

UK Value Investor

For Defensive Value Investors

Why some investors will sell you their shares cheap

As an investor I want to buy good companies at low prices. Paying a low price for something is intuitively a good idea for most things, like tomatoes or cars, but when it comes to assets that go up in value that simple logic is often thrown out of the window. After all, if you're buying a house or some shares as an investment, why would you want to buy something that's going down in value?

This is the usual error of confusing the market price of an asset with the true, or intrinsic value of that asset.

Sometimes, for all manner of reasons, investors are willing to pay over the odds to buy an asset, and sometimes they're willing to sell an asset for far less than it is actually worth.

Perhaps somebody needs to move house as soon as possible (to relocate for a dream job, or to get away from noisy neighbours) and in order to do so they are willing to accept a lower price to get the deal sealed quickly, rather than waiting a few months to get the true value of the house, which somebody would gladly have paid eventually. In this case, the need for a quick sale has value to the owner, and so from a technical point of view the low sales price added to the value of selling quickly will equal the intrinsic value of the house.

If you are a buyer and you happen to have some cash to hand, then you could buy that house at a bargain price.

The opposite case also applies. Flowers at petrol stations on Mother's Day morning are likely to be overpriced relative to their intrinsic value because the men who buy them are effectively 'forced buyers' who will gladly pay over the odds in order to avoid disappointing their mothers and wives.

The point is that there are many reasons why the market price of an asset can be very different from its true value. The job of the astute investor is to seek out situations where there are other (often unknown) factors causing the price to be too high or too low, and to help out the investor on the other side of the trade by buying from them what they are desperate to sell, or selling to them what they are desperate to buy.

"Stock market prices may bounce around wildly and irrationally but, if decision regarding the internal rates of return of the businesses are reasonably correct - and a small portion of the business is bought at a fraction of its private-owner value - a good return for the fund should be assured over the time span against which pension fund results should be measured."

John Kingham, 1st September 2013

- Warren Buffett, legendary investor

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UK Value Investor provides information, not advice. It is for investors who want to make their own investment decisions and are capable of doing so without advice. If you think you need advice then you should seek a professional advisor. Please see the important notes on the back page for further information.

Market valuation, forecast and asset allocation

August finished on a down day, ending a down month with the FTSE 100 at 6,413. After an explosive start to the year where the large-cap index broke convincingly through the 6,000 barrier and sped on up to more than 6,800, it has settled against what now looks like some short-term 'support' at 6,400.

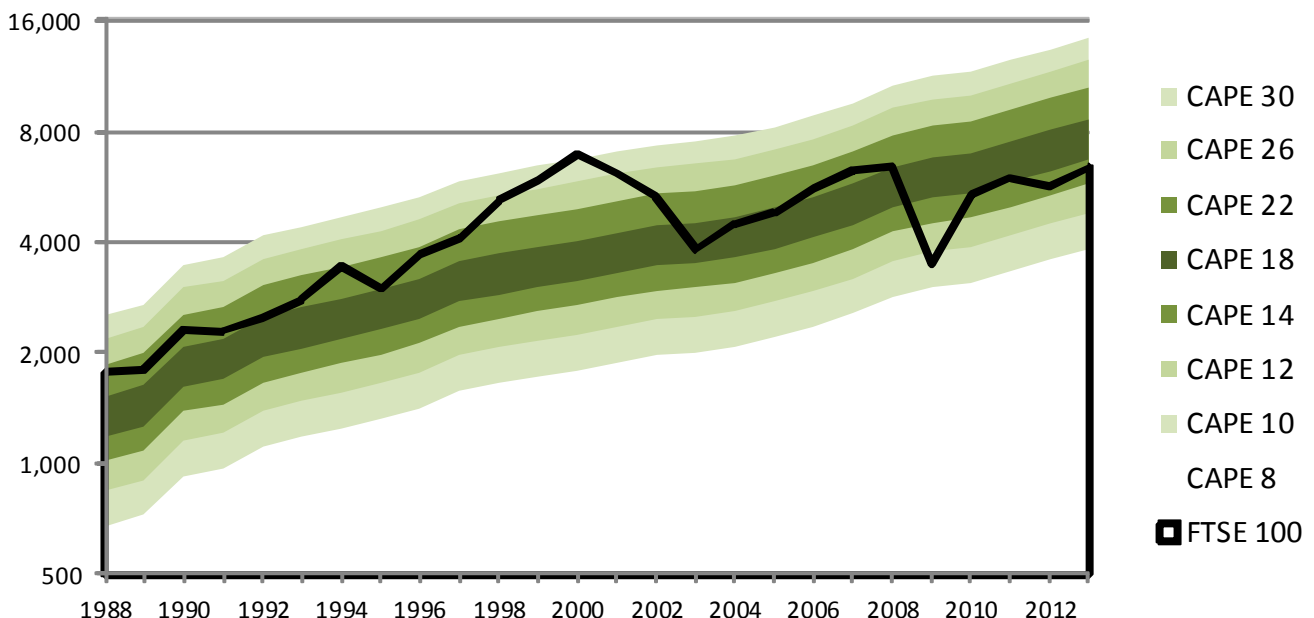
The table below shows that valuations are middling, with a CAPE of 12.9 being slightly but not significantly below the long-run average which has been about 19 since 1988, but is likely to be closer to 15 (as it is for the S&P 500) as more data becomes available (the 1988-2013 average is skewed upwards by the dot-com boom where CAPE values were extremely high at around 30).

FTSE 100 at 6,215	Cyclically Adjusted P/E Ratio	Description	Ben Graham Equity Allocation (%)	7 Year Annualised Return Forecast (%)
12,800 - 14,700	26 - 30	Very expensive	25	-2.3 to -0.2
10,800 - 12,800	22 - 26	Expensive	25 to 35	-0.2 to 2.2
8,800 - 10,800	18 - 22	Slightly expensive	35 to 45	2.2 to 5.3
6,900 - 8,800	14 - 18	Normal	45 to 55	5.3 to 9.0
5,900 - 6,900	12 - 14	Slightly cheap	55 to 65	9.0 to 11.5
4,900 - 5,900	10 - 12	Cheap	65 to 75	11.5 to 14.4
3,900 - 4,900	8 - 10	Very cheap	75	14.4 to 18.2

The new chart below shows the FTSE 100's actual value over the past 25 years in comparison to the range of CAPE values that equity markets have taken historically (the vertical axis is logarithmic, so each step upwards represents a doubling of the index's value). It shows the range of values which we can reasonably expect the index to take at any time, and by extrapolation, what it may be in the future.

So for example, the table above suggests that with the earnings of the 100 companies at their present level, we might normally expect the FTSE 100 to be somewhere between 5,900 and 10,800, and that range is reflected by the darker green bands below. Alternatively, under extreme fear or greed the market could go to either 3,900 or 14,700 (although it would take a while to get there, especially the high valuation), and that is reflected in the lighter green bands on the outside of the expected range.

FTSE 100 Valuations - 1988 to 2013



Model portfolio review

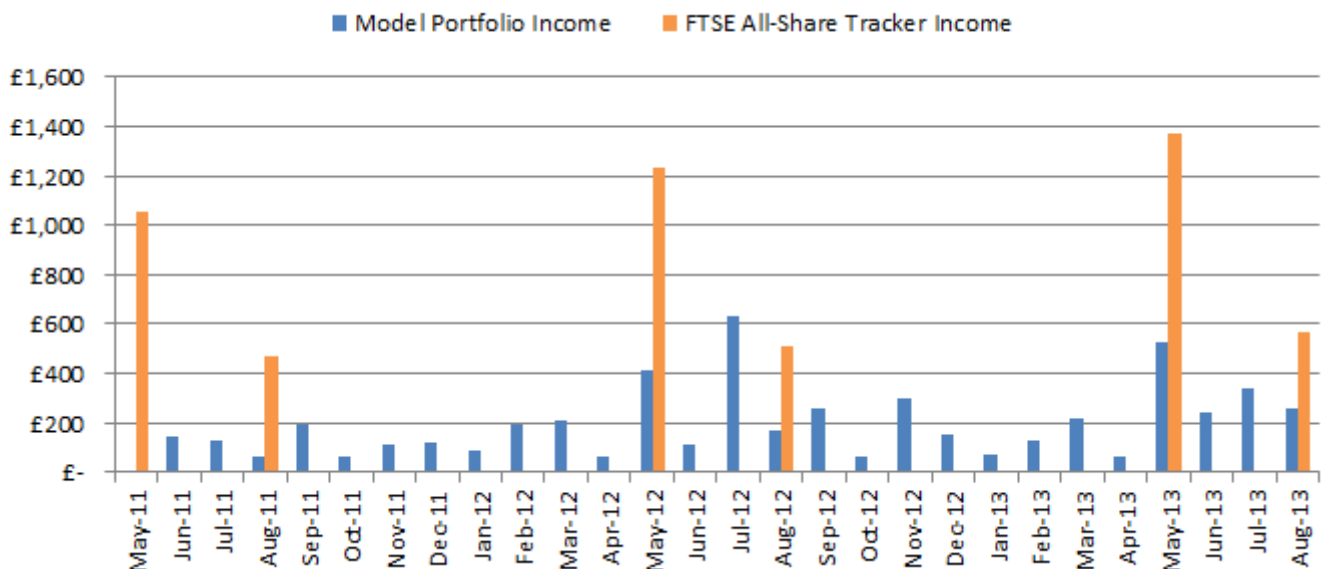
Last month's buy decision was HomeServe, the FTSE 250 listed home emergency repairs company. With the portfolio valued at around £64,000, 900 shares were added at a price of 262.6p which made for a total investment of £2,385.22 including stamp duty and commission.

Dividend flows

It's a good idea to have more than one way to value your investments. For example, if during the stock market boom investors had bothered to look at the earnings and dividend growth of the underlying companies, then it would have been as clear as day that most of the UK stock market was not worth what people were paying.

An obvious way to value an asset, other than its market price, is to look at the cash that it generates. I'm sure that if you owned an investment property then you would be as interested in the rental income as anything else.

You can see the dividend cash flows from both the model portfolio and the FTSE All-Share tracker benchmark in the chart below. It's not immediately obvious how they compare because the tracker trust only pays out



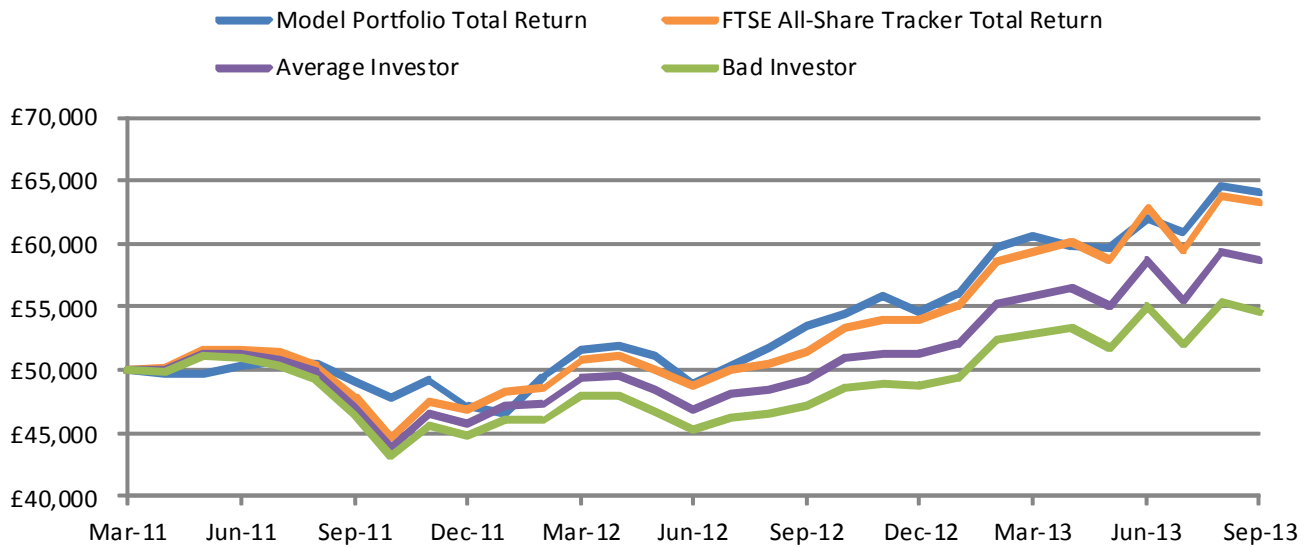
twice a year, but the 2012 total dividend payments were £2,659 and £1,742 respectively, so the model portfolio certainly lives up to its 'high yield' billing.

At present, with the market at mildly attractive valuations, there is no clear difference between a good, solid, high value-for-money portfolio and the wider market. However, if we do see a sustained bull market which takes us up to the magical 10,000 range for the FTSE 100 (and that's more realistic than you might think) then dividends will be an increasingly clear way to see the difference between valuations built on nothing but hope, and valuations built upon real cash incomes.

Dividends this month

The dividend income for August was £260, while the benchmark tracker trust had its second dividend payment of the year of £567. This brings the totals for the year to date for the model portfolio and the tracker trust to £1,851 and £1,937. With four months still to go it's quite clear that the model portfolio will once again produce far more income than the passive, market tracking alternative. Please note that dividends are reinvested in both portfolio, so that they are both effectively 'accumulation' portfolios. An 'income drawdown' model portfolio and benchmark are in the works for those readers interested in drawing dividends.

