in eurozone bond yields is being exacerbated by a sharp fall in inflation as its core economies contract. The key issue for the European Central Bank should be to avoid the spread of a deflationary mindset.

At the moment it faces its own internal battle as France and Germany vie to install their respective candidates as the next president.

WHAT IS THE LATEST ECONOMIC DATA TELLING US?

WITH INVESTORS fretting over inverted yield curves, trade wars and falling stock markets, does it really mean the global economy is about to go into recession? Thankfully the answer is no, at least not yet.

The US has record high employment and corporate profits, and economic growth is expected to decelerate from its peak toward a more sustainable level around its long-term potential.

The trade war with China is escalating to the point where growth could be meaningfully impacted.

The May US purchasing managers' index (PMI), our preferred measure of industrial confidence, was well below estimates hitting its lowest level since mid-2016 at 50.6. On the plus side it was still above 50 which is the level separating economic expansion from contraction.

China's PMI is also just above 50, but it has been flat-lining for the past year. PMIs in Japan, South Korea, Malaysia and Taiwan are all below 50 as fears of a slowdown in global trade spook manufacturers.

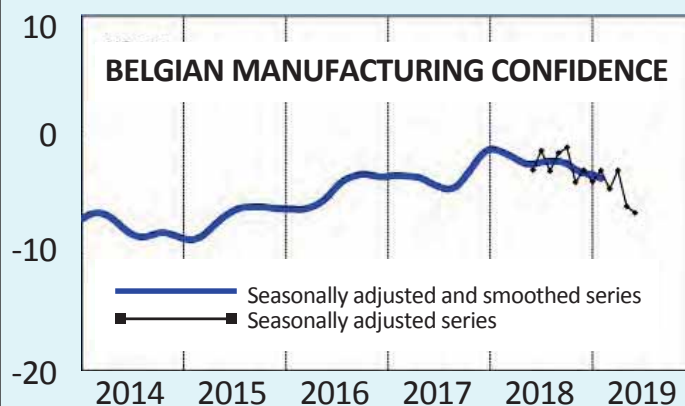
The worst PMI reading for any major country is Germany at 44.3, and worryingly the reading has been below 50 all year. It's tempting to blame global trade wars or one-offs like the change in car regulations, which hammered the auto-makers, but the fact is trade within Europe is slowing.

Few people bother looking at Belgian economic data, yet Belgium matters when weighing up Europe. Over 70% of its imports and exports are intra-EU. Imports in particular have slowed sharply in the last year and manufacturing confidence is lower than three years ago. And three years ago it was rising, now it's falling.

MANUFACTURING PMI SURVEYS

	US	UK	GERMANY	JAPAN	CHINA
Jun 2018	55.4	54.0	55.9	53.0	51.0
Jul 2018	55.3	53.9	56.9	52.3	50.8
Aug 2018	54.7	52.9	55.9	52.5	50.6
Sep 2018	55.6	53.7	53.8	52.5	50.0
Oct 2018	55.7	51.1	52.2	52.9	50.1
Nov 2018	55.3	53.3	51.8	52.2	50.2
Dec 2018	53.8	54.3	51.5	52.6	49.7
Jan 2019	54.9	52.8	49.7	50.3	48.3
Feb 2019	53.0	52.4	47.6	48.9	49.9
Mar 2019	52.4	55.1	44.1	49.2	50.8
Apr 2019	52.6	53.1	44.4	50.2	50.2
May 2019	50.6	49.4	44.3	49.8	50.2

Source: IHS Markit (US, UK), Destatis (Germany), Nikkei (Japan), Caixin (China)



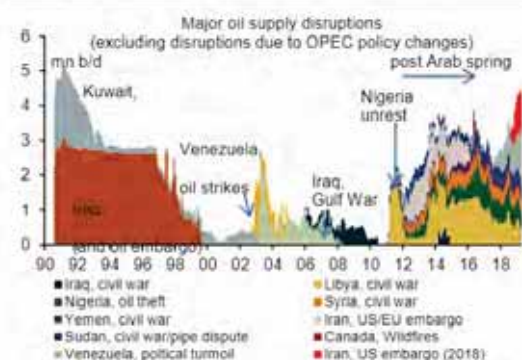
Thanks to the ongoing Brexit saga, UK economic data is mostly gloomy. Manufacturers are as glum as elsewhere with the May PMI sinking to 49.4, the lowest since the referendum.

Business confidence and consumer spending are down and loan growth hit a five-year low in April. Yet perversely consumer sentiment is up so it would seem the hopes of the nation rest on its shoppers.



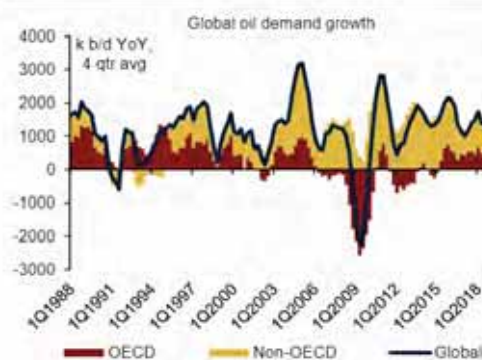
THREE BIG GEOPOLITICAL ISSUES TO WATCH

Chart 1: Global oil supply disruptions are now at the highest levels in almost three decades...



Source: IEA, BofA Merrill Lynch Global Research estimates

Chart 2: ...against this backdrop, global oil demand growth is running at the weakest rates since 2012



Source: IEA

1 Slowing growth

It is little wonder Trump's trade policies are having such an influence on the market mood. The latest report from the World Bank suggests Trump's trade wars with everyone from China to Mexico, Canada and the EU are depressing global investment, prompting it to downgrade growth expectations for the global economy this year to 2.6%, down from 2.9% predicted in January.

A G20 leaders' summit in Osaka, Japan at the end of June could be significant in either escalating or dialling down trade tensions.

The managing director of French asset manager Carmignac, Didier Saint-Georges, says: 'For the first time in thirty years, geopolitics could once again take precedence over world trade.'

2 Commodities supply and demand

A drop-off in global trade has negative implications for commodities demand including crude oil, and a continuing surplus of US oil is also depressing prices. These situations are naturally bad for shares in mining, oil and gas companies.

Another geopolitical issue dominating the agenda is the growing turmoil in the Middle East and the impact this could have on the supply of crude oil. This includes the impact of renewed sanctions on Iran, conflict-driven supply disruptions in Libya as well as recent incidences of industrial sabotage on key infrastructure in Saudi Arabia.

Oil producers' cartel OPEC faces a tough balancing act at its meeting on 25 June as it determines whether it should extend production cuts.

Investment bank BoA Merrill Lynch says: 'Global oil supply disruptions are now at the highest levels in almost three decades. Global oil demand growth is running at the weakest rate since 2012.'

3 Conservative Party leadership contest and Brexit

In the UK, the ongoing Brexit saga means the markets will have to take an interest in how 330 Conservative MPs and 100,000 party members vote in the leadership battle later this summer – with the winner likely to take the keys to Number 10.

Brexitier Boris Johnson is the favourite with the bookies to win, although in previous Tory leadership contests the eventual winner has often come out of the left field.

In order to win the support of the membership any candidate will likely have to espouse support for a hard Brexit, although where the parliamentary arithmetic will allow them to deliver remains to be seen.

By Tom Sieber, Ian Conway and Martin Gamble

WHAT IS AVAXHOME?

AVAXHOME-

the biggest Internet portal,
providing you various content:
brand new books, trending movies,
fresh magazines, hot games,
recent software, latest music releases.

Unlimited satisfaction one low price

Cheap constant access to piping hot media

Protect your downloadings from Big brother

Safer, than torrent-trackers

18 years of seamless operation and our users' satisfaction

All languages

Brand new content

One site



AVXLIVE **ICU**

AvaxHome - Your End Place

We have everything for all of your needs. Just open <https://avxlive.icu>

LISTEN TO OUR WEEKLY PODCAST



RECENT EPISODES INCLUDE:

How to teach your kids about money, making sense of the Woodford fund suspension, and a clampdown on peer-to-peer lending



Bank scams, fund managers saying sorry and how to spend your cash in retirement

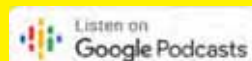
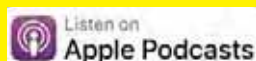
How to quiz an investment trust manager, hidden fund fees and everything you need to know about shorting stocks



MONEY & MARKETS

LISTEN ON SHARES' WEBSITE [HERE](#)

You can download and subscribe to 'AJ Bell Money & Markets' by visiting the Apple iTunes PodcastStore, Google Podcast or Spotify and searching for 'AJ Bell'. The podcast is also available on Podbean.



What can we learn from different industry sector performance?

We look at how the 39 individual sectors in the FTSE All-Share have moved this year



This column has noted before (11 Apr 2019) the apparent disconnect between what bond markets and equity markets are saying.

The renewed collapse in bond yields would appear to be presaging an economic slowdown or even a recession, yet equity markets seem buoyant as analysts continue to predict an acceleration in earnings growth from the second half of this year onwards, perhaps egged on by corporate management teams who are propagating such a message.

Having just attended a meeting with a highly-respected bond fund manager who noted that he had not been as bearish as he is now since 2008, it may be again worth checking to see just what equity markets are saying and believing.

Some 39 individual sectors make up the FTSE All-Share and the list of the best and worst 10 performers year-to-date is unlikely to shock investors too much.

The predominance of cyclicals such as industrial metals, electricals and electronics and industrial engineering in the top 10 makes sense given what seems to be the optimism that still pervades equity markets.

By the same token the presence of stodgy defensives such as utilities and telecoms plays and tobacco in the bottom 10 makes sense in the context of 2019's rally in UK (and global) equities this year and therefore may tally with the view that economic and corporate earnings are going to pick up pace in the second half of 2019 and beyond.

STRONG SHOWING FROM CYCLICALS AND WEAK SHOWING FROM DEFENSIVES POINTS TO BULLISH TONE TO EQUITY MARKETS

Top Three

Leisure Goods	36.5%
Software & Computer Services	28.6%
Industrial Metals	24.6%

Bottom Three

Autos & Parts	(14.1%)
Fixed Line Telecoms	(15.9%)
Oil Equipment & Services	(16.2%)

FTSE All-Share	7.0%
-----------------------	-------------

FTSE All-Share sectors, year-to-date. Source: AJ Bell, Refinitiv

It may not be that simple. Nestled among the best performers are beverages and food producers and personal goods, areas better known for being 'Steady Eddies' than go-go growth areas while the list of laggards includes travel and leisure, industrial transportation and automobiles and parts, all areas that are economically-sensitive.

CHANGE OF GEAR

The picture from quarter to quarter is also less straightforward than it might seem, once investors take a look at what did best in the first three months of the year and what has done best and worst since.

At the end of March, industrial metals and general retailers were in the vanguard, both cyclicals, while the 'Tail-End Charlies' included healthcare and telecoms, all purported defensives or certainly areas seen to lack any exciting growth potential.

Yet a quick look at which sectors have advanced

most up the rankings (with one seen as the best and 39 the worst) and those which have fallen the most, on a relative performance basis, may again suggest that confidence in the growth and economic outlook is not all that it seems.

Big gainers include healthcare equipment, personal goods and beverages, who all rose in the rankings by at least nine spots. Losers included mining, the housebuilder-laden household goods grouping, general retailers and also oil equipment, where oil's latest slide could reflect global growth concerns.

SECTOR PERFORMANCE RANKING

First quarter 2019

Rank	Top Three
1	Industrial Metals & Mining
2	Software
3	Tobacco

Rank	Bottom Three
37	Fixed Line Telecoms
38	Mobile Telecoms
39	Autos & Parts

Second quarter 2019

Three biggest ranking gainers	Change
Leisure Goods	33
Healthcare Equipment	18
Media	18

Three biggest ranking losers	Change
Household Goods	(10)
Oil Equipment & Services	(10)
Tobacco	(25)

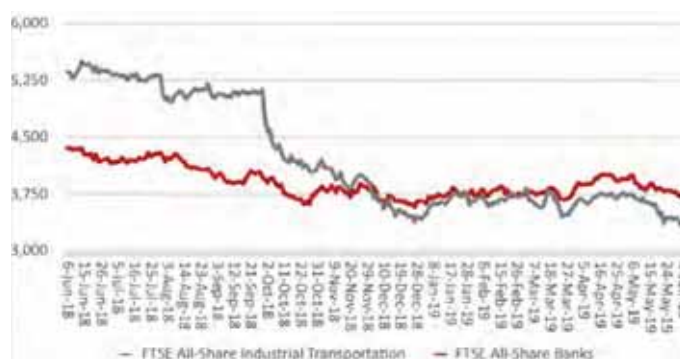
FTSE All-Share sectors, year-to-date. Source: AJ Bell, Refinitiv

NOTABLE SLIDERS

Two trends that are worthy of note concern industrial transportation and banks. Both are bellwether sectors for the economy and neither is covering themselves in glory.

Nor is this confined to the UK. America's Dow Jones Industrial Transportation index looks to be running low on gas and banks are sagging globally, even though analysts are now saying that interest rate cuts will be good for them, having spent the

BANKS AND TRANSPORT STOCKS ARE WEAK IN THE UK...



Source: AJ Bell, Refinitiv

past 12 months arguing that hikes to borrowing costs would be helpful for their lending margins.

Both of those views cannot be right but such cross-currents may in fact suggest that bond markets and stock markets are thinking along the same lines after all.

Bond markets are anticipating interest rate cuts from central banks, with extra cheap credit for the banks in Europe and maybe even more quantitative easing down the road if the global economy really does hit the buffers.

Stocks are also responding to the prospect of further monetary stimulus, in the view that a further reduction in returns on cash and yields on bonds (in nominal and real terms) will drive investors toward equities once more.

This view of the world, that can be summarised when it comes to equities in a low-interest-rate world as TINA (There Is No Alternative), has prevailed pretty much since 2009.

But investors might also care to remember that frantic central bank interest rate cuts did not support stock markets during the 2000-2003 and 2007-2009 economic downturns, when growth and corporate earnings disappointed to such a degree that equity valuations simply could not be maintained.

Those clamouring for central bank action should perhaps be careful with regard to precisely what they are wishing for in the coming weeks and months.



By **Russ Mould**
AJ Bell Investment Director

What is the future of Woodford Patient Capital Trust?



We consider the options for investors after a dramatic fall in the share price

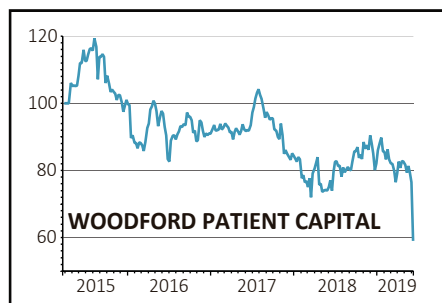
Following the suspension of LF Woodford Equity Income (BLRZQ73), the big question for a lot of retail investors is what's going happen to Woodford Patient Capital Trust (WPCT)?

Equity Income and Patient Capital have a big overlap in holdings, so what happens in one fund can have a big impact on what happens in the other.

Kieran Drake, a research analyst at Winterflood, estimates that 74% of Patient Capital's portfolio by value at the end of April was also held in the Equity Income fund.