Model portfolio performance and statistics

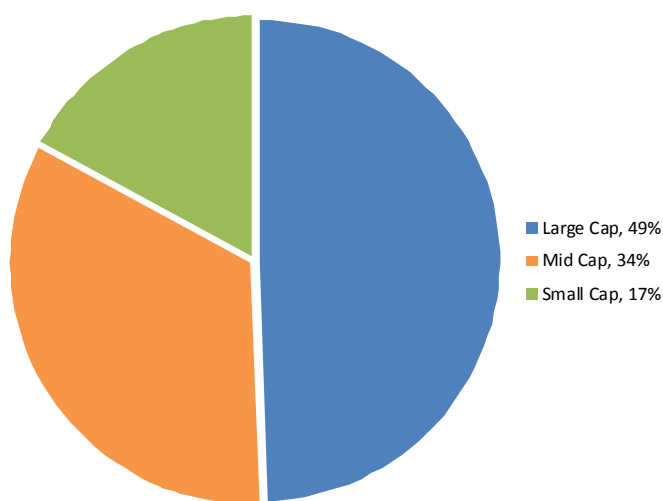


Note that the “average investor” and “bad investor” underperform the market by 3% and 6% per year respectively due to overtrading, buying high and selling low. These figures are based on research cited by Barclays and the book, Monkey with a Pin.

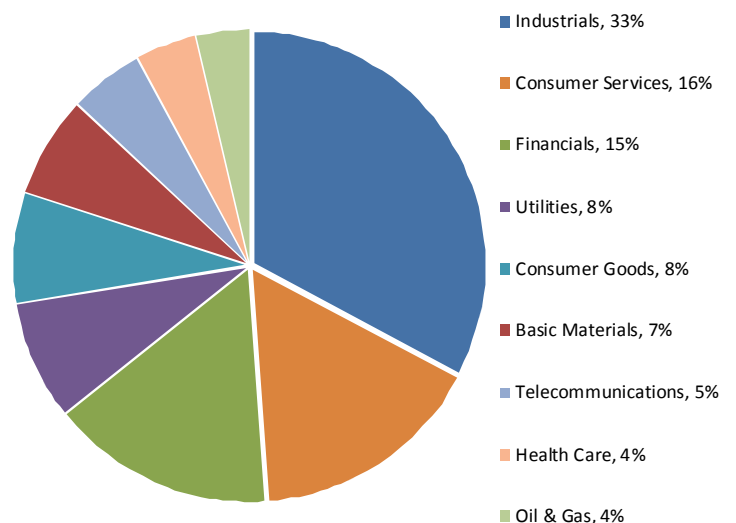
Performance (%)	Model Portfolio (A)	FTSE All-Share Tracker Trust (B)	Difference (A) - (B)
1 Year	19.8	22.8	- 3.0
Total return from inception (March 2011)	28.1	26.4	1.7
Annualised return from inception	10.4	9.8	0.6
Current cash value	£64,048	£63,201	£847
Historic dividend yield	4.1	3.1	1
Trailing 1 year beta (lower = less risk)	0.66	1	34% less volatile

UK Revenue	54.0%	International Revenue	46.0%
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Size Allocation



Industry Allocation



Recent Annual Results

20th May 2013 - BHP Billiton (added to the Model Portfolio on 12th September 2011)

"The world's leading diversified resources company. We discover, develop and convert natural resources which fuel development all over the world" (www.bhpbilliton.com)

Revenue Down 6%	10 Year average earnings Up 8%	Dividend per share Up 4%
Debt ratio (max 5) 3.3	Pension liability ratio (max 10) 0.3	Does it still pass the buy tests? Yes

Quotes from the annual results

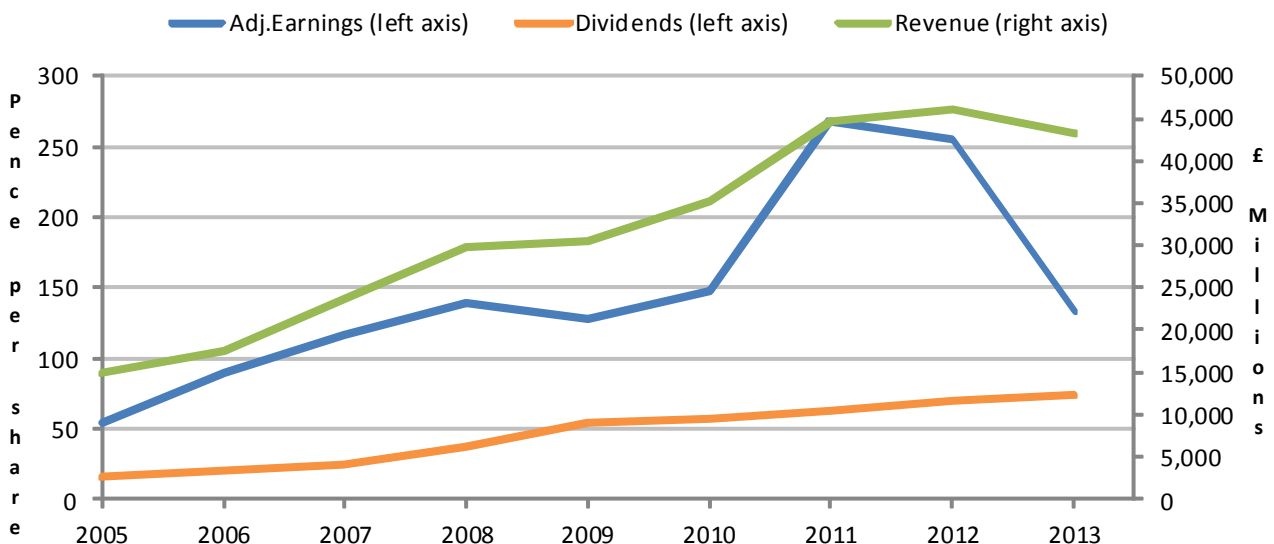
BHP Billiton's strategy of owning and operating large, long life, low cost, expandable, upstream assets diversified by commodity, geography and market remains the foundation for our sector leading shareholder returns. To extend our track record and create a more productive and capital efficient organisation, we have concentrated our efforts on those world class basins where we enjoy economies of scale and a competitive advantage.

Strong momentum at our operations is expected to be maintained in the medium term, with compound annual production growth of eight per cent, in copper equivalent terms, anticipated over the next two years. This high margin volume growth and the Group's determination to reduce operating costs is expected to underpin robust operating margins, even in the absence of higher prices.

In addition to the productivity gains delivered during the period, the Group applied strict capital discipline. Consistent with our commitment to shareholders, no major growth projects were approved during the 2013 financial year. Of the 18 major projects in execution at the end of the period, approximately 70 per cent are expected to deliver first production by the end of the 2014 calendar year. The majority of our development projects are brownfield in nature, which are inherently lower risk.

Over the long term we maintain a positive outlook as the fundamentals of wealth creation, demographics and urbanisation continue to create demand for commodities across Asia and other markets. On the supply side, the Company's diversified portfolio of large, long life, low cost assets ensures it is well placed to fulfil this increasing demand for commodities as a low cost supplier throughout the cycle.

The Group's capital structure remains robust. Our confidence in the outlook for the Company and its financial position underpinned a four per cent increase in the full year dividend to 116 US cents per share.



Recent interim results

Interim results can be a useful way to keep on top of events. They are summarised here for information only and are unlikely to result in any changes to the portfolio.

6th August 2013 - Greggs (added to model portfolio on 7th December 2012)

"Greggs, the home of fresh baking, is the leading bakery retailer in the UK. Expert bakers for the last 70 years, we serve delicious, freshly baked, quality food at great value prices to a million customers each day, in over 1,671 shops around the UK." (corporate.greggs.co.uk)

Revenue up 3%	Adjusted EPS down 29%	Dividend unchanged
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Quotes from the interim results

Although cost control in the period was strong our vertically integrated business model makes profit performance particularly sensitive to movements in like-for-like sales. The impact of lower like-for like sales in the first half led to a £4.7 million decline in operating profit to £11.5 million (2012: £16.2 million), a net operating margin of 3.2 per cent (2012: 4.6 per cent).

Since taking over as Chief Executive in March I have worked with the senior management team to conduct a thorough review of the business which concluded in July and is resulting in some changes to our strategy. Whilst over many years Greggs has developed a leading position in the bakery market, customer preferences are shifting towards 'food on the go'. Food on the go is a £6 billion market growing at an annual rate of 9% (source: Allegra) and some 75 per cent of customer visits to Greggs are already fulfilling a food on the go need.

Whilst Greggs has defended its position as the leading retail bakery business it has underperformed the food on the go market as new entrants and existing competitors have rapidly expanded shop numbers and better met customer demands. With Greggs' strong brand and national coverage we see significant opportunities in this area and so a number of changes are being announced today that will position us better for medium and long term growth.

6th August 2013 - Hill & Smith (added to model portfolio on 7th June 2013)

"An international group with leading positions in the design, manufacture and supply of infrastructure products and galvanizing services to global markets. Through a focus on strong positions in niche markets we aim to consistently deliver strong returns and shareholder value." (www.hsholdings.co.uk)

Revenue down 1%	Adjusted EPS down 10%	Dividend up 3%
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Quotes from the interim results

After a slow first quarter, we are now seeing evidence of increased project momentum in Infrastructure Products and expect a stronger second half, albeit tempered by the reduced pipe supports order book for delivery in 2013. In Galvanizing, the US remains strong at similar levels to 2012 with continued benefits from operational efficiencies and production from the new plant in Columbus as from April 2013. Whilst the French galvanizing market remains challenging, the UK is broadly in line with last year and will benefit from the acquisition of Medway Galvanising, which was completed on 30 April 2013.

Overall, as previously indicated, we continue to expect a greater weighting towards the second half, although our full year performance is likely to be marginally below our previous expectations. The board remains confident that, in the medium to long term, our international diversity and market strength will continue to provide the resilience of performance seen in previous years.

8th August 2013 - Aviva (added to model portfolio on 12th March 2012)

*"Aviva is a life, general and health insurance business and provides asset management services. We are the largest insurer in the UK and we have strong businesses in selected international markets."
(www.aviva.com)*

Net written premium down 3%	Basic EPS up 195%	Dividend down 44%
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Quotes from the interim results

In March I set out our investment thesis of "cash flow plus growth" and this is starting to transform the way we do business. I see Aviva as a portfolio of businesses grouped into three areas: cash flow generators, future cash flow generators and turnaround businesses. Within each of these groups there are areas of underperformance which are being addressed.

Our cash flow generators are UK, France and Canada and our objective in these markets is to improve cash flow and profitability.

The turnaround businesses are Italy, Spain, Ireland and Aviva Investors. In Spain and Italy we are focused on managing their back books to release free capital and improve cash remittances to group. Aviva Investors has underperformed from a shareholder perspective and we expect it to play a more prominent role in the group going forward. We have recently appointed Euan Munro who will play a pivotal role helping Aviva Investors, a core part of the Group, improve its profitability and contribution to Aviva.

Future cash generators are Poland, Turkey, South East Asia and China. These are attractive markets which offer growth potential. In Poland, we are the second largest life and pensions provider. Turkey has demographic and economic characteristics similar to high growth Asian markets and is a key focus for VNB growth. In Asia we are making progress with a more focused approach, concentrating on China and South East Asia.

8th August 2013 - Rio Tinto (added to model portfolio on 7th September 2012)

*"Rio Tinto is a leading global mining and metals company. Our focus is on finding, mining and processing the Earth's mineral resources in order to maximise value for our shareholders."
(www.riotinto.com)*

Revenue down 4%	Adjusted EPS down 18%	Dividend up 15%
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Quotes from the interim results

"Our business has demonstrated considerable resilience against a backdrop of continuing market volatility. Cash flows from operations were strong, driven by our cost savings programmes but lower prices and a higher tax rate led to a reduction in underlying earnings to \$4.2 billion in the first half of 2013. Our strategy to invest in and operate large, long-life, low-cost, expandable operations remains unchanged. Sam [Walsh] and his team are seeking to simplify the portfolio through the divestment of non-core assets but only where we can realise value for shareholders."

"We are seeing good early results of our business performance initiatives in our pursuit of greater value for shareholders. We have set ourselves firmly on the path toward becoming a leaner, more tightly-run business."

"Across the group, we are focused on improving performance at every location. Our cost saving programme is gathering momentum and we have more than 1,500 separate initiatives that are helping us reduce costs and preserve margins, even in a climate of lower prices. We have driven down our unit costs by more than nine per cent compared with the first half of 2012."

"I believe that we are well on track to build a stronger Rio Tinto. We are making good progress against our clear commitments and remain focused on the pursuit of greater value for our shareholders."

13th August 2013 - Mears Group (added to model portfolio on 24th March 2011)

"We maintain and improve homes as well as care for the people who live in them. Every day we carry out more than 6,000 repairs to people's homes. We also deliver over 8 million hours of care every year to vulnerable people, helping them to live in their own homes for longer." (www.mearsgroup.co.uk)

Revenue up 49%	Adjusted EPS up 7%	Dividend up 9%
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Quotes from the interim results

David Miles, Chief Executive, Mears Group, said:

I am delighted at the progress made by the Group in the first half of 2013 and a continued strong performance. We delivered both record revenue and record operating profits. The integration of the Morrison social housing business is now substantially complete. As anticipated, integrating Morrison is realising valuable synergies. Our Social Housing business has long been recognised as the market leader in terms of operational performance and customer satisfaction. I believe that the opportunities for us in social housing remain very strong.

In Care, as a robust high quality provider at the forefront of change in the sector, we remain very well placed strategically as the current changes in the market play out. The long-term opportunities for Mears within Care look encouraging. The ageing population and the fundamental desire of people to stay in their own homes remain the foundations for this sector. Economic necessity is, of course, the third driver, which has led to significant political activity.

We will continue to move further up the acuity chain through acquisition and organic growth, building on the ILS acquisition and extending the Nurseplus model across our client base. This will increase our ability to respond to growing opportunities from health and social care outsourcing and the implementation of new localised commissioning models.

14th August 2013 - Balfour Beatty (added to model portfolio on 9th August 2011)

"Balfour Beatty is a world-class infrastructure services business operating across the infrastructure lifecycle, with leading positions in major markets" (www.balfourbeatty.com)

Revenue down 3%	Adjusted EPS down 66%	Dividend unchanged
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Quotes from the interim results

Underlying profit from continuing operations has declined by 67% to £52 million as a result of the profit deterioration in Construction Services and Professional Services which we have previously indicated.

In recent months, we have focused our attention on operational delivery in the UK construction business and the impact of the further worsening in the environment for our professional services business in Australia. In the UK construction business, we have strengthened our management with the engagement of new leadership, closed some regional delivery units with weak future prospects and aligned the organisation more closely with customers. Our response to the market deterioration in Australia was swift, and we now forecast a significant reduction in the adverse impact on profitability in the second half. Having set out a plan to exit from our Mainland European rail business, we are in advanced discussions in Sweden and have made good progress in Germany. We have also just announced an agreement to sell WorkPlace, our UK FM business, for c.£190 million in cash.

While executing our immediate priorities, we have also made progress on our strategic objectives. In our target growth markets, we are moving forward with the country model in Australia. The benefits of the model are evident in new wins in transportation and utilities. Middle East is another area where we have had great success, establishing Parsons Brinckerhoff firmly as a top professional services player. Our Investments division has expanded further in the period into new markets such as student accommodation and renewable energy. In the longer term, our goal is to capitalise on the growth in global infrastructure investment from an international footprint of local businesses.

19th August 2013 - Amlin (added to model portfolio on 8th February 2013)

"Amlin plc is a specialist insurance and reinsurance underwriting group. We enable companies to concentrate on their business goals by providing cover for a broad range of commercial risks" (www.amlin.com)

Net written premium up 3%	Earnings down 17%	Dividend up 4%
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Quotes from the interim results

Amlin continues to develop its business with a view to sustaining its long-term return on equity target of at least 15%.

The acquisition [of RaetsMarine] is a part of Amlin's strategy to grow its marine business and provide its clients with a comprehensive range of marine insurance products. As an acknowledged leader in the fixed premium P&I market, RaetsMarine is well placed to seek further growth.

A major focus of the last three years has been to correct the former Amlin Corporate Insurance's marine underwriting so that it is capable of meeting the Group's return requirements. Amlin Europe's performance is on an upward trend with a significantly increased focus on profitability.

Amlin continues to develop its core reinsurance franchise so that it remains a strong leader in the market despite increased competition from the capital markets. Leadenhall Capital, which has achieved a strong track record since its formation in 2008, and now has over \$1.4 billion of third party funds under management, is becoming more and more relevant to Amlin's reinsurance strategy.

These are a solid set of results which demonstrate a good level of underlying underwriting profitability. There are positive trends in a number of our businesses which will counteract downward pressure on catastrophe reinsurance rates and this reinforces the benefit of our diversification strategy. We are optimistic about the out-turn for the full year.

"When there is a stock market boom, and everyone is scrambling for common stocks, take all your common stocks and sell them. Take the proceeds and buy conservative bonds. No doubt the stocks you sold will go higher. Pay no attention to this - just wait for the depression which will come sooner or later. When this depression - or panic - becomes a national catastrophe, sell out the bonds (perhaps at a loss) and buy back the stocks. No doubt the stocks will go lower. Again pay no attention. Wait for the next boom. Continue to repeat this operation as long as you live, and you'll have the pleasure of dying rich.

A glance at financial history will show that there never was a generation for whom this advice would not have worked splendidly. But it distresses me to report that I have never enjoyed the social acquaintance of anyone who managed to do it. It looks as easy as rolling off a log, but it isn't. The chief difficulties, of course, are psychological. It requires buying bonds when bonds are generally unpopular, and buying stocks when stocks are universally detested."

- Fred Schwed Jr. "Where Are the Customer's Yachts?" - 1940

Buying: British American Tobacco PLC (BAT)

Price on 1st September 2013	Index	Sector
3,255p	FTSE 100	Tobacco
Market cap	Revenue	Pre-tax profit
£62 billion	£15 billion	£3 billion

“With more than 200 brands in our portfolio, we make the cigarette chosen by one in eight of the world’s one billion adult smokers. We hold robust market positions in each of our regions and have leadership in more than 60 markets.” (www.bat.com)

Overview

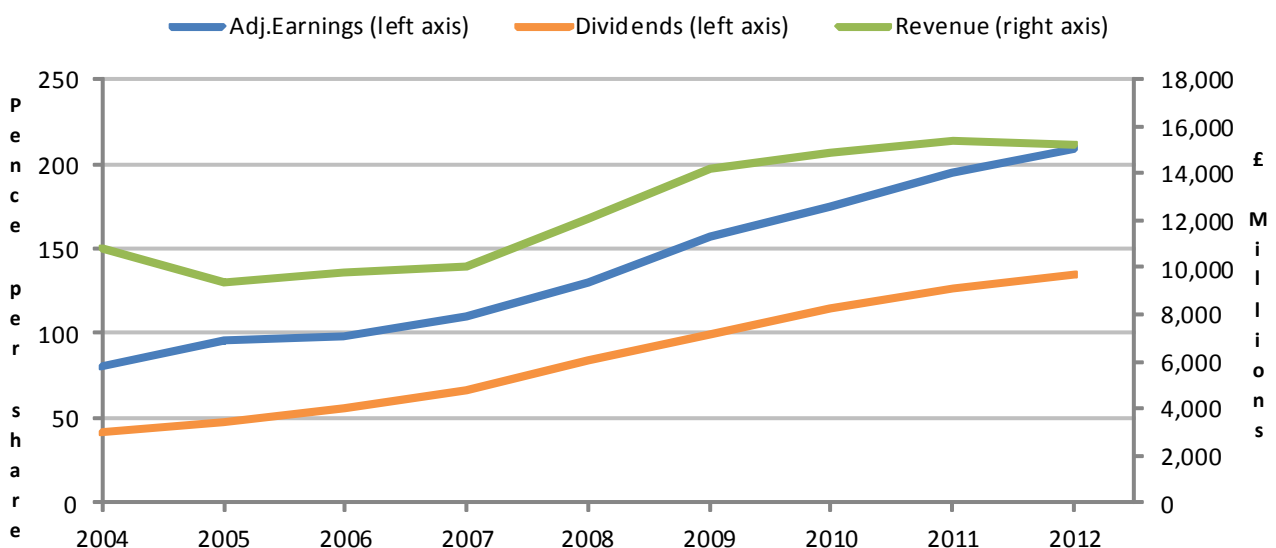
British American Tobacco (BAT) started life more than 100 years ago as a joint venture between the Imperial Tobacco Company (also in the model portfolio) and the American Tobacco Company. The company was created to trade outside of both the UK and USA, and so it began as an international company, which is a theme which continues to this day with BAT as the world’s most international tobacco group, selling into more than 180 countries.

The company’s stated goal is to achieve leadership in the global tobacco industry (currently it is the world’s second largest public tobacco company behind the Altria Group, and a long way behind the state-owned China Tobacco Company).

The main features of BAT as a defensive value stock are its size (it is the 6th largest company in the Stock Screen with a market cap of £62 billion), the defensive nature of its products (recessions generally have little impact on cigarette consumption) and its high and consistent levels of profits, dividend payments and growth.

10Yr Growth rate	Dividend yield		Valuation (PE10)
12.6%	4.1%		23.4
Growth quality	Debt ratio (max 5)	Pension ratio (max 10)	Rank
95%	2.1	1.3	28 (out of 219)

Green = Better than FTSE 100, Red = Worse than FTSE 100



Investment analysis

Successful investing is about the methodical application of a systematic approach to achieving specific objectives, and a checklist is a great aid towards that end. This checklist helps to ensure that the company really is high quality, and that buying its shares is likely to improve the portfolio in the long-run.

Will this company be the first or second holding from this FTSE sector?

YES BAT will be the second company from the Tobacco sector, joining Imperial Tobacco which has been in the portfolio since March 2013.

Will this company increase the geographic diversity of the portfolio?

YES BAT is a very geographically diverse company. According to Morningstar, BAT's revenues are split almost equally between the Asia Pacific, EEMEA (Eastern Europe, Middle East and Africa), Americas and Western European regions. This gives the company access to over 180 countries, with around 75% of revenues coming from the faster growing, developing markets. UK revenues are approximately 10% of the total.

Does the business have diverse operations, including customers, suppliers and key staff?

YES Customers, suppliers or employees who wield excessive power over a company can often be a hidden danger. In BAT's case it has many millions of customers, sources tobacco from over 140,000 farmers worldwide and has a huge range of distribution channels. It also employs over 55,000 people and no individual or small group within the supply chain appears to have a disproportionate impact on the company.

Is the company in the leading group within its industry?

YES BAT is one of the largest tobacco companies in the world and is currently the most international.

Does the company have a consistent and successful history?

YES The BAT has existed for more than 100 year with the ups and downs that accompany any company that has been through that much history, let alone two world wars. However, the company progressed and in the 1990s refocused on tobacco after a period as a conglomerate (BAT Industries) between the 1960s and 1980s. More recently the company has continued to expand, producing the results in the chart on the previous page.

Does the company have any low cost and durable competitive advantages?

YES BAT has significant competitive advantages relative to new industry entrants. These are economies of scale from its sheer size, as well as the power of its key brands (which it calls its Global Drive Brands): Dunhill, Kent, Lucky Strike and Pall Mall. Of course it helps enormously that nicotine is addictive and that generally smokers stick to their preferred brand for long periods of time. The big tobacco companies are able to produce some amazing financial results, with BAT's return on capital employed (ROCE) typically well above the 50% mark.

Has the company been free of major crises during the last decade? If there were any, were they resolved successfully?

YES BAT appears to have had a relatively quiet decade (at least in terms of problems), and things have gone more or less according to plan year after year.

Is the company free of current problems or risks (including excessive debt) which could materially impact its future prosperity?

YES BAT's share price has recently fallen from its highs of almost £38 to below £33 today. The most recent decline from the start of August came on the back of news of declining cigarette sales volumes. Some investors are afraid that the company's historically high growth rate may be at risk.

These risks are more about the longer-term future, which is covered later in this checklist. With regard to the shorter-term, there don't appear to be any obvious dangers to BAT's continued profitability, or its dividend.

Is it highly unlikely that the company's economic engine will become obsolete in the next decade?

YES The cigarette market is in decline in the developed world for obvious and good reasons. However, the developing world is still expanding its use of tobacco and is still climbing up from economy brands towards premium brands, which is where BAT has a strong market presence.

Management's expectation is that the expansion of developing markets is more than enough to offset the declines in developed markets, enabling earnings and dividends per share to continue to grow at high single digits rates for the medium and long-term.

I see no obvious reason to have a different opinion, and it seems unlikely that we'll see a cigarette-free world any time soon.

Making the trade

BAT will be added to the model portfolio a few days after this issue is published, with the usual position size of 1/30th of the portfolio's total value.

Higher ranked companies	Reason for not investing
Carillion PLC	Pension obligations too large
FirstGroup PLC	Waiting for dust to settle on recent rights issue
Vedanta Resources PLC	Too much debt
Phoenix IT Group PLC	Too UK focused and too small
Sainsbury PLC	Portfolio already holds 3 Food & Drug Retailers
Halfords PLC	Too UK focused for current portfolio
Pennon Group	Too much debt

“As owners of, say, Coca-Cola or Gillette shares, we think of Berkshire as being a non-managing partner in two extraordinary businesses, in which we measure our success by the long-term progress of the companies rather than by the month-to-month movements of their stocks.

In fact, we would not care in the least if several years went by in which there was no trading, or quotation of prices, in the stocks of those companies. If we have good long-term expectations, short-term price changes are meaningless for us except to the extent they offer us an opportunity to increase our ownership at an attractive price.”

- Warren Buffett, Berkshire Hathaway Owner's Manual for Shareholders

Please remember that this example investment analysis is for information and education only, should not be construed as advice and should not be relied upon before investing. You should perform your own analysis and independent factual verification. If you need advice you should seek a financial advisor. Please see the important notes on the last page.