He believes that as Woodford restructures the Equity Income fund portfolio and exits all the illiquid holdings, valuations in the Patient Capital portfolio could fall and hurt its net asset value (NAV). We've already seen the market start to price in this scenario, as reflected by a sharp decline in its share price.

The stock fell from 90p in January to an all-time low of



HOW PATIENT CAPITAL OVERLAPS WITH WOODFORD EQUITY INCOME FUND

TOTAL QUOTED: 42% OF NAV		TOTAL UNQUOTED: 78% OF NAV	
OWNED BY PATIENT CAPITAL AND WOODFORD EQUITY INCOME FUND – 26% NAV		OWNED BY PATIENT CAPITAL AND WOODFORD EQUITY INCOME FUND – 64% NAV	
Autolus	8.6%	Industrial Heat	10.9%
Proton Partners	7.6%	Benevolent AI	10.2%
Prothena	2.2%	Oxford Nanopore	8.6%
Purplebricks	1.8%	Atom Bank	8.4%
ReNeuron	1.6%	Immunocore	5.8%
Mereo Biopharma	1.1%	Oxford Sciences	4.8%
Arix Biosciences	0.7%	Kymab	2.6%
4D Pharma	0.4%	Ombu	2.3%
Evoform Biosciences	0.4%	Mafic	1.9%
Xeros	0.3%	IDEX	1.7%
Northwest Bio	0.2%	Cequor	1.6%
RM2	0.2%	ADV	1.4%
Tissue Regenix	0.2%	AMO Pharma	1.3%
Netscientific	0.1%	Malin	0.9%
Thin Film	0.1%	Mercia	0.6%
		Nexeon	0.4%
		CIC	0.3%
		Metalysis	0.3%
		Novabiotics Pref	0.3%
		Origin Pref	0.0%

Quoted investments only owned by WPCT 16% NAV

Unquoted investments only owned by WPCT 14% NAV

Source: Woodford, Stifel, as of 30 April 2019. Adds up to 120% of NAV to reflect 20% leverage

THREE POTENTIAL SCENARIOS FOR PATIENT CAPITAL

Stifel has identified three potential events which could affect the investment trust and its shareholders:

1 The Equity Income fund offers to put investors into two categories – those who want to continue with the fund, and those who want to get out.

For those in the latter category, the fund's listed investments would be sold quickly and the cash returned to investors. This would then give time for the unquoted investments to be sold gradually.

In this case Patient Capital, Stifel hopes, would benefit from being able to write up the value of some of these investments and sell to third parties at above current market valuations, boosting returns for Patient Capital holders. But this isn't certain and it could still have to sell at a loss.

2 Investors who hold Equity Income ask for that fund to be wound up with cash returned to investors, which could have a knock-on impact on Patient Capital and its total returns due to having some portfolio cross-over.

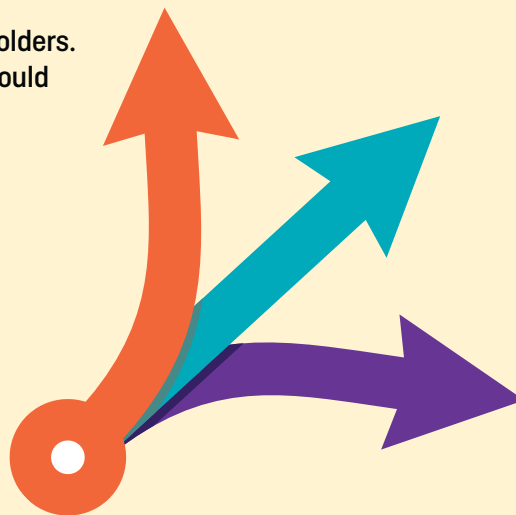
This would potentially take quite a long time given the lower liquidity of a lot of the fund's holdings, and Stifel says Patient Capital would be impacted by the valuations of the unquoted stocks in Equity Income when Woodford sells them, given a lot of them are also held in Patient Capital.

3 Woodford Investment Management resigns as manager of both the income fund and Patient Capital, or the board of Patient Capital think a new manager is needed to either continue managing the portfolio or run it off and return cash to investors.

In the latter case, Patient Capital would then only exist so that all its holdings can be sold off in order to return cash to investors.

But Stifel adds that one danger of a new manager taking over the portfolio would be that they could look to 'kitchen-sink' the valuation of the unlisted portfolio when they take on the management contract. This essentially means they'll sell the unlisted stocks for a cheap price, which would damage the trust's share price and shareholder return but then make it a lot easier to grow the share price and total return the following year, given the low comparative. It would be in the manager's interest to do this as they get paid for a certain level of growth compared to the previous year.

THREE POTENTIAL SCENARIOS



58.2p on 11 June. At the time of writing it had recovered slightly to 62.79p.

In addition, Drake thinks negative sentiment surrounding suspension of dealing in the income fund could cause Patient Capital's discount to NAV to widen, which would be

exacerbated if the income fund became a seller of its Patient Capital shares (it owns 9% of the investment trust).

He says: 'While many of Patient Capital's portfolio companies are making good operational progress and there are several potential catalysts

expected later this year, in our view the situation at the Equity Income fund poses a potentially significant headwind.

'This may also impact the manager's ability to continue to support the portfolio's early stage businesses.'

In addition to the share

price going down, if you hold Patient Capital you may have to begin paying for it now. The investment trust is unusual in that it currently doesn't charge a management fee, so the manager only gets paid if it hits a certain level of performance, which it has failed to do since launch.

Analysts at Stifel believe if fees from Woodford's other funds continue to decline due to more people asking for their money back, this could result in it being necessary for the Woodford asset management business to start charging a management fee on Patient Capital to make it viable.

COULD IT BE TAKEN OVER?

JPMorgan Cazenove has gone one step further and thinks Patient Capital could become a takeover target for 'predators' given its plunging share price.

Investment trust analyst Christopher Brown says this could be plausible given the damage to Woodford's



reputation, the fact the trust is trading at a big discount to NAV, and that Patient Capital currently doesn't charge a management fee.

Theoretically there would be an opportunity for a company to make money by taking over the trust, especially if they managed to narrow the discount to NAV and turn around its fortunes.

However, the takeover options appears to be an outlier view and is generally considered an unlikely option.

WHAT SHOULD PATIENT CAPITAL SHAREHOLDERS DO NEXT?

While there are clear headwinds which could depress Patient Capital in the near term, selling now while sentiment is very

weak could be the wrong thing to do, particularly as the shares have already priced in a lot of potential bad news.

Go back to the reasons why you bought the investment trust in the first place. Hopefully it was to get exposure to a portfolio of companies with good prospects, some of which could be big winners in the future, albeit 'patience' is needed as these companies go through their development stage.

Nothing has changed in terms of Patient Capital's strategy. However, Neil Woodford's reputation has been damaged by the latest debacle, which means the investment trust could trade at a wide discount for some time as the market questions his skills.

Shareholders will need to decide themselves whether to cut their losses now or hang in and wait to see if the situation can be fixed. In particular, it is worth noting that many private equity funds are awash with cash and may be interested in picking up some of Woodford's illiquid investments.

If you are no longer patient then get out and move on. But if you originally bought the trust as a five to 10-year holding then further patience could pay off, albeit nothing is guaranteed.

WHAT MIGHT THE NEW VERSION OF WOODFORD EQUITY INCOME FUND LOOK LIKE?

FUND MANAGER Neil Woodford has said he is looking to reposition the portfolio of Woodford Equity Income Fund and get rid of its illiquid holdings.

This means the fund is likely to predominantly contain bigger companies, so it could end up looking a lot like Woodford's other open-ended fund, **LF Woodford Income Focus (BD9X6D5)**.

There is therefore a possibility that the funds could

merge, given the likelihood of a significant overlap in holdings.

Ryan Hughes, head of active portfolios at AJ Bell, says: 'It is certainly possible that the funds could merge particularly as it looks as if Woodford is repositioning Equity Income into large cap stocks.'

'Any merger will need regulatory and investor approval and therefore would take some time but is it certainly an option that may be explored at a later date.'



By Yoosof Farah
Reporter

SHARES

SPOTLIGHT AND
PARTNER VIDEOS

Visit the Shares website for the latest company presentations, market commentary, fund manager interviews and explore our extensive video archive.



Ian Mann, CEO & Founder
ECSC Group plc

SAMPLE
VIDEOS
CLICK TO
PLAY



Dmitri Tsvetkov, CFO, Director
OPG Power Ventures

Seeking uncorrelated returns via a trust trading on a big discount

Understanding the strategy behind Henderson Alternative Strategies Trust

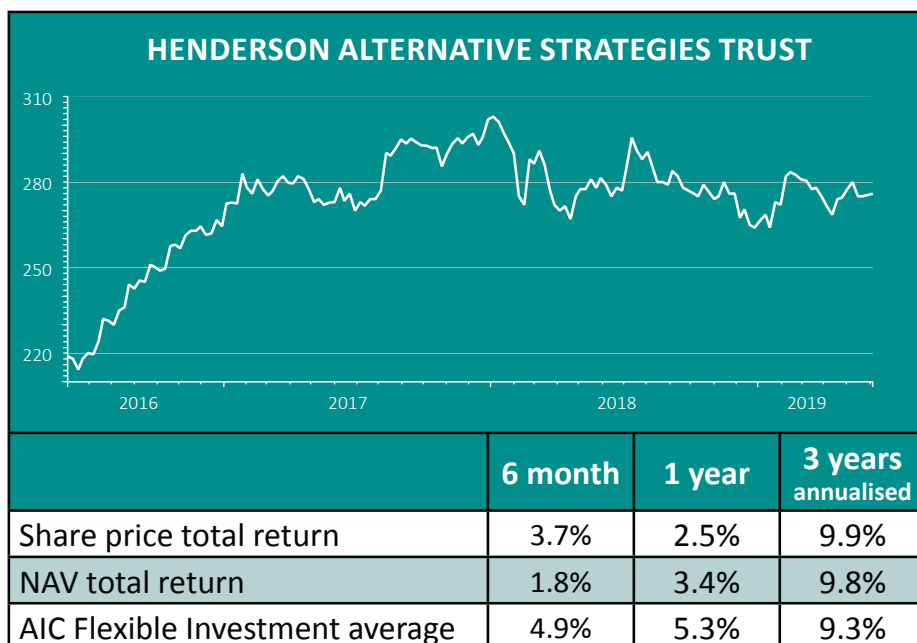
Managed by James de Bunsen and Peter Webster, the primary focus of **Henderson Alternative Strategies Trust (HAST)** is to give private investors access to strategies and asset classes that are either not available to retail or are closed to further investment.

The investment trust can invest in private equity, hedge funds, credit funds, property and other alternatives which have the potential for uncorrelated returns and provide above-normal returns by exploiting underpenetrated markets.

Its benchmark is the FTSE World Total Return Index, but it is also a constituent of the AIC's Flexible Investment sector. Co-fund manager James de Bunsen targets an informal benchmark of returning at least 8% per year over the medium term.

He hopes the investment trust will behave more defensively than some of his peers, while capturing a part of any upside in rising markets.

The last three years' performance seems to be demonstrating the desired profile, with HAST having delivered the third highest return compared with peers, with the second lowest volatility.



Source: Janus Henderson, to 30 April 2019

TRADING AT A DISCOUNT

Despite the good relative performance and low volatility, HAST is on the biggest discount to net asset among investment trusts in the AIC Flexible Investment sector (19.9%). Perhaps one reason can be found by looking at the history of the fund before Janus Henderson took over the management.

The investment trust had a poor track record before Janus Henderson took over the reins. This may explain why the price is trading 38% below the peak levels in 2008, and should be born in mind when looking at

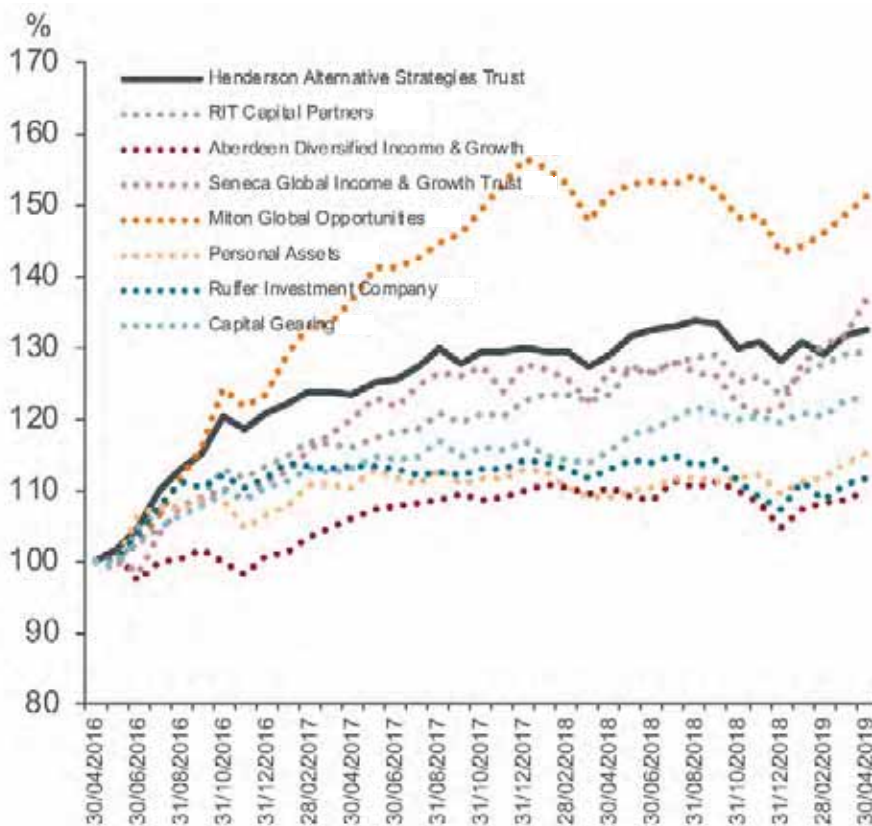
the long term price trend. The previous manager had invested in very illiquid assets, and it has taken a few years to reshape the structure of the portfolio.

De Bunsen believes the fund is now structured appropriately, although there is approximately 10.9% of 'legacy' investments, half of which are listed, but are generally illiquid. However, collectively the managers believe this part of the portfolio will be accretive to net asset value.

INVESTMENT PROCESS

The team starts with a top-down analysis of the global economy

HAST NAV PERFORMANCE VS COMPARABLE PEERS



Source: Janus Henderson Investors, Morningstar Direct, AIC, as at 30 April 2019.

in an attempt to unearth the opportunities and risks. When it comes to assessing the macro environment, the team can draw upon the depth of experience of the multi-asset team at Janus Henderson, which manages \$6bn of assets.

The idea is to identify core holdings, which, in aggregate will provide a well-diversified pool of growth. It consists of quality assets that are well managed with the intention not to trade in or out of them, but hold on to them for the medium term.

Then there is a tactical part of the portfolio which takes a shorter term outlook. The team looks opportunistically for assets or products that look mispriced or misunderstood. They may

even on occasion invest in single listed securities.

New holdings so far in 2019 include iShares World Energy ETF. The rationale here being that the recent fall in the price of oil has created an opportunity to buy a basket of the biggest oil companies on the cheap.