A quick guide to the model portfolio and stock screen

Portfolio management policies and procedures

Deliberate Diversification - To reduce the risks that come with each individual company and its shares, it is generally considered a good idea to hold a widely diversified portfolio.

The model portfolio is diversified in terms of the number of companies (with a target of 30 equally weighted holdings), the industrial spread of those companies (no more than 2 or 3 from the same Sector) and their geographic spread (no more than 50% of portfolio revenue to be generated in the UK).

Continuous Portfolio Improvement - A portfolio of stocks is a dynamic entity much like a garden. If it is left unmanaged (as with a pure buy-and-hold portfolio) there is a risk that over time the portfolio will drift away from its original goal. For example a high yield portfolio may become an average yield portfolio if the share prices of all the holdings increase faster than the dividends.

To avoid this, the portfolio is actively managed to make sure that it only contains high quality companies with attractively valued shares. Each month a company is either added to or removed from the portfolio based on its Stock Screen rank and various other factors.

Buy and sell procedures

Buy Decisions - Each buy decision starts by looking through the Stock Screen for the highest ranked stock which is not already in the portfolio and which has a debt ratio of less than five (a debt ratio of more than five is highlighted in red).

The second step is to enter the companies results from the past decade into the investment analysis worksheet or spreadsheet which are available on the website. This makes it easier to see if the past results do actually match what the stock screen suggests, in terms of profitability, growth and consistency.

If all of that looks okay then the next step is to check the total defined pension benefit liabilities to see if they are excessive relative to the company's earnings power.

Another step is to review the qualitative history of the company over the past decade, i.e. to read its annual reports in order to get a picture of what it has been doing and what problems it has faced in recent years.

Finally, all these strands are pulled together to try to answer the questions in the investment analysis checklist about the companies past, its present and its potential future.

Sell Decisions - Sell decisions are made primarily on an existing holdings rank, with the lowest ranked shares most likely to be sold. However, there is a degree of subjectivity involved and it isn't a purely mechanical process. For example, companies which are surrounded by a reasonable amount of good news are more likely to be sold than those which are still unloved, or which are still in the middle of a turnaround strategy.

The Stock Screen

The stock screen ranks stocks based on a combination of their cyclically adjusted earnings and dividend yields, as well as the long-term growth rate and quality of that growth.

Each of these factors is based on academic research and together create a unique screen which focuses high yield shares from companies which have produced high quality results in the past.

Stock Screen - Sorted by Rank

Colour key: Green = better than FTSE 100, Light Red = worse than FTSE 100, Dark Red = Debt ratio too high

Rank	Name	EPIC	Index	Sector	Price	PE Ratio	(Value) Div.Yield	(Value) PE10	(Growth) Rate	(Growth) Quality	Debt Ratio	Earnings Power (m)
1	AstraZeneca PLC	AZN	FTSE 100	Pharmaceuticals & Biotechnology	£31.78	8.8	5.6%	10.7	13.6%	90%	0.9	£6,744
2	Chemring Group PLC	CHG	FTSE 250	Aerospace & Defense	£3.07	12.7	3.1%	11.8	27.1%	93%	3.7	£93
3	FirstGroup PLC	FGP	FTSE 250	Travel & Leisure	£1.15	5.3	5.4%	3.9	6.3%	90%	4.3	£645
4	Homeserve PLC	HSV	FTSE 250	Support Services	£2.42	11.9	4.7%	13.8	12.7%	93%	1.2	£107
5	Balfour Beatty PLC	BBY	FTSE 250	Construction & Materials	£2.46	9.1	5.7%	9.7	11.1%	88%	2.8	£308
6	Phoenix IT Group PLC	PNX	Small Cap	Software & Computer Services	£1.52	10.4	5.1%	6.6	11.3%	86%	2.9	£30
7	Imperial Tobacco Group PLC	IMT	FTSE 100	Tobacco	£21.32	10.5	5.0%	16.8	13.0%	93%	4.2	£2,279
8	MITIE Group PLC	MTO	FTSE 250	Support Services	£2.77	12.6	3.7%	17.4	13.2%	98%	2.5	£113
9	Vodafone Group PLC	VOD	FTSE 100	Mobile Telecommunications	£2.06	12.6	4.9%	13.9	8.6%	95%	3.0	£13,658
10	Vedanta Resources PLC	VED	FTSE 100	Mining	£11.62	35.9	3.2%	11.7	15.6%	90%	22.9	£478
11	Tesco PLC	TSCO	FTSE 100	Food & Drug Retailers	£3.67	9.7	4.0%	14.0	9.3%	95%	2.7	£4,020
12	Tullitt Prebon PLC	TLPR	FTSE 250	Financial Services	£3.42	8.2	4.9%	9.1	12.2%	86%	1.8	£141
13	Carillion PLC	CLLN	FTSE 250	Support Services	£2.87	8.3	6.0%	10.7	11.1%	86%	4.1	£198
14	Morrison (Wm) Supermarkets PLC	MRW	FTSE 100	Food & Drug Retailers	£2.90	11.3	4.1%	17.8	17.3%	93%	3.4	£706
15	Braemar Shipping Services PLC	BMS	Small Cap	Industrial Transportation	£4.38	13.1	5.9%	10.7	7.2%	88%	0.0	£16
16	JD Sports Fashion PLC	JD.	Small Cap	General Retailers	£9.38	10.3	2.8%	12.7	20.8%	93%	0.1	£66
17	Sainsbury (J) PLC	SBRY	FTSE 100	Food & Drug Retailers	£3.85	13.9	4.3%	22.9	23.4%	90%	4.8	£579
18	BHP Billiton PLC	BLT	FTSE 100	Mining	£18.78	14.0	2.1%	12.7	17.3%	88%	3.3	£5,507
19	SSE PLC	SSE	FTSE 100	Electricity	£15.63	19.5	5.4%	17.3	12.8%	88%	4.0	£1,538
20	BAE Systems PLC	BA.	FTSE 100	Aerospace & Defense	£4.35	13.1	4.5%	13.9	11.6%	88%	1.7	£1,781
21	Rio Tinto PLC	RIO	FTSE 100	Mining	£29.13	7.4	3.7%	9.5	18.9%	86%	2.2	£7,387
22	ICAP PLC	IAP	FTSE 250	Financial Services	£3.67	13.4	6.0%	13.6	10.4%	86%	1.9	£301
23	Halfords Group PLC	HFD	FTSE 250	General Retailers	£3.62	12.8	4.7%	11.5	6.1%	88%	1.1	£110
24	Centrica PLC	CNA	FTSE 100	Gas, Water & Multiutilities	£3.86	11.6	4.2%	17.6	10.4%	93%	2.5	£2,094
25	Greggs PLC	GRG	FTSE 250	Food & Drug Retailers	£4.17	11.4	4.7%	12.9	6.7%	90%	0.0	£59
26	Pennon Group PLC	PNN	FTSE 250	Gas, Water & Multiutilities	£7.01	12.7	4.1%	20.7	10.9%	95%	11.2	£236
27	Hill & Smith Holdings PLC	HILS	Small Cap	Industrial Engineering	£4.31	12.3	3.5%	15.4	11.3%	93%	2.4	£40
28	British American Tobacco PLC	BATS	FTSE 100	Tobacco	£32.55	15.5	4.1%	23.4	12.6%	95%	2.1	£5,037
29	Reckitt Benckiser Group PLC	RB.	FTSE 100	Household Goods & Home Construction	£43.85	17.7	3.1%	27.0	17.0%	100%	1.4	£2,335
30	Go-Ahead Group (The) PLC	GOG	FTSE 250	Travel & Leisure	£14.83	11.9	5.5%	10.6	7.4%	81%	3.5	£97
31	Stagecoach Group PLC	SGC	FTSE 250	Travel & Leisure	£3.20	11.1	2.7%	17.9	14.3%	90%	4.4	£186
32	National Grid PLC	NG.	FTSE 100	Gas, Water & Multiutilities	£7.43	12.2	5.5%	14.1	7.5%	86%	8.4	£3,362
33	Smiths News PLC	NWS	Small Cap	Support Services	£1.88	9.8	4.6%	14.3	11.3%	83%	2.6	£40
34	Royal Dutch Shell PLC	RDSB	FTSE 100	Oil & Gas Producers	£21.73	9.3	5.0%	10.3	8.6%	81%	1.1	£21,171
35	British Sky Broadcasting Group PLC	BSY	FTSE 100	Media	£8.40	13.8	3.6%	23.5	10.9%	98%	2.2	£1,108
36	Chesnara PLC	CSN	Small Cap	Life Insurance	£2.62	9.2	6.6%	13.8	4.2%	83%	0.0	£36
37	Cranswick PLC	CWK	FTSE 250	Food Producers	£11.18	14.4	2.7%	19.0	9.9%	95%	0.5	£54
38	Huntsworth PLC	HNT	Small Cap	Media	£0.62	10.2	5.7%	6.7	5.1%	81%	1.9	£38
39	Sage Group (The) PLC	SGE	FTSE 100	Software & Computer Services	£3.44	17.4	3.1%	23.2	13.1%	93%	0.7	£305
40	Anglo Pacific Group PLC	APF	Small Cap	Mining	£1.96	30.8	5.2%	16.3	9.5%	83%	0.0	£22
41	Morgan Sindall PLC	MGNS	Small Cap	Construction & Materials	£6.78	9.2	4.0%	8.6	6.1%	76%	0.1	£52
42	Serco Group PLC	SRP	FTSE 100	Support Services	£5.48	14.5	1.8%	24.1	17.4%	100%	3.4	£227
43	Mears Group PLC	MER	Small Cap	Support Services	£4.03	16.9	2.0%	23.8	16.3%	98%	2.2	£33
44	Charles Taylor PLC	CTR	Small Cap	Financial Services	£1.88	11.7	5.3%	8.5	-1.0%	81%	2.8	£15
45	Fenner PLC	FENR	FTSE 250	Industrial Engineering	£3.43	11.0	3.1%	21.5	12.8%	90%	3.7	£56
46	McBride PLC	MCB	Small Cap	Household Goods & Home Construction	£1.30	10.1	2.3%	10.4	2.1%	86%	2.4	£39
47	Menzies (John) PLC	MNZS	FTSE 250	Support Services	£7.55	11.2	3.3%	16.7	4.4%	93%	2.5	£51
48	Centaur Media PLC	CAU	Small Cap	Media	£0.41	12.6	5.5%	9.1	-1.0%	81%	1.2	£10
49	GAS PLC	GFS	FTSE 100	Support Services	£2.60	13.1	3.4%	19.4	12.2%	88%	7.4	£333
50	Headlam Group PLC	HEAD	Small Cap	Household Goods & Home Construction	£3.95	15.6	3.8%	13.6	-2.4%	88%	0.8	£43
51	Beazley PLC	BEZ	FTSE 250	Nonlife Insurance	£1.99	7.8	4.2%	11.9	9.6%	81%	0.0	£141
52	DCC PLC	DCC	FTSE 250	Support Services	£25.59	15.3	2.8%	22.4	14.3%	88%	4.9	£169
53	RSA Insurance Group PLC	RSA	FTSE 100	Nonlife Insurance	£1.19	9.1	6.2%	8.7	3.2%	76%	0.0	£761
54	Marston's PLC	MARS	FTSE 250	Travel & Leisure	£1.56	13.6	3.9%	11.0	-1.4%	83%	8.7	£135
55	Kier Group PLC	KIE	FTSE 250	Construction & Materials	£14.78	11.1	4.5%	14.6	9.1%	83%	0.4	£92
56	Brown (N) Group PLC	BWNG	FTSE 250	General Retailers	£5.41	19.0	2.5%	26.2	11.9%	95%	2.2	£111
57	Hyder Consulting PLC	HYC	Small Cap	Support Services	£4.99	10.6	2.4%	15.6	22.7%	88%	0.4	£22
58	Capita Group (The) PLC	CPI	FTSE 100	Support Services	£9.54	22.6	2.5%	31.6	14.8%	98%	4.0	£388
59	Wood Group (John) PLC	WG.	FTSE 100	Oil Equipment, Services & Distribution	£8.06	17.1	1.3%	13.3	29.0%	86%	0.5	£389
60	BG Group PLC	BG.	FTSE 100	Oil & Gas Producers	£12.27	12.0	1.4%	17.9	14.7%	93%	2.2	£4,332
61	Amlin PLC	AML	FTSE 250	Nonlife Insurance	£3.92	7.3	6.1%	9.7	2.7%	79%	0.0	£318
62	Atkins (W S) PLC	ATK	FTSE 250	Support Services	£11.80	12.6	2.7%	16.7	9.2%	88%	0.9	£124
63	Restaurant Group (The) PLC	RTN	FTSE 250	Travel & Leisure	£5.41	22.1	2.2%	32.5	13.3%	100%	0.8	£67
64	Aggreco PLC	AGK	FTSE 100	Support Services	£16.27	16.3	1.5%	32.1	26.5%	100%	2.3	£273
65	Intermediate Capital Group PLC	ICP	FTSE 250	Financial Services	£4.38	13.4	4.6%	9.9	-2.3%	81%	4.0	£288
66	BP PLC	BP.	FTSE 100	Oil & Gas Producers	£4.46	11.5	4.9%	9.2	-0.5%	79%	2.1	£14,343
67	AMEC PLC	AMEC	FTSE 100	Oil Equipment, Services & Distribution	£10.39	13.4	3.5%	24.8	14.8%	88%	0.8	£220
68	Domino's Pizza UK & IRL PLC	DOM	FTSE 250	Travel & Leisure	£5.66	22.3	2.6%	46.5	25.7%	100%	1.2	£40
69	GlaxoSmithKline PLC	GSK	FTSE 100	Pharmaceuticals & Biotechnology	£16.46	18.1	4.5%	18.3	3.9%	88%	2.4	£7,778
70	Cobham PLC	COB	FTSE 250	Aerospace & Defense	£2.85	14.6	3.1%	21.5	12.7%	88%	2.5	£252
71	Catlin Group Ltd	CGL	FTSE 250	Nonlife Insurance	£4.68	9.8	6.3%	11.0	3.2%	76%	0.0	£234
72	Vitec Group (The) PLC	VTC	Small Cap	Industrial Engineering	£6.35	13.4	3.5%	17.4	7.4%	86%	2.7	£27
73	Marks & Spencer Group PLC	MKS	FTSE 100	General Retailers	£4.72	15.9	3.6%	14.0	2.8%	83%	2.5	£910
74	RPS Group PLC	RPS	FTSE 250	Support Services	£2.50	19.6	2.6%	19.4	11.3%	90%	0.6	£51
75	Management Consulting Group PLC	MMC	Small Cap	Support Services	£0.27	8.2	3.1%	5.4	1.5%	81%	1.2	£39
76	Greene King PLC	GNK	FTSE 250	Travel & Leisure	£8.34	16.3	3.2%	17.0	5.5%	88%	7.8	£189
77	Speedy Hire PLC	SDY	Small Cap	Support Services	£0.57	66.0	0.9%	7.8	-25.9%	81%	1.2	£61
78	Barclays PLC	BARC	FTSE 100	Banks	£2.83	65.0	2.3%	8.6	-10.4%	79%	0.0	£6,696
79	NCC Group PLC	NCC	Small Cap	Software & Computer Services	£1.37	19.3	2.3%	38.8	21.8%	98%	2.1	£14
80	Admiral Group PLC	ADM	FTSE 100	Nonlife Insurance	£12.61	13.3	3.4%	21.9	12.0%	88%	0.0	£278
81	RPC Group PLC	RPC	FTSE 250	General Industrials	£4.49	11.8	3.3%	18.1	11.5%	86%	3.0	£71
82	Victrex PLC	VCT	FTSE 250	Chemicals	£15.68	18.5	2.4%	32.2	15.7%	95%	0.0	£79
83	IMI PLC	IMI	FTSE 100	Industrial Engineering	£14.35	17.6	2.3%	28.5	10.9%	98%	0.8	£311
84	Chime Communications PLC	CHW	Small Cap	Media	£3.09	61.0	2.3%	20.0	13.8%	88%	0.6	£23
85	Synergy Health PLC	SYR	FTSE 250	Health Care Equipment & Services	£11.07	20.0	1.9%	31.1	16.4%	98%	5.0	£40