The fund has also invested this year in Deutsche Wohnen, a developer of German residential property in Berlin. There is a fundamental supply/demand mismatch in Berlin where asking rents are €10.34 compared with €6.93 for existing rents, measured in per square metre per month. However, shares in Deutsche Wohnen fell by 7.7% on 6 June amid chatter that authorities in Berlin were

planning to impose a cap on rents.

RISK MANAGEMENT

Private equity tends to be the riskiest asset class in the investment trust's portfolio, so the fund managers can effectively 'dial-up or dial-down' risk by adjusting exposures to the private equity component.

Private equity tends to be the most rewarding asset class to own in bull markets, but can detract from performance markedly in bear markets.

The team actively manages the fund's holdings and if an investment doesn't perform as expected, they will engage with the managers and try to get an understanding of what is driving the underperformance. If they judge the issues to be specific to the manager, rather than affecting the sector, they will sell their holding.

CAUTIOUS OUTLOOK

The team's current top-down view is that there are many hidden risks in the global economy and that valuations are stretched in many areas of global markets. Therefore they are positioning the fund defensively by taking profits on certain areas and recycling the proceeds to increase exposure to high conviction positions.

De Bunsen sees lower returns and greater volatility in the future as high valuations are impacted by the withdrawal of central bank liquidity.



By Martin Gamble
Senior Reporter

All you need to know about open-ended funds

In the wake of the Woodford debacle, we give you all the important facts about unit trusts and Oeics

Choosing the funds in which to invest your hard-earned cash is an important yet complex decision.

Not only do investors have to choose between funds investing in different geographies, sectors and asset classes, they also have to weigh up the pros and cons of funds that are structured differently too.

Among the two most commonly debated are closed-ended and open-ended funds, by which we mean investment trusts and unit trusts/open-ended investment companies (Oeics) respectively.

Arguably the UK's best-known open-ended fund has hit the headlines for all the wrong reasons. Following months of investors cashing out of star manager Neil Woodford's largest

fund (known as redemptions), dealing in **LF Woodford Equity Income Fund (BLRZQ73)** was suspended on 3 June meaning investors are temporarily unable to sell.

The struggling fund has been 'gated' to protect investors and provide Woodford with the time to reorient the portfolio to hold more liquid investments.

Following the major property funds that suspended pricing and redemptions after the Brexit vote in 2016 in order to avoid having to conduct a fire-sale of their assets, the suspension of Woodford's fund has reopened a debate on the open-ended fund structure and whether it is suitable for holding illiquid assets such as property or unquoted companies.

Before you can discuss the

suitability of certain types of holdings in different types of funds you first need to understand the basics of how open-ended funds work. Read on.

WHAT DO YOU MEAN BY 'OPEN-ENDED'?

Open-ended funds are a type of collective investment scheme that enable you to cost-effectively build a diversified portfolio of investments.

They are the most popular types of collective in the UK and consist of unit trusts and OEICs. The great advantages of open-ended funds are their flexibility to make more units, as well as the fact there are far more funds available than in the investment trusts sector, giving investors greater choice.

Key differences between investment trusts and OEICs

	INVESTMENT TRUST	OEIC FUND
Legal structure	Public limited company	Investment company: investing money on behalf of its shareholders
Where based?	UK or overseas	UK
Investment structure	Closed-ended	Open-ended
Pricing	Subject to bid/offer spread (difference between price at which shares can be bought and sold) which can change throughout the day	Usually single price per day
Gearing (borrowing) limits of fund	Decided by board and portfolio manager and limited by company objectives	Usually don't use gearing

Source: Shares, JPMorgan



“...GIVING INVESTORS GREATER CHOICE”

Open-ended funds allow you to pool your money with other investors so that you can invest more cost-effectively in many different equities and bonds than if you were to buy each security separately.

The term ‘open-ended’ simply means more shares or units can be issued each time someone invests, which (usually) means you can always buy or sell whenever you want.

These UK-domiciled funds offer a wide range of choice by region, sector or type of investment such as equity, bond or property.

SOME OF THE BENEFITS

Arguably, the open-ended structure is beneficial as it is often cheaper and easier for investors to buy and sell.

As the manager can create an infinite amount of units, investors are able to get in and out of a fund without restriction. At the same time, open-ended funds trade at the net asset value (NAV) of their underlying portfolios rather than at a discount or premium, which is overwhelmingly the case with publicly traded investment trusts, whose shares are subject to the vagaries of supply and demand.

But, as the Woodford Equity Income debacle demonstrates, when there isn’t liquidity an open-ended fund has to suspend

buying and selling. These funds have no maturity date and can grow larger or smaller depending on the number of investors wishing to buy or sell their shares or units, which can rise and fall in number.

THE IMPORTANT STUFF ON UNIT TRUSTS

While operating in broadly the same way, there are a few key differences between OEICs and unit trusts.

With unit trusts, the fund is split into units and these are what you purchase as the investor. The portfolio manager creates units for new investors and cancels units for those selling out of the fund.

Since the creation of units can be unlimited, a unit trust is referred to as ‘open-ended’. And the price of each unit depends on the NAV of the portfolio’s underlying investments and is priced once per day. The value of the units you buy directly reflects the underlying value of the investment.

When you put money into a unit trust, you receive units and are referred to as a unit-holder, whereas OEIC investors receive shares and are called shareholders. Another key difference is that unit trusts have an offer and a bid price, whereas OEICs have a single price and

a ‘cleaner’ or simpler pricing structure.

WHAT IS AN OEIC?

Most new funds launched today are established under the OEIC structure, whose simpler pricing structure is the reason they’ve been described as a ‘what you see is what you get product’, since its share price equals the value of all the assets held divided by the number of shares in issue.

OEICs are structurally different to their more established unit trust counterparts too; as limited liability companies rather than trusts.

OEICs operate in a similar way to unit trusts, except that the fund is actually run as a company, quotes a single price rather than a bid and offer price and is governed by company law rather than trust law.

And whereas a unit trust entitles an investor to participate in a fund without actually owning its assets, OEIC investors actually hold shares in the company.

Unlike unit trusts, an OEIC can act as an umbrella scheme holding various sub-funds, each with their own investment goals.

For investors, the advantage here is that you can invest for income and growth in the same umbrella fund, shifting money from one sub fund to another as priorities change. Some OEIC providers allow you to move your money without charge, since you are staying within the same share class and charging structure.



By James Crux
Funds and Investment
Trusts Editor

Two stocks which analysts say you should now buy

Why someone changing their view is a good reason to reappraise the investment case



Shares in All Bar One's owner, Mitchells & Butlers have recently been called 'cheaps as chips'

Investors should always sit up and take notice when an analyst changes stance on a stock, particularly if they are upgrading to buy or downgrading to sell. It sends a strong message that something has changed with the investment case.

Sometimes they change rating on a stock for valuation grounds. For example, a stock may have fallen in price to such an extent that they think it is now worth buying. Or a stock may have rallied too far and they think it is time to take profit.

Of particular interest to us is when their detailed research unearths something which warrants taking a new look at a business. This might be in response to a trading update or a set of financial results that shows a company has fixed problems, unearthed new avenues for making money or found something which tarnishes the investment case, for example.

WHERE TO GET THE INFORMATION

Retail investors are at a disadvantage to institutional investors because they can rarely access analyst research notes. Most of them aren't available to the general public due to strict rules in the financial sector.

However, *Shares* can help in this regard on two fronts. We get privileged access to many of these notes and will endeavour to communicate the most important bits of information in the digital magazine and in the news section of our website where possible.

Alternatively, *Shares* subscribers can visit our website and discover when analysts switch ratings on stocks – follow this [link](#).

We will now give you two examples of stocks where analysts have recently changed their view and why they've turned positive.

MITCHELLS & BUTLERS

Owen Shirley, analyst at investment bank Berenberg, last week called shares in pubs operator **Mitchells & Butlers (MAB)** 'cheap as chips' and upgraded his rating from 'hold' to 'buy'.

He admits the business still has challenges but says trading momentum is 'improving materially'.

Mitchells & Butlers has lagged its quoted peer group for many years as it was heavily indebted and had a large pension deficit acting as a material drag on free cash flow. It was also struggling to grow sales, had to suspend the dividend, and has had five different chief executives in the past 10 years.

Phil Urban has been CEO since September 2015 and has spent a considerable time fixing the business. He has sold off sites, reduced the number of Harvester sites, tripled the number of Miller & Carter premium steakhouse brand outlets to more than 100, and grown the Stonehouse Pizza & Carvery brand to an estate of over 100 sites.

The next step was having a tighter focus on resolving customer complaints, improving the online booking and stock control systems,

better training for managers and improving the menu.

Trading is now getting better including 4.1% like-for-like sales growth in the first half of its current financial year.

“A TIGHTER FOCUS ON RESOLVING CUSTOMER COMPLAINTS”

WHAT DOES THE EXPERT SAY?

‘In 2014, M&B’s net debt/EBITDA stood at 4.5-times, with a £380m pension deficit (c1.2x EBITDA) on top,’ says Shirley.

‘Today, bank net debt is down to 3.8-times, and the pension deficit has been reduced to c£150m. Within three years, net debt/EBITDA will be below 3-times and the pension deficit will be gone. That will make Mitchells & Butlers vastly more investable, and should enable a step-change in returns to shareholders.’

It is easy to dismiss Mitchells & Butlers as a perennial disappointment yet Shirley makes some valid points. We agree there is now enough evidence to turn positive on the company.

At 288.5p, it trades on 7.4 times forecast earnings for the year to September 2020. It’s just a shame that it doesn’t have the same high yield attraction as many of its peers.



Between 2015 and 2017 **Moneysupermarket (MONY)** saw a decline in the number of unique price comparison website visitors as the business was focused on rebuilding its back-end systems.

Its share of price comparison web traffic began to stabilise in 2018, coinciding with a warning from the company not to expect any earnings growth in the year ahead as it would be spending money on product engineering.

This year investors have warmed to the stock again because the outlook is better. In late May, UBS analyst Hubert Jeaneau upgraded his rating to ‘buy’ on Moneysupermarket, saying the shares are attractive despite having already rallied 35% year-to-date.

WHAT DOES THE EXPERT SAY?

He gives two key reasons why the stock is attractive: ‘1) Its engineering hub is now operating in full-swing, likely boosting conversion rates and revenue growth, and 2) It has a unique opportunity to drive recurring transactions on its 13m user base, at high incremental margins.’

Jeaneau has pinpointed numerous factors which imply Moneysupermarket is fighting back. For example, he says the threat from credit scoring apps

on its position in the credit card/loans segment is receding.

He also implies a drop in premiums in the general insurance sector over the past year or so may have passed its trough and premiums could now be rising, to the benefit of the company.

Going forward the reinvention of Moneysupermarket is going to be a long process and investors shouldn’t expect large rewards in a short period of time.

Strategic plans include digitising mortgages but that is not going to happen overnight. Its plans to offer more personalised services and encourage more frequent interactions could also be a slow burner. The analyst warns that it will take time to get results given low customer engagement in price comparison activity.

At 379.3p, the shares are trading on 18.3 times forecast earnings for 2020. That looks high enough for a company that still has considerable execution risks with its new strategy. The business is interesting but we wouldn’t rush to buy at that price.



By **Daniel Coatsworth**
Editor

How Future bounced back to join the FTSE 250

The publisher has profited by taking magazine brands into the 21st century

Magazines as a format emerged to serve people's interests and hobbies, and they have developed over time to cover everything from politics and gardening to photography.

The industry has gone through significant change in recent years because of people's increasing reluctance to hand over hard-earned cash for a glossy print product. In 2018 figures from ABC showed sales and advertising for the top 100 UK magazines had more than halved since 2000.

Interestingly, the recent success of media group **Future (FUTR)** – newly promoted to the FTSE 250 index – has been built on recognising that people still want to read about their hobbies.

The company has a portfolio of more than 100 titles, including *Techradar* and *Total Film*. It was founded with just a single publication, *Amstrad Action*, in



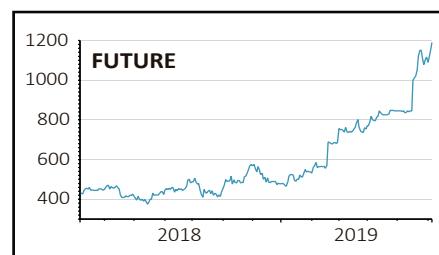
Future's brands include What Hi-Fi?

Somerset back in 1985.

Future has maintained a bias towards technology, and after a late 1990s stock market flotation it enjoyed spectacular gains amid the dotcom bubble. When the bubble burst the fall from grace was just as spectacular. Its recent resurgence is therefore all the more interesting.

RIDING THE CREST OF A WAVE

The shares are back riding the crest of a wave, three years ago valued at around £30m and today close to £1bn. Even



as recently as December 2017, when *Shares* selected the stock as one of its top picks for 2018, it had a market cap of less than £200m.

The recent transformation of the group has been led by Zillah Byng-Thorne who joined as chief executive in 2014. She had experience of bringing an old media product into the digital age as finance chief at second-hand car marketplace **Auto Trader (AUTO)**.

Since 2015 her own chief financial officer has been fellow Auto Trader alumni, Penny Ladkin-Brand. The pair have pursued a growth strategy driven by acquisitions.

The company has a platform

What is Future's structure?

Future is split into two divisions – Media and Magazine. The fast-growing Media division has three revenue streams: e-commerce, display advertising and events.

Currently this mix is dominated by display ads but e-commerce is growing rapidly.

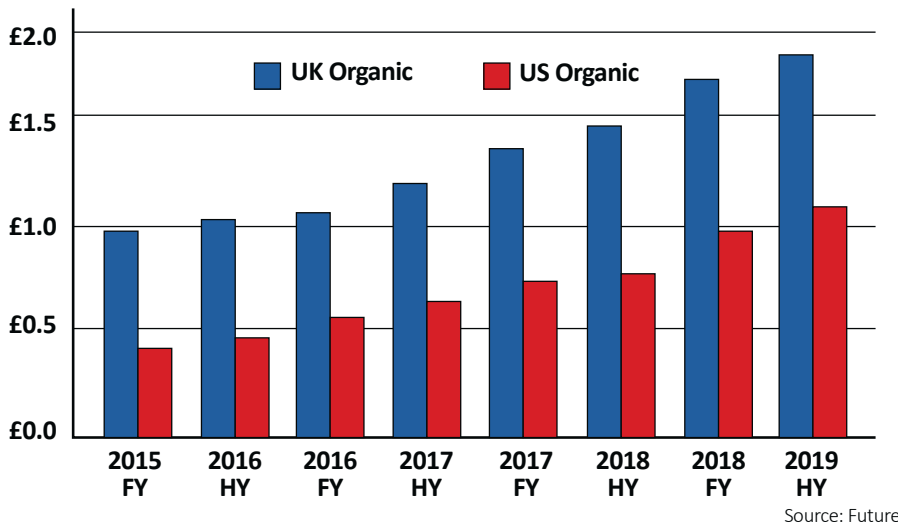
The Magazine division derives revenue from news trade, subscriptions and advertising.