Stock Screen - Sorted by Rank

Colour key: Green = better than FTSE 100, Light Red = worse than FTSE 100, Dark Red = Debt ratio too high

Rank	Name	EPIC	Index	Sector	Price	PE Ratio	(Value) Div.Yield	(Value) PE10	(Growth) Rate	(Growth) Quality	Debt Ratio	Earnings Power (m)
86	Ladbroke PLC	LAD	FTSE 250	Travel & Leisure	£1.85	8.7	4.8%	7.8	-4.1%	76%	1.3	£330
87	Man Group PLC	EMG	FTSE 250	Financial Services	£0.81	-5.2	17.7%	4.3	-8.1%	71%	1.1	£494
88	ITE Group PLC	ITE	FTSE 250	Media	£2.78	21.4	2.3%	29.5	12.7%	93%	0.7	£44
89	Domino Printing Sciences PLC	DNO	FTSE 250	Electronic & Electrical Equipment	£6.69	20.5	3.1%	26.9	12.3%	90%	0.7	£50
90	Aberdeen Asset Management PLC	ADN	FTSE 100	Financial Services	£3.52	20.0	3.3%	37.0	20.1%	90%	11.6	£207
91	CRH PLC	CRH	FTSE 100	Construction & Materials	£13.70	22.0	3.2%	13.8	3.8%	83%	3.3	£1,207
92	Bloomsbury Publishing PLC	BMV	Small Cap	Media	£1.39	12.7	4.0%	11.9	1.0%	83%	0.0	£14
93	Investec PLC	INVP	FTSE 250	Financial Services	£4.11	12.1	4.4%	10.3	-1.1%	79%	0.0	£383
94	Croda International PLC	CRDA	FTSE 100	Chemicals	£25.99	20.1	2.3%	42.3	24.3%	98%	1.6	£163
95	WPP Group PLC	WPP	FTSE 100	Media	£11.95	18.2	2.4%	26.4	12.8%	93%	4.3	£1,122
96	Smith & Nephew PLC	SN.	FTSE 100	Health Care Equipment & Services	£7.50	13.6	2.3%	21.1	13.1%	90%	0.5	£579
97	Darty PLC	DRTY	Small Cap	General Retailers	£0.81	18.9	3.7%	6.2	-10.6%	71%	1.9	£98
98	Fisher (James) & Sons PLC	FSJ	FTSE 250	Industrial Transportation	£11.01	20.2	1.6%	27.9	12.5%	98%	2.1	£39
99	Fidessa Group PLC	FDSA	FTSE 250	Software & Computer Services	£21.32	26.6	1.7%	42.3	21.3%	98%	0.0	£37
100	Bunzl PLC	BNZL	FTSE 100	Support Services	£13.61	22.1	2.1%	30.3	9.3%	100%	2.8	£298
101	Spirax-Sarco Engineering PLC	SPX	FTSE 250	Industrial Engineering	£29.72	23.2	1.9%	34.9	12.8%	100%	0.4	£128
102	Rotork PLC	ROR	FTSE 250	Industrial Engineering	£27.10	26.7	1.6%	44.9	17.5%	100%	0.0	£105
103	Weir Group PLC	WEIR	FTSE 100	Industrial Engineering	£21.75	16.4	1.7%	33.3	21.6%	95%	4.1	£265
104	Cable & Wireless Communications PLC	CWC	FTSE 250	Fixed Line Telecommunications	£0.39	20.5	6.7%	14.2	1.7%	74%	11.7	£102
105	Aviva PLC	AV.	FTSE 100	Life Insurance	£3.87	7.9	4.9%	9.7	-2.6%	71%	0.0	£1,676
106	Meggitt PLC	MGGT	FTSE 100	Aerospace & Defense	£5.27	16.2	2.2%	26.4	11.6%	90%	2.6	£285
107	HSBC Holdings PLC	HSBA	FTSE 100	Banks	£6.76	13.7	4.2%	11.6	-1.0%	76%	0.0	£16,501
108	4imprint Group PLC	FOUR	Small Cap	Media	£5.40	23.2	2.9%	28.1	7.7%	93%	0.7	£10
109	KCOM Group PLC	KCOM	FTSE 250	Fixed Line Telecommunications	£0.85	10.3	5.3%	14.8	8.3%	79%	2.2	£46
110	Antofagasta PLC	ANTO	FTSE 100	Mining	£8.55	8.8	1.6%	14.1	16.8%	83%	1.2	£994
111	St Ives PLC	SIV	Small Cap	Support Services	£1.64	9.4	3.5%	8.3	-10.9%	71%	0.7	£34
112	Whitbread PLC	WTB	FTSE 100	Travel & Leisure	£30.80	19.8	1.9%	34.4	14.0%	95%	1.7	£308
113	Diageo PLC	DGE	FTSE 100	Beverages	£19.74	18.6	2.4%	29.7	8.1%	95%	3.2	£3,174
114	Diploma PLC	DPLM	FTSE 250	Support Services	£6.00	21.1	2.4%	40.6	15.3%	95%	0.1	£32
115	SABMiller PLC	SAB	FTSE 100	Beverages	£30.74	21.9	2.1%	35.4	13.6%	95%	4.6	£2,652
116	PayPoint PLC	PAY	FTSE 250	Support Services	£10.86	23.9	2.8%	34.1	12.3%	93%	0.0	£40
117	Babcock International Group PLC	BAB	FTSE 100	Support Services	£11.38	18.9	2.3%	32.8	21.9%	90%	3.1	£227
118	Severn Trent PLC	SVT	FTSE 100	Gas, Water & Multiutilities	£16.88	20.3	4.5%	21.3	2.4%	86%	14.8	£325
119	Clarkson PLC	CKN	Small Cap	Industrial Transportation	£19.75	28.2	2.6%	17.4	7.2%	86%	0.0	£37
120	Intertek Group PLC	ITRK	FTSE 100	Support Services	£32.02	26.6	1.3%	47.8	18.8%	100%	3.3	£216
121	Laird PLC	LRD	FTSE 250	Technology Hardware & Equipment	£2.15	16.3	4.6%	15.6	-2.7%	83%	2.9	£61
122	Hays PLC	HAS	FTSE 250	Support Services	£1.03	19.9	2.4%	14.1	0.2%	79%	1.1	£160
123	William Hill PLC	WMH	FTSE 100	Travel & Leisure	£4.15	16.9	2.5%	17.3	-8.2%	90%	1.1	£375
124	Computacenter PLC	CCC	FTSE 250	Software & Computer Services	£5.05	12.9	3.4%	18.2	9.3%	83%	0.3	£64
125	Halma PLC	HLMA	FTSE 250	Electronic & Electrical Equipment	£5.47	23.8	1.9%	35.7	9.8%	100%	1.4	£116
126	Informa PLC	INF	FTSE 250	Media	£5.09	14.7	3.6%	21.4	7.6%	86%	3.4	£245
127	Anglo-Eastern Plantations PLC	AEP	Small Cap	Food Producers	£6.45	7.8	0.4%	12.0	15.6%	81%	0.4	£35
128	Standard Chartered PLC	STAN	FTSE 100	Banks	£14.41	12.1	3.6%	14.6	5.8%	81%	0.0	£3,861
129	Spectris PLC	SXS	FTSE 250	Electronic & Electrical Equipment	£22.21	18.5	1.8%	33.9	13.9%	95%	1.9	£148
130	Senior PLC	SNR	FTSE 250	Aerospace & Defense	£2.70	14.7	1.7%	24.8	18.7%	88%	1.4	£80
131	Dairy Crest Group PLC	DCG	FTSE 250	Food Producers	£5.04	11.0	4.1%	12.8	1.0%	74%	4.4	£80
132	Communis PLC	CMS	Small Cap	Support Services	£0.57	10.1	2.9%	8.7	-9.5%	69%	2.4	£17
133	Pearson PLC	PSON	FTSE 100	Media	£12.71	24.9	3.5%	26.6	6.7%	88%	3.3	£688
134	Interserve PLC	IRV	FTSE 250	Support Services	£5.60	17.3	3.7%	19.8	6.2%	83%	0.8	£61
135	Renishaw PLC	RSW	FTSE 250	Electronic & Electrical Equipment	£17.00	18.0	2.4%	32.7	12.9%	90%	0.0	£68
136	FTSE 100				6,413	14.6	3.6%	14.3	3.7%	81%		
137	Aveva Group PLC	AVV	FTSE 250	Software & Computer Services	£23.20	31.6	1.1%	49.5	27.1%	95%	0.0	£57
138	Ultra Electronics Holdings PLC	ULE	FTSE 250	Aerospace & Defense	£18.55	19.8	2.2%	27.7	13.6%	88%	0.9	£82
139	London Stock Exchange Group PLC	LSE	FTSE 100	Financial Services	£15.60	20.7	1.9%	27.6	13.8%	88%	3.0	£270
140	Telecom plus PLC	TEP	FTSE 250	Fixed Line Telecommunications	£13.47	35.3	2.3%	64.6	25.5%	90%	0.1	£27
141	Vp PLC	VP.	Small Cap	Support Services	£4.35	18.1	2.8%	22.5	7.6%	86%	4.1	£13
142	Low & Bonar PLC	LWB	Small Cap	Construction & Materials	£0.73	15.7	3.3%	13.1	-1.4%	76%	4.3	£25
143	Fuller Smith & Turner PLC	FSTA	Small Cap	Travel & Leisure	£9.21	21.0	1.5%	30.3	10.5%	98%	7.2	£19
144	Burberry Group PLC	BRBY	FTSE 100	Personal Goods	£15.34	19.6	1.9%	37.6	17.1%	93%	0.4	£335
145	Provident Financial PLC	PFG	FTSE 250	Financial Services	£16.87	15.5	4.6%	24.1	4.2%	83%	7.4	£162
146	Paragon Group of Companies (The) PLC	PAG	FTSE 250	Financial Services	£3.20	10.2	1.9%	4.6	-13.6%	74%	29.3	£312
147	Premier Farnell PLC	PFL	FTSE 250	Support Services	£2.22	14.7	4.7%	16.8	4.8%	67%	4.5	£65
148	Compass Group PLC	CPG	FTSE 100	Travel & Leisure	£8.56	27.5	2.5%	36.3	11.6%	90%	2.3	£771
149	Smiths Group PLC	SMIN	FTSE 100	General Industrials	£12.82	12.6	3.0%	19.3	5.1%	83%	2.3	£436
150	Marshalls PLC	MSLH	Small Cap	Construction & Materials	£1.48	20.1	3.5%	13.0	-10.3%	69%	2.5	£31
151	Rexam PLC	REX	FTSE 100	General Industrials	£4.88	13.0	3.1%	14.4	0.7%	79%	5.3	£421
152	United Utilities Group PLC	UU.	FTSE 100	Gas, Water & Multiutilities	£6.79	19.1	5.1%	16.0	-4.0%	74%	14.4	£428
153	Berendsen PLC	BRSN	FTSE 250	Support Services	£8.61	20.6	3.0%	26.5	5.3%	88%	5.4	£99
154	Goodwin PLC	GDWN	Small Cap	Industrial Engineering	£27.62	13.1	1.3%	29.0	13.9%	90%	1.5	£12
155	PZ Cussons PLC	PZC	FTSE 250	Personal Goods	£4.01	23.7	1.8%	31.3	10.3%	93%	1.0	£102
156	Electrocomponents PLC	ECM	FTSE 250	Support Services	£2.59	16.6	4.5%	17.5	1.4%	71%	1.9	£93
157	Shanks Group PLC	SKS	Small Cap	Support Services	£0.94	19.3	3.7%	14.2	-1.8%	76%	8.8	£40
158	Barr (A G) PLC	BAG	FTSE 250	Beverages	£5.40	23.2	1.9%	36.4	8.5%	98%	0.8	£34
159	Carr's Milling Industries PLC	CRM	Small Cap	Food Producers	£14.52	15.3	2.0%	22.4	9.0%	88%	2.5	£10
160	Dechra Pharmaceuticals PLC	DPH	FTSE 250	Pharmaceuticals & Biotechnology	£6.83	31.0	1.8%	42.6	11.8%	95%	4.5	£27
161	BT Group PLC	BT.A	FTSE 100	Fixed Line Telecommunications	£3.25	14.5	2.9%	18.2	-2.2%	83%	4.3	£2,353
162	Millennium & Cophorne Hotels PLC	MLC	FTSE 250	Travel & Leisure	£5.51	14.6	2.5%	18.2	9.1%	83%	2.2	£163
163	Associated British Foods PLC	ABF	FTSE 100	Food Producers	£18.45	22.6	1.5%	32.4	8.6%	98%	1.6	£881
164	Devro PLC	DVO	FTSE 250	Food Producers	£3.21	16.3	2.6%	26.6	10.9%	86%	0.9	£35
165	Unilever PLC	ULVR	FTSE 100	Food Producers	£24.59	19.7	3.2%	19.7	5.2%	83%	3.0	£2,732
166	Next PLC	NXT	FTSE 100	General Retailers	£48.94	16.7	2.1%	26.3	8.8%	90%	1.4	£529
167	Galliford Try PLC	GFRD	FTSE 250	Construction & Materials	£9.53	16.6	3.1%	16.6	2.1%	86%	0.9	£80
168	ARM Holdings PLC	ARM	FTSE 100	Technology Hardware & Equipment	£8.75	76.1	0.5%	180.0	21.7%	93%	0.0	£126
169	Keller Group PLC	KLR	FTSE 250	Construction & Materials	£11.11	20.5	2.1%	18.1	5.7%	86%	1.4	£75
170	Close Brothers Group PLC	CBG	FTSE 250	Financial Services	£10.37	15.4	4.0%	16.6	0.6%	76%	0.0	£141

Stock Screen - Sorted by Rank

Colour key: Green = better than FTSE 100, Light Red = worse than FTSE 100, Dark Red = Debt ratio too high

Rank	Name	EPIC	Index	Sector	Price	PE Ratio	(Value) Div.Yield	(Value) PE10	(Growth) Rate	(Growth) Quality	Debt Ratio	Earnings Power (m)
171	Tarsus PLC	TRS	Small Cap	Media	£2.31	28.7	3.0%	25.2	10.0%	81%	1.8	£14
172	Reed Elsevier PLC	REL	FTSE 100	Media	£7.92	17.4	2.9%	25.3	6.9%	83%	3.3	£615
173	Lavendon Group PLC	LVD	Small Cap	Support Services	£1.72	17.2	1.6%	11.3	4.8%	74%	2.9	£38
174	Tate & Lyle PLC	TATE	FTSE 100	Food Producers	£8.05	14.1	3.3%	18.2	2.2%	81%	2.7	£333
175	Greencore Group PLC	GNC	Small Cap	Food Producers	£1.48	14.3	2.5%	16.2	-3.2%	74%	5.3	£54
176	Jardine Lloyd Thompson Group PLC	JLT	FTSE 250	Nonlife Insurance	£9.04	17.1	2.8%	25.9	8.2%	81%	2.0	£124
177	Ricardo PLC	RCDO	Small Cap	Support Services	£4.73	16.4	2.6%	20.6	6.8%	81%	0.1	£19
178	Old Mutual PLC	OML	FTSE 100	Life Insurance	£1.81	14.1	3.9%	13.0	-4.3%	76%	0.0	£1,041
179	Brammer PLC	BRAM	Small Cap	Support Services	£4.65	22.2	2.0%	32.7	11.3%	90%	1.9	£30
180	De La Rue PLC	DLAR	FTSE 250	Support Services	£9.96	19.7	4.2%	21.9	5.5%	76%	1.5	£69
181	S & U PLC	SUS	Small Cap	Financial Services	£13.26	14.4	3.5%	21.7	4.1%	81%	1.8	£12
182	Rolls-Royce Group PLC	RR	FTSE 100	Aerospace & Defense	£11.12	13.5	1.8%	31.1	10.5%	90%	1.7	£1,218
183	British Polythene Industries PLC	BPI	Small Cap	General Industrials	£5.74	13.2	2.3%	14.2	-1.4%	74%	1.5	£16
184	Dignity PLC	DTY	FTSE 250	General Retailers	£14.50	23.1	1.1%	35.4	11.2%	93%	8.3	£40
185	Genus PLC	GNS	FTSE 250	Pharmaceuticals & Biotechnology	£14.60	47.9	1.3%	49.0	11.6%	93%	2.2	£34
186	United Drug PLC	UDG	FTSE 250	Food & Drug Retailers	£3.39	20.2	0.5%	22.8	6.4%	86%	3.7	£61
187	Prudential PLC	PRU	FTSE 100	Life Insurance	£10.78	12.1	2.7%	25.8	6.6%	83%	0.0	£1,785
188	Ted Baker PLC	TED	FTSE 250	Personal Goods	£18.70	35.7	1.4%	51.0	9.7%	95%	0.7	£30
189	Robert Walters PLC	RWA	Small Cap	Support Services	£2.84	42.3	1.8%	24.6	6.2%	86%	0.9	£17
190	Johnson Matthey PLC	JMAT	FTSE 100	Chemicals	£28.41	20.0	2.0%	27.9	11.1%	83%	2.7	£347
191	Bodycote PLC	BOY	FTSE 250	Industrial Engineering	£6.28	16.2	2.0%	28.1	7.0%	88%	0.6	£75
192	Legal & General Group PLC	LGEN	FTSE 100	Life Insurance	£1.87	13.3	4.1%	18.0	0.4%	74%	0.1	£906
193	Rathbone Brothers PLC	RAT	FTSE 250	Financial Services	£15.56	23.2	3.0%	25.0	2.5%	81%	0.0	£46
194	Brewin Dolphin Holdings PLC	BRW	FTSE 250	Financial Services	£2.63	28.9	2.7%	27.5	6.7%	79%	0.0	£41
195	InterContinental Hotels Group PLC	IHG	FTSE 100	Travel & Leisure	£18.03	15.5	2.3%	26.3	11.1%	81%	2.7	£292
196	Schroders PLC	SDR	FTSE 100	Financial Services	£23.13	22.7	1.9%	30.2	9.6%	86%	6.2	£357
197	Savills PLC	SVS	FTSE 250	Real Estate Investment & Services	£6.05	18.8	1.7%	21.1	0.8%	83%	0.0	£64
198	BBA Aviation PLC	BBA	FTSE 250	Industrial Transportation	£3.08	17.5	2.9%	19.3	1.1%	71%	3.3	£109
199	Euromoney Institutional Investor PLC	ERM	FTSE 250	Media	£12.02	21.3	1.8%	32.3	6.7%	88%	0.5	£83
200	F&C Asset Management PLC	FCAM	FTSE 250	Financial Services	£0.97	19.0	3.1%	24.4	-11.4%	57%	10.1	£26
201	Smith (DS) PLC	SMDS	FTSE 250	General Industrials	£2.58	16.4	3.1%	26.3	3.7%	81%	6.5	£148
202	Kingfisher PLC	KGF	FTSE 100	General Retailers	£3.85	15.3	2.5%	21.1	2.8%	76%	0.7	£660
203	Bellway PLC	BWY	FTSE 250	Household Goods & Home Construction	£13.41	20.6	1.5%	17.9	-10.9%	83%	0.5	£152
204	Daejan Holdings PLC	DJAN	FTSE 250	Real Estate Investment & Services	£40.10	7.3	2.0%	22.1	2.6%	81%	6.0	£48
205	Hunting PLC	HTG	FTSE 250	Oil Equipment, Services & Distribution	£8.19	18.2	2.3%	30.9	2.5%	90%	3.8	£71
206	Dialight PLC	DIA	FTSE 250	Electronic & Electrical Equipment	£13.50	33.6	1.0%	77.5	12.4%	88%	0.0	£10
207	Michael Page International PLC	MPI	FTSE 250	Support Services	£4.63	32.5	2.2%	28.3	7.4%	81%	0.1	£85
208	Consort Medical PLC	CSRT	Small Cap	Health Care Equipment & Services	£8.25	21.3	2.4%	20.2	0.9%	67%	0.0	£16
209	Wilmington Group PLC	WIL	Small Cap	Media	£1.94	32.9	3.6%	29.4	4.2%	69%	5.1	£8
210	Porvair PLC	PRV	Small Cap	Alternative Energy	£2.52	25.4	1.0%	43.2	7.0%	90%	2.4	£5
211	UK Mail Group PLC	UKM	Small Cap	Industrial Transportation	£6.30	25.2	3.0%	30.1	3.3%	74%	0.1	£17
212	Tullow Oil PLC	TLW	FTSE 100	Oil & Gas Producers	£10.08	24.0	1.2%	50.0	14.6%	81%	2.5	£297
213	Boot (Henry) PLC	BHY	Small Cap	Construction & Materials	£1.95	27.2	2.4%	26.8	-1.5%	79%	1.7	£15
214	Tribal Group PLC	TRB	Small Cap	Support Services	£1.96	22.4	0.6%	17.9	-8.7%	74%	1.2	£15
215	Oxford Instruments PLC	OXIG	FTSE 250	Electronic & Electrical Equipment	£14.29	33.3	0.8%	69.0	16.9%	74%	0.0	£17
216	St James's Place PLC	STJ	FTSE 250	Life Insurance	£5.94	30.2	1.8%	42.5	7.3%	81%	0.0	£116
217	Xaar PLC	XAR	FTSE 250	Electronic & Electrical Equipment	£8.13	41.3	0.5%	90.1	9.6%	79%	0.1	£11
218	Helical Bar PLC	HLCL	Small Cap	Real Estate Investment & Services	£2.68	53.6	2.1%	27.7	-12.0%	74%	15.4	£17
219	Carclo PLC	CAR	Small Cap	Chemicals	£3.65	52.4	0.7%	45.0	5.3%	79%	3.0	£8

Stock Screen - Sorted by Name

Colour key: Green = better than FTSE 100, Light Red = worse than FTSE 100, Dark Red = Debt ratio too high