FUTURE H1 2019 REVENUE DIVISIONAL BREAKDOWN

Magazine 30.3%

Media 69.7%

Future's organic media revenue per user**



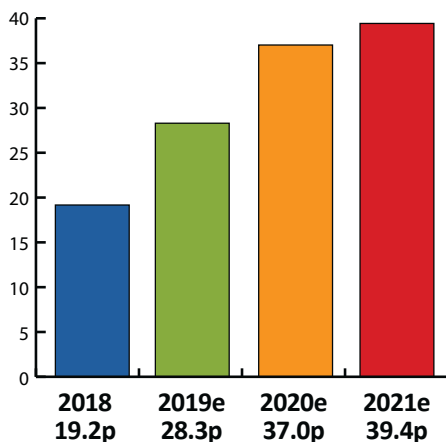
which enables it to monetise specialist content and brands through a mixture of e-commerce, getting content users to click through to partnered retailers, events and online advertising. The plan is to feed newly-acquired assets into this platform.

Future's in-house technology allows it to re-use its content in various formats, in different parts of the world and in different languages.

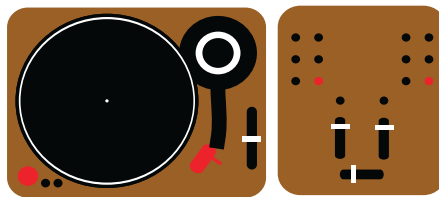
BIG US DEAL

The largest deal completed by Future under Byng-Thorne was

Future – earnings profile



Source: Company reports, Peel Hunt. September year-end



the \$135.2m capture of US-based publisher Purch in 2018.

Purch, which has several tech-focused properties, helped build a leading position for the company in US technology media.

Expansion in the States was, and is, a key strategic priority for the group. This seems logical given it already had a large US audience but derived only a relatively modest proportion of its revenue from across the pond. The company still makes considerably more money out of its readers in the UK than those in the US.

The transaction was funded by a £105.7m rights issue at a 30% discount to the market value at the time. Frequent acquisitions can be a red flag for some investors but, so far at least, the company has done a good job of proving it can integrate businesses into its model.

Recent results for the first six months of its financial year (which runs until 30 September 2019) illustrated the journey the business has been on with adjusted earnings before interest, tax, depreciation and amortisation (EBITDA) up 169% to £23.7m. Year-on-year free cash flow was up from £10.1m to £27.5m.

NOT RESTING ON ITS LAURELS

Byng-Thorne tells *Shares* that she is looking at new areas including podcasting but will only pursue these avenues if it makes commercial sense to do so.

She adds the expertise of writers on its own digital media titles can help it keep on top of trends in a fluid and rapidly shifting industry landscape.

Byng-Thorne is also confident the company has the balance sheet to fund further M&A, particularly as the increase in the share price means the company can offer stock as well as cash to potential targets. As at 31 March the company was on a net debt-to-EBITDA ratio of 1.1 times.

SHARES SAYS:

We are big fans of Future, but the valuation looks up with events for now. At £11.48 the shares trade on 31 times forecast earnings for the year ending September 2020. This is a great business but given an uncertain backdrop in the wider market we think there may be opportunities to buy at a lower price in the future. Wait patiently for a better entry point.



By Tom Sieber
Deputy Editor

How investors will be affected by peer-to-peer lending clampdown

New rules are to be introduced to help investors better understand the risks involved

The Financial Conduct Authority (FCA), a regulator, will make it harder for novice investors to put their money into peer-to-peer (P2P) products at the end of this year.

In its latest statement on the peer-to-peer market, the FCA has brought in new rules and checks on investors to stop people putting too much money in the investments, and to make sure they understand them before they buy.

Peer-to-peer enables people with spare cash to lend their money to individuals or small businesses who want to borrow. Peer-to-peer websites match investors with borrowers and provide a platform that allows the two groups to agree lending arrangements, or they package up a number of loans into portfolios that investors can buy into.

WHY HAS THE REGULATOR CLAMPED DOWN?

The peer-to-peer market sprung up after the financial crisis when banks had reduced lending to businesses and interest rates had plummeted, meaning investors were getting minimal returns on their cash.

The regulator is concerned that people have been buying



into peer-to-peer without fully understanding how it works and the risks involved. For example, the investments are not covered by the Financial Services Compensation Scheme (FSCS), meaning that if a platform or investment folds, investors will have to bear the losses.

There is also a concern that novice investors don't realise that in order to get higher returns than offered by cash accounts they have to put their money at significant risk. The returns on offer from P2P are variable and investors can lose all their money.

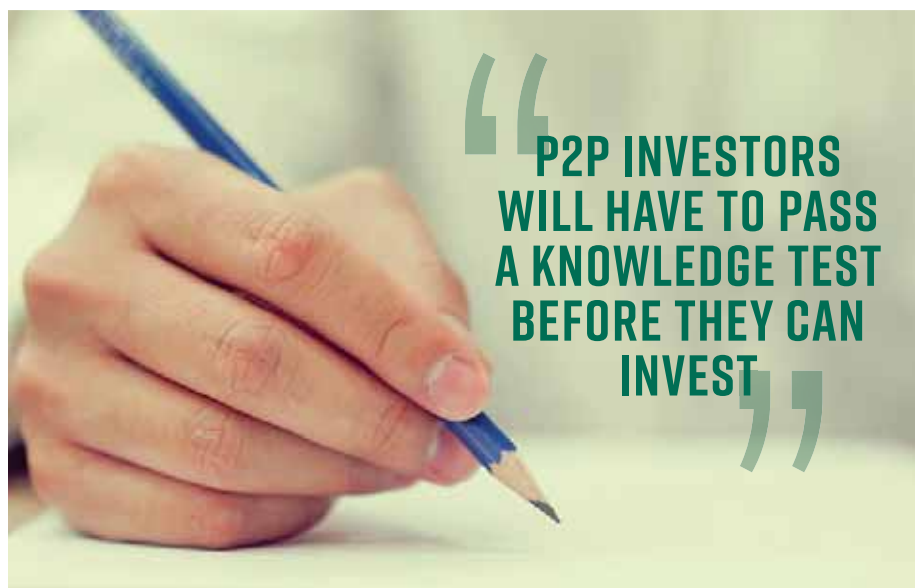
WHAT IS GOING TO CHANGE?

The regulator will now impose new rules on the industry, including a ban on mass marketing of peer-to-peer investments. The latest ISA

season highlighted the flood of marketing from peer-to-peer lenders, some of which made comparisons with cash ISA rates or didn't fully highlight the risks involved in the sector – the new rules will prevent this from happening.

In perhaps its most controversial move, the regulator will also limit newcomer investors to the peer-to-peer

**First time
peer-to-peer
investors will have
limits on how
much they can
invest**



space, who haven't sought financial advice, to having a maximum of 10% of their 'investible assets' in the sector.

Exactly how this will be implemented remains to be seen, but it looks like it will be put in place by each platform, with investors having to self-certify that they aren't investing more than 10% of their wealth in peer-to-peer.

The industry argues this limit is arbitrary and hard to enforce, but the regulator is pressing ahead regardless. The FCA says it's to ensure that investors 'do not over-expose themselves to risk'.

ARE THERE EXCEPTIONS TO THE RULE?

Investors can have more than this limit if they designate themselves as a 'sophisticated investor', with FCA rules allowing this if they have made two or more P2P investments in the past two years.

This is a relatively low hurdle to overcome. So it seems like the FCA is trying to prevent people

seeing these as an alternative to cash, and putting money into P2P like they would put it into a cash account.

Rhydian Lewis, chief executive at RateSetter, says: 'The limit on savers' first investment is unnecessary and just patronises normal people. But the other aspects of the regulation mean savers can invest with confidence that P2P lending is particularly well regulated and here to stay.'

IS ANYTHING ELSE CHANGING?

Another rule to be introduced is that all investors will have to pass a knowledge test before they are allowed to invest.

Each platform will come up with their own test, but the regulator has recommended multiple-choice questions, saying that just having a tick-box confirming that you understand is not enough.