Rank	Name	EPIC	Index	Sector	Price	PE Ratio	(Value) Div.Yield	(Value) PE10	(Growth) Rate	(Growth) Quality	Debt Ratio	Earnings Power (m)
108	4imprint Group PLC	FOUR	Small Cap	Media	£5.40	23.2	2.9%	28.1	7.7%	93%	0.7	£10
90	Aberdeen Asset Management PLC	ADN	FTSE 100	Financial Services	£3.52	20.0	3.3%	37.0	20.1%	90%	11.6	£207
80	Admiral Group PLC	ADM	FTSE 100	Nonlife Insurance	£12.61	13.3	3.4%	21.9	12.0%	88%	0.0	£278
64	Aggreko PLC	AGK	FTSE 100	Support Services	£16.27	16.3	1.5%	32.1	26.5%	100%	2.3	£273
67	AMEC PLC	AMEC	FTSE 100	Oil Equipment, Services & Distribution	£10.39	13.4	3.5%	24.8	14.8%	88%	0.8	£220
61	Amlin PLC	AML	FTSE 250	Nonlife Insurance	£3.92	7.3	6.1%	9.7	2.7%	79%	0.0	£318
40	Anglo Pacific Group PLC	APF	Small Cap	Mining	£1.96	30.8	5.2%	16.3	9.5%	83%	0.0	£22
127	Anglo-Eastern Plantations PLC	AEP	Small Cap	Food Producers	£6.45	7.8	0.4%	12.0	15.6%	81%	0.4	£35
110	Antofagasta PLC	ANTO	FTSE 100	Mining	£8.55	8.8	1.6%	14.1	16.8%	83%	1.2	£994
168	ARM Holdings PLC	ARM	FTSE 100	Technology Hardware & Equipment	£8.75	76.1	0.5%	180.0	21.7%	93%	0.0	£126
163	Associated British Foods PLC	ABF	FTSE 100	Food Producers	£18.45	22.6	1.5%	32.4	8.6%	98%	1.6	£881
1	AstraZeneca PLC	AZN	FTSE 100	Pharmaceuticals & Biotechnology	£31.78	8.8	5.6%	10.7	13.6%	90%	0.9	£6,744
62	Atkins (W S) PLC	ATK	FTSE 250	Support Services	£11.80	12.6	2.7%	16.7	9.2%	88%	0.9	£124
137	Aveva Group PLC	AVV	FTSE 250	Software & Computer Services	£23.20	31.6	1.1%	49.5	27.1%	95%	0.0	£57
105	Aviva PLC	AV	FTSE 100	Life Insurance	£3.87	7.9	4.9%	9.7	-2.6%	71%	0.0	£1,676
117	Babcock International Group PLC	BAB	FTSE 100	Support Services	£11.38	18.9	2.3%	32.8	21.9%	90%	3.1	£227
20	BAE Systems PLC	BA	FTSE 100	Aerospace & Defense	£4.35	13.1	4.5%	13.9	11.6%	88%	1.7	£1,781
5	Balfour Beatty PLC	BBY	FTSE 250	Construction & Materials	£2.46	9.1	5.7%	9.7	11.1%	88%	2.8	£308
78	Barclays PLC	BARC	FTSE 100	Banks	£2.83	65.0	2.3%	8.6	-10.4%	79%	0.0	£6,696
158	Barr (A G) PLC	BAG	FTSE 250	Beverages	£5.40	23.2	1.9%	36.4	8.5%	98%	0.8	£34
198	BBA Aviation PLC	BBA	FTSE 250	Industrial Transportation	£3.08	17.5	2.9%	19.3	1.1%	71%	3.3	£109
51	Beazley PLC	BEZ	FTSE 250	Nonlife Insurance	£1.99	7.8	4.2%	11.9	9.6%	81%	0.0	£141
203	Bellway PLC	BWY	FTSE 250	Household Goods & Home Construction	£13.41	20.6	1.5%	17.9	-10.9%	83%	0.5	£152
153	Berendsen PLC	BRSN	FTSE 250	Support Services	£8.61	20.6	3.0%	26.5	5.3%	88%	5.4	£99
60	BG Group PLC	BG	FTSE 100	Oil & Gas Producers	£12.27	12.0	1.4%	17.9	14.7%	93%	2.2	£4,332
18	BHP Billiton PLC	BLT	FTSE 100	Mining	£18.78	14.0	2.1%	12.7	17.3%	88%	3.3	£5,507
92	Bloomsbury Publishing PLC	BMV	Small Cap	Media	£1.39	12.7	4.0%	11.9	1.0%	83%	0.0	£14
191	Bodycote PLC	BOY	FTSE 250	Industrial Engineering	£6.28	16.2	2.0%	28.1	7.0%	88%	0.6	£75
213	Boot (Henry) PLC	BHY	Small Cap	Construction & Materials	£1.95	27.2	2.4%	26.8	-1.5%	79%	1.7	£15
66	BP PLC	BP	FTSE 100	Oil & Gas Producers	£4.46	11.5	4.9%	9.2	-0.5%	79%	2.1	£14,343
15	Braemar Shipping Services PLC	BMS	Small Cap	Industrial Transportation	£4.38	13.1	5.9%	10.7	7.2%	88%	0.0	£16
179	Brammer PLC	BRAM	Small Cap	Support Services	£4.65	22.2	2.0%	32.7	11.3%	90%	1.9	£30
194	Brewin Dolphin Holdings PLC	BRW	FTSE 250	Financial Services	£2.63	28.9	2.7%	27.5	6.7%	79%	0.0	£41
28	British American Tobacco PLC	BATS	FTSE 100	Tobacco	£32.55	15.5	4.1%	23.4	12.6%	95%	2.1	£5,037
183	British Polythene Industries PLC	BPI	Small Cap	General Industrials	£5.74	13.2	2.3%	14.2	-1.4%	74%	1.5	£16
35	British Sky Broadcasting Group PLC	BSY	FTSE 100	Media	£8.40	13.8	3.6%	23.5	10.9%	98%	2.2	£1,108
56	Brown (N) Group PLC	BWNG	FTSE 250	General Retailers	£5.41	19.0	2.5%	26.2	11.9%	95%	2.2	£111
161	BT Group PLC	BT.A	FTSE 100	Fixed Line Telecommunications	£3.25	14.5	2.9%	18.2	-2.2%	83%	4.3	£2,353
100	Bunzl PLC	BNZL	FTSE 100	Support Services	£13.61	22.1	2.1%	30.3	9.3%	100%	2.8	£298
144	Burberry Group PLC	BRBY	FTSE 100	Personal Goods	£15.34	19.6	1.9%	37.6	17.1%	93%	0.4	£335
104	Cable & Wireless Communications PLC	CWC	FTSE 250	Fixed Line Telecommunications	£0.39	20.5	6.7%	14.2	1.7%	74%	11.7	£102
58	Capita Group (The) PLC	CPI	FTSE 100	Support Services	£9.54	22.6	2.5%	31.6	14.8%	98%	4.0	£388
219	Carclo PLC	CAR	Small Cap	Chemicals	£3.65	52.4	0.7%	45.0	5.3%	79%	3.0	£8
13	Carillion PLC	CLLN	FTSE 250	Support Services	£2.87	8.3	6.0%	10.7	11.1%	86%	4.1	£198
159	Carr's Milling Industries PLC	CRM	Small Cap	Food Producers	£14.52	15.3	2.0%	22.4	9.0%	88%	2.5	£10
71	Catlin Group Ltd	CGL	FTSE 250	Nonlife Insurance	£4.68	9.8	6.3%	11.0	3.2%	76%	0.0	£234
48	Centaur Media PLC	CAU	Small Cap	Media	£0.41	12.6	5.5%	9.1	-1.0%	81%	1.2	£10
24	Centrica PLC	CNA	FTSE 100	Gas, Water & Multiutilities	£3.86	11.6	4.2%	17.6	10.4%	93%	2.5	£2,094
44	Charles Taylor PLC	CTR	Small Cap	Financial Services	£1.88	11.7	5.3%	8.5	-1.0%	81%	2.8	£15
2	Chemring Group PLC	CHG	FTSE 250	Aerospace & Defense	£3.07	12.7	3.1%	11.8	27.1%	93%	3.7	£93
36	Chesnara PLC	CSN	Small Cap	Life Insurance	£2.62	9.2	6.6%	13.8	4.2%	83%	0.0	£36
84	Chime Communications PLC	CHW	Small Cap	Media	£3.09	61.0	2.3%	20.0	13.8%	88%	0.6	£23
119	Clarkson PLC	CKN	Small Cap	Industrial Transportation	£19.75	28.2	2.6%	17.4	7.2%	86%	0.0	£37
170	Close Brothers Group PLC	CBG	FTSE 250	Financial Services	£10.37	15.4	4.0%	16.6	0.6%	76%	0.0	£141
70	Cobham PLC	COB	FTSE 250	Aerospace & Defense	£2.85	14.6	3.1%	21.5	12.7%	88%	2.5	£252
132	Communis PLC	CMS	Small Cap	Support Services	£0.57	10.1	2.9%	8.7	-9.5%	69%	2.4	£17
148	Compass Group PLC	CPG	FTSE 100	Travel & Leisure	£8.56	27.5	2.5%	36.3	11.6%	90%	2.3	£771
124	Computacenter PLC	CCC	FTSE 250	Software & Computer Services	£5.05	12.9	3.4%	18.2	9.3%	83%	0.3	£64
208	Consort Medical PLC	CSRT	Small Cap	Health Care Equipment & Services	£8.25	21.3	2.4%	20.2	0.9%	67%	0.0	£16
37	Cranswick PLC	CWK	FTSE 250	Food Producers	£11.18	14.4	2.7%	19.0	9.9%	95%	0.5	£54
91	CRH PLC	CRH	FTSE 100	Construction & Materials	£13.70	22.0	3.2%	13.8	3.8%	83%	3.3	£1,207
94	Croda International PLC	CRDA	FTSE 100	Chemicals	£25.99	20.1	2.3%	42.3	24.3%	98%	1.6	£163
204	Daejan Holdings PLC	DJAN	FTSE 250	Real Estate Investment & Services	£40.10	7.3	2.0%	22.1	2.6%	81%	6.0	£48
131	Dairy Crest Group PLC	DCG	FTSE 250	Food Producers	£5.04	11.0	4.1%	12.8	1.0%	74%	4.4	£80
97	Darty PLC	DRTY	Small Cap	General Retailers	£0.81	18.9	3.7%	6.2	-10.6%	71%	1.9	£98
52	DCC PLC	DCC	FTSE 250	Support Services	£25.59	15.3	2.8%	22.4	14.3%	88%	4.9	£169
180	De La Rue PLC	DLAR	FTSE 250	Support Services	£9.96	19.7	4.2%	21.9	5.5%	76%	1.5	£69
160	Dechra Pharmaceuticals PLC	DPH	FTSE 250	Pharmaceuticals & Biotechnology	£6.83	31.0	1.8%	42.6	11.8%	95%	4.5	£27
164	Devro PLC	DVO	FTSE 250	Food Producers	£3.21	16.3	2.6%	26.6	10.9%	86%	0.9	£35
113	Diageo PLC	DGE	FTSE 100	Beverages	£19.74	18.6	2.4%	29.7	8.1%	95%	3.2	£3,174
206	Dialight PLC	DIA	FTSE 250	Electronic & Electrical Equipment	£13.50	33.6	1.0%	77.5	12.4%	88%	0.0	£10
184	Dignity PLC	DTY	FTSE 250	General Retailers	£14.50	23.1	1.1%	35.4	11.2%	93%	8.3	£40
114	Diploma PLC	DPLM	FTSE 250	Support Services	£6.00	21.1	2.4%	40.6	15.3%	95%	0.1	£32
89	Domino Printing Sciences PLC	DNO	FTSE 250	Electronic & Electrical Equipment	£6.69	20.5	3.1%	26.9	12.3%	90%	0.7	£50
68	Domino's Pizza UK & IRL PLC	DOM	FTSE 250	Travel & Leisure	£5.66	22.3	2.6%	46.5	25.7%	100%	1.2	£40
156	Electrocomponents PLC	ECM	FTSE 250	Support Services	£2.59	16.6	4.5%	17.5	1.4%	71%	1.9	£93
199	Euromoney Institutional Investor PLC	ERM	FTSE 250	Media	£12.02	21.3	1.8%	32.3	6.7%	88%	0.5	£83
200	F&C Asset Management PLC	FCAM	FTSE 250	Financial Services	£0.97	19.0	3.1%	24.4	-11.4%	57%	10.1	£26
45	Fenner PLC	FENR	FTSE 250	Industrial Engineering	£3.43	11.0	3.1%	21.5	12.8%	90%	3.7	£56
99	Fidessa Group PLC	FDSA	FTSE 250	Software & Computer Services	£21.32	26.6	1.7%	42.3	21.3%	98%	0.0	£37
3	FirstGroup PLC	FGP	FTSE 250	Travel & Leisure	£1.15	5.3	5.4%	3.9	6.3%	90%	4.3	£645
98	Fisher (James) & Sons PLC	FSJ	FTSE 250	Industrial Transportation	£11.01	20.2	1.6%	27.9	12.5%	98%	2.1	£39
136	FTSE 100				6,413	14.6	3.6%	14.3	3.7%	81%		
143	Fuller Smith & Turner PLC	FSTA	Small Cap	Travel & Leisure	£9.21	21.0	1.5%	30.3	10.5%	98%	7.2	£19
49	G4S PLC	GFS	FTSE 100	Support Services	£2.60	13.1	3.4%	19.4	12.2%	88%	7.4	£333

Stock Screen - Sorted by Name

Colour key: Green = better than FTSE 100, Light Red = worse than FTSE 100, Dark Red = Debt ratio too high