Areas they want investors to prove they understand include:

- That peer-to-peer investing is not covered by the FSCS

- That they could lose all of their money
- That returns aren't guaranteed and can vary
- How the platform manages the risk of loans and if any contingency fund is offered by the platform
- What happens if a P2P portfolio becomes insolvent

Christopher Woolard, executive director at the FCA, says: 'These changes are about enhancing protection for investors while allowing them to take up innovative investment opportunities. For peer-to-peer to continue to evolve sustainably, it is vital that investors receive the right level of protection.'

WHEN WILL THE CHANGES HAPPEN?

All of these changes will be introduced from December this year, meaning that the peer-to-peer market has until then to make the changes for new investors.

The problems with the peer-to-peer sector were recently highlighted by the collapse of prominent platform Lendy. The firm fell into administration last month and investors now face a nervous wait to see how much of their money they will get back – around £165m was thought to be in the firm when it shuttered.



By Laura Suter
AJ Bell Personal
Finance Analyst

'I have a tricky lifetime allowance situation'

AJ Bell pensions expert Tom Selby looks at an interesting situation

I have enjoyed a substantial defined benefit pension since retiring in 2002. My initial annual pension was £125,000 and it has seen 5% annual increases since then.

I also have an uncrystallised SIPP now valued at about £270,000. How will my lifetime allowance be calculated and will my SIPP have a 25% tax charge when I reach 75 this year?

Mike



Tom Selby
AJ Bell
Senior Analyst says:

Both defined benefit (DB) and defined contribution (DC) pensions (including SIPPs) are controlled by the same lifetime allowance. This currently stands at £1,055,000.

Each time you 'crystallise' a pension (essentially meaning convert it into a retirement income) you use up a portion of your lifetime allowance.

Your case is interesting because you started taking your DB pension before the lifetime allowance was created in April 2006. However, this doesn't mean you'll escape a tax charge – instead your DB pension will reduce your available lifetime allowance based on its value on your 75th birthday.

If, for example, you had a DB pension paying £150,000 per year on your 75th birthday, this figure would be multiplied by 25

to determine how much lifetime allowance you had used up.

This only applies to funds crystallised before April 2006 – any DB benefits crystallised to pay a pension after this date would have been tested against the lifetime allowance at the time and would not be revisited at age 75.

You'd have used up £3.75m of your lifetime allowance (£150,000 x 25). As this is well above the current lifetime allowance of £1,055,000, the result would be a reduction in your available lifetime allowance to zero. The good news is that starting to take your DB pension before 2006 means there's no charge on the excess over the lifetime allowance.

Assuming you had no 'protections' in place, the £270,000 you had invested in a SIPP would be subject to a lifetime allowance charge of 25% (£67,500) on your 75th birthday.

If you took it out of your SIPP as a lump sum before age 75 the charge would be 55% (£148,500). You wouldn't be able to take any tax-free cash from your SIPP as

this is only possible if you have remaining lifetime allowance, and yours would have been entirely used up by your DB scheme.

If you previously applied for 'enhanced protection' or 'primary protection' then it's possible that some or all of the value of your SIPP would be shielded from a lifetime allowance charge. However, under the terms of enhanced protection you would not have been allowed to make any more pension contributions.

It's also possible that you obtained lump sum protection in conjunction with either enhanced or primary protection, which would potentially allow you to retain your right to take up to a quarter of the SIPP as tax-free cash.

If you hold enhanced or primary protection but no lump sum protection it might still be possible to amend this so you could get at least some tax-free cash.

I would strongly recommend you speak to a regulated financial adviser to assess all your options.

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.

02 JULY
2019

Novotel Tower
Bridge
London
EC3N 2NR

SHARES

INVESTOR EVENINGS

Sponsored by



SUMMER INVESTMENT OPPORTUNITIES



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

COME TO OUR NEXT INVESTOR EVENT.
COMPANIES PRESENTING INCLUDE:

DIURNAL GROUP (DNL)

Speaker: Martin Whitaker, CEO

A specialty pharmaceutical company developing hormone therapeutics to aid lifelong treatment for rare and chronic endocrine conditions.

IMPACT HEALTHCARE REIT (IHR)

Speakers: Andrew Cowley and Mahesh Patel, Managing Partners

Its aim is to provide shareholders an attractive return by investing in a diversified portfolio of UK healthcare real estate assets, in particular residential care homes.

+ MORE TO BE ANNOUNCED

Event details

Registration 18:00
Presentations to start at 18:30
Complimentary drinks and buffet 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**
- **IPO Coming Soon**
- **Overseas Share**

A&J Mucklow (MKLW)	6
Airtel Africa	7
Allianz Technology Trust (ATT)	18
Alpha Financial Markets Consulting (AFM:AIM)	16
Alphabet	18
Amazon	18
Anglo American (AAL)	21
Antofagasta (ANTO)	21
Barclays (BARC)	20
Bellway (BWY)	9
Beyond Meat	7
BHP (BHP)	21
BP (BP.)	20
BT (BT.A)	21
Carnival (CCL)	11
Centrica (CNA)	21
Codemasters (CDM:AIM)	16
Crest Nicholson (CRST)	9
Domestic & General	7
Facebook	18
Ferguson (FERG)	9
French Connection (FCCN)	8
Future (FUTR)	40
Games Workshop (GAW)	9
GlaxoSmithKline (GSK)	21
Halma (HLMA)	15
Hammerson (HMSO)	6
Helical (HLCL)	6
Henderson Alternative Strategies Trust (HAST)	34

Homeserve (HSV)	7
HSBC (HSBA)	20
Intu (INTU)	6
Joules (JOUL:AIM)	15
LF Woodford Equity Income Focus (BD9C6D5)	32
LF Woodford Equity Income Fund (BLRZQ73)	30, 36
LondonMetric Property (LMP)	6
Majestic Wine (WINE:AIM)	8
Marks & Spencer (MKS)	21
Mitchells & Butlers (MAB)	38
MJ Gleeson (GLE)	9
Moneysupermarket (MONY)	39
Moss Bros (MOSB)	8
Polar Capital Technology Trust (PCT)	18
Real Estate Investors (REI)	6
ReAssure	7
Regional REIT (RGL)	6
Rio Tinto (RIO)	21
RIT Capital Partners (RCP)	12
Royal Dutch Shell (RDSB)	20
Sainsbury (SBRY)	21
SSE (SSE)	21
St James's Place (STJ)	20
Standard Chartered (STAN)	20
Strategic Equity Capital (SEC)	13
Ted Baker (TED)	9
Tesco (TSCO)	21
Trainline	7
Vodafone (VOD)	21
WM Morrison (MRW)	21
Woodford Patient Capital Trust (WPCT)	30

BOOK COMPETITION WINNERS

In 30 May issue of Shares we asked what was behind the dotcom bubble.

The answer is tech stocks and the internet.

The winners are **Adam Hunt** and **Elena Bachvarova**. You will both receive a copy of *Extraordinary Popular Delusions and the Madness of Crowds* in the post shortly.



KEY ANNOUNCEMENTS OVER THE NEXT WEEK

Full year results

18 June: Ashtead, Marlowe, Telecom Plus.

19 June: Berkeley.

20 June: Dixons Carphone, Severfield.

Half year results

17 June: Scottish Investment Trust.

18 June: Safestore. **20 June:** CareTech.

Trading updates

18 June: Coca-Cola HBC, Evraz, Plus500.

19 June: Whitbread, Saga.

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
Ilan Conway
@SharesMagJan

CONTRIBUTORS

Russ Mould
Tom Selby
Laura Suter

REPORTER:

Yosof Farah
@YosofShares

ADVERTISING

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

PRODUCTION

Head of Design
Darren Rapley
Designer
Matt Ely

CONTACT US:

support@sharesmagazine.co.uk

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.

All chart data sourced by Refinitiv unless otherwise stated