Rank	Name	EPIC	Index	Sector	Price	PE Ratio	(Value) Div.Yield	(Value) PE10	(Growth) Rate	(Growth) Quality	Debt Ratio	Earnings Power (m)
167	Galliford Try PLC	GFRD	FTSE 250	Construction & Materials	£9.53	16.6	3.1%	16.6	2.1%	86%	0.9	£80
185	Genus PLC	GNS	FTSE 250	Pharmaceuticals & Biotechnology	£14.60	47.9	1.3%	49.0	11.6%	93%	2.2	£34
69	GlaxoSmithKline PLC	GSK	FTSE 100	Pharmaceuticals & Biotechnology	£16.46	18.1	4.5%	18.3	3.9%	88%	2.4	£7,778
30	Go-Ahead Group (The) PLC	GOG	FTSE 250	Travel & Leisure	£14.83	11.9	5.5%	10.6	7.4%	81%	3.5	£97
154	Goodwin PLC	GDWN	Small Cap	Industrial Engineering	£27.62	13.1	1.3%	29.0	13.9%	90%	1.5	£12
175	Greencore Group PLC	GNC	Small Cap	Food Producers	£1.48	14.3	2.5%	16.2	-3.2%	74%	5.3	£54
76	Greene King PLC	GNK	FTSE 250	Travel & Leisure	£8.34	16.3	3.2%	17.0	5.5%	88%	7.8	£189
25	Greggs PLC	GRG	FTSE 250	Food & Drug Retailers	£4.17	11.4	4.7%	12.9	6.7%	90%	0.0	£59
23	Halfords Group PLC	HFD	FTSE 250	General Retailers	£3.62	12.8	4.7%	11.5	6.1%	88%	1.1	£110
125	Halma PLC	HLMA	FTSE 250	Electronic & Electrical Equipment	£5.47	23.8	1.9%	35.7	9.8%	100%	1.4	£116
122	Hays PLC	HAS	FTSE 250	Support Services	£1.03	19.9	2.4%	14.1	0.2%	79%	1.1	£160
50	Headlam Group PLC	HEAD	Small Cap	Household Goods & Home Construction	£3.95	15.6	3.8%	13.6	-2.4%	88%	0.8	£43
218	Helical Bar PLC	HLCL	Small Cap	Real Estate Investment & Services	£2.68	53.6	2.1%	27.7	-12.0%	74%	15.4	£17
27	Hill & Smith Holdings PLC	HILS	Small Cap	Industrial Engineering	£4.31	12.3	3.5%	15.4	11.3%	93%	2.4	£40
4	Homeserve PLC	HSV	FTSE 250	Support Services	£2.42	11.9	4.7%	13.8	12.7%	93%	1.2	£107
107	HSBC Holdings PLC	HSBA	FTSE 100	Banks	£6.76	13.7	4.2%	11.6	-1.0%	76%	0.0	£16,501
205	Hunting PLC	HTG	FTSE 250	Oil Equipment, Services & Distribution	£8.19	18.2	2.3%	30.9	2.5%	90%	3.8	£71
38	Huntsworth PLC	HNT	Small Cap	Media	£0.62	10.2	5.7%	6.7	5.1%	81%	1.9	£38
57	Hyder Consulting PLC	HYC	Small Cap	Support Services	£4.99	10.6	2.4%	15.6	22.7%	88%	0.4	£22
22	ICAP PLC	IAP	FTSE 250	Financial Services	£3.67	13.4	6.0%	13.6	10.4%	86%	1.9	£301
83	IMI PLC	IMI	FTSE 100	Industrial Engineering	£14.35	17.6	2.3%	28.5	10.9%	98%	0.8	£311
7	Imperial Tobacco Group PLC	IMT	FTSE 100	Tobacco	£21.32	10.5	5.0%	16.8	13.0%	93%	4.2	£2,279
126	Informa PLC	INF	FTSE 250	Media	£5.09	14.7	3.6%	21.4	7.6%	86%	3.4	£245
195	InterContinental Hotels Group PLC	IHG	FTSE 100	Travel & Leisure	£18.03	15.5	2.3%	26.3	11.1%	81%	2.7	£292
65	Intermediate Capital Group PLC	ICP	FTSE 250	Financial Services	£4.38	13.4	4.6%	9.9	-2.3%	81%	4.0	£288
134	Interserve PLC	IRV	FTSE 250	Support Services	£5.60	17.3	3.7%	19.8	6.2%	83%	0.8	£61
120	Intertek Group PLC	ITRK	FTSE 100	Support Services	£32.02	26.6	1.3%	47.8	18.8%	100%	3.3	£216
93	Investec PLC	INVP	FTSE 250	Financial Services	£4.11	12.1	4.4%	10.3	-1.1%	79%	0.0	£383
88	ITE Group PLC	ITE	FTSE 250	Media	£2.78	21.4	2.3%	29.5	12.7%	93%	0.7	£44
176	Jardine Lloyd Thompson Group PLC	JLT	FTSE 250	Nonlife Insurance	£9.04	17.1	2.8%	25.9	8.2%	81%	2.0	£124
16	JD Sports Fashion PLC	JD.	Small Cap	General Retailers	£9.38	10.3	2.8%	12.7	20.8%	93%	0.1	£66
190	Johnson Matthey PLC	JMAT	FTSE 100	Chemicals	£28.41	20.0	2.0%	27.9	11.1%	83%	2.7	£347
109	KCOM Group PLC	KCOM	FTSE 250	Fixed Line Telecommunications	£0.85	10.3	5.3%	14.8	8.3%	79%	2.2	£46
169	Keller Group PLC	KLR	FTSE 250	Construction & Materials	£11.11	20.5	2.1%	18.1	5.7%	86%	1.4	£75
55	Kier Group PLC	KIE	FTSE 250	Construction & Materials	£14.78	11.1	4.5%	14.6	9.1%	83%	0.4	£92
202	Kingfisher PLC	KGF	FTSE 100	General Retailers	£3.85	15.3	2.5%	21.1	2.8%	76%	0.7	£660
86	Ladbrokes PLC	LAD	FTSE 250	Travel & Leisure	£1.85	8.7	4.8%	7.8	-4.1%	76%	1.3	£330
121	Laird PLC	LRD	FTSE 250	Technology Hardware & Equipment	£2.15	16.3	4.6%	15.6	-2.7%	83%	2.9	£61
173	Lavendon Group PLC	LVD	Small Cap	Support Services	£1.72	17.2	1.6%	11.3	4.8%	74%	2.9	£38
192	Legal & General Group PLC	LGEN	FTSE 100	Life Insurance	£1.87	13.3	4.1%	18.0	0.4%	74%	0.1	£906
139	London Stock Exchange Group PLC	LSE	FTSE 100	Financial Services	£15.60	20.7	1.9%	27.6	13.8%	88%	3.0	£270
142	Low & Bonar PLC	LWB	Small Cap	Construction & Materials	£0.73	15.7	3.3%	13.1	-1.4%	76%	4.3	£25
87	Man Group PLC	EMG	FTSE 250	Financial Services	£0.81	-5.2	17.7%	4.3	-8.1%	71%	1.1	£494
75	Management Consulting Group PLC	MMC	Small Cap	Support Services	£0.27	8.2	3.1%	5.4	1.5%	81%	1.2	£39
73	Marks & Spencer Group PLC	MKS	FTSE 100	General Retailers	£4.72	15.9	3.6%	14.0	2.8%	83%	2.5	£910
150	Marshalls PLC	MSLH	Small Cap	Construction & Materials	£1.48	20.1	3.5%	13.0	-10.3%	69%	2.5	£31
54	Marston's PLC	MARS	FTSE 250	Travel & Leisure	£1.56	13.6	3.9%	11.0	-1.4%	83%	8.7	£135
46	McBride PLC	MCB	Small Cap	Household Goods & Home Construction	£1.30	10.1	2.3%	10.4	2.1%	86%	2.4	£39
43	Mears Group PLC	MER	Small Cap	Support Services	£4.03	16.9	2.0%	23.8	16.3%	98%	2.2	£33
106	Meggitt PLC	MGGT	FTSE 100	Aerospace & Defense	£5.27	16.2	2.2%	26.4	11.6%	90%	2.6	£285
47	Menzies (John) PLC	MNZS	FTSE 250	Support Services	£7.55	11.2	3.3%	16.7	4.4%	93%	2.5	£51
207	Michael Page International PLC	MPI	FTSE 250	Support Services	£4.63	32.5	2.2%	28.3	7.4%	81%	0.1	£85
162	Millennium & Cophorne Hotels PLC	MLC	FTSE 250	Travel & Leisure	£5.51	14.6	2.5%	18.2	9.1%	83%	2.2	£163
8	MITIE Group PLC	MITG	FTSE 250	Support Services	£2.77	12.6	3.7%	17.4	13.2%	98%	2.5	£113
41	Morgan Sindall PLC	MGNS	Small Cap	Construction & Materials	£6.78	9.2	4.0%	8.6	6.1%	76%	0.1	£52
14	Morrison (Wm) Supermarkets PLC	MRW	FTSE 100	Food & Drug Retailers	£2.90	11.3	4.1%	17.8	17.3%	93%	3.4	£706
32	National Grid PLC	NG.	FTSE 100	Gas, Water & Multiutilities	£7.43	12.2	5.5%	14.1	7.5%	86%	8.4	£3,362
79	NCC Group PLC	NCC	Small Cap	Software & Computer Services	£1.37	19.3	2.3%	38.8	21.8%	98%	2.1	£11
166	Next PLC	NXT	FTSE 100	General Retailers	£48.94	16.7	2.1%	26.3	8.8%	90%	1.4	£529
178	Old Mutual PLC	OML	FTSE 100	Life Insurance	£1.81	14.1	3.9%	13.0	-4.3%	76%	0.0	£1,041
215	Oxford Instruments PLC	OXIG	FTSE 250	Electronic & Electrical Equipment	£14.29	33.3	0.8%	69.0	16.9%	74%	0.0	£17
146	Paragon Group of Companies (The) PLC	PAG	FTSE 250	Financial Services	£3.20	10.2	1.9%	4.6	-13.6%	74%	29.3	£312
116	PayPoint PLC	PAY	FTSE 250	Support Services	£10.86	23.9	2.8%	34.1	12.3%	93%	0.0	£40
133	Pearson PLC	PSON	FTSE 100	Media	£12.71	24.9	3.5%	26.6	6.7%	88%	3.3	£688
26	Pennon Group PLC	PNN	FTSE 250	Gas, Water & Multiutilities	£7.01	12.7	4.1%	20.7	10.9%	95%	11.2	£236
6	Phoenix IT Group PLC	PNX	Small Cap	Software & Computer Services	£1.52	10.4	5.1%	6.6	11.3%	86%	2.9	£30
210	Porvair PLC	PRV	Small Cap	Alternative Energy	£2.52	25.4	1.0%	43.2	7.0%	90%	2.4	£5
147	Premier Farnell PLC	PFL	FTSE 250	Support Services	£2.22	14.7	4.7%	16.8	4.8%	67%	4.5	£65
145	Provident Financial PLC	PFG	FTSE 250	Financial Services	£16.87	15.5	4.6%	24.1	4.2%	83%	7.4	£162
187	Prudential PLC	PRU	FTSE 100	Life Insurance	£10.78	12.1	2.7%	25.8	6.6%	83%	0.0	£1,785
155	PZ Cussons PLC	PZC	FTSE 250	Personal Goods	£4.01	23.7	1.8%	31.3	10.3%	93%	1.0	£102
193	Rathbone Brothers PLC	RAT	FTSE 250	Financial Services	£15.56	23.2	3.0%	25.0	2.5%	81%	0.0	£46
29	Reckitt Benckiser Group PLC	RB.	FTSE 100	Household Goods & Home Construction	£43.85	17.7	3.1%	27.0	17.0%	100%	1.4	£2,335
172	Reed Elsevier PLC	REL	FTSE 100	Media	£7.92	17.4	2.9%	25.3	6.9%	83%	3.3	£615
135	Renishaw PLC	RSW	FTSE 250	Electronic & Electrical Equipment	£17.00	18.0	2.4%	32.7	12.9%	90%	0.0	£68
63	Restaurant Group (The) PLC	RTN	FTSE 250	Travel & Leisure	£5.41	22.1	2.2%	32.5	13.3%	100%	0.8	£67
151	Rexam PLC	REX	FTSE 100	General Industrials	£4.88	13.0	3.1%	14.4	0.7%	79%	5.3	£421
177	Ricardo PLC	RCDO	Small Cap	Support Services	£4.73	16.4	2.6%	20.6	6.8%	81%	0.1	£19
21	Rio Tinto PLC	RIO	FTSE 100	Mining	£29.13	7.4	3.7%	9.5	18.9%	86%	2.2	£7,387
189	Robert Walters PLC	RWA	Small Cap	Support Services	£2.84	42.3	1.8%	24.6	6.2%	86%	0.9	£17
182	Rolls-Royce Group PLC	RR.	FTSE 100	Aerospace & Defense	£11.12	13.5	1.8%	31.1	10.5%	90%	1.7	£1,218
102	Rotork PLC	ROR	FTSE 250	Industrial Engineering	£27.10	26.7	1.6%	44.9	17.5%	100%	0.0	£105
34	Royal Dutch Shell PLC	RDSB	FTSE 100	Oil & Gas Producers	£21.73	9.3	5.0%	10.3	8.6%	81%	1.1	£21,171
81	RPC Group PLC	RPC	FTSE 250	General Industrials	£4.49	11.8	3.3%	18.1	11.5%	86%	3.0	£71
74	RPS Group PLC	RPS	FTSE 250	Support Services	£2.50	19.6	2.6%	19.4	11.3%	90%	0.6	£51

Stock Screen - Sorted by Name

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Rank	Name	EPIC	Index	Sector	Price	PE Ratio	(Value) Div.Yield	(Value) PE10	(Growth) Rate	(Growth) Quality	Debt Ratio	Earnings Power (m)
53	RSA Insurance Group PLC	RSA	FTSE 100	Nonlife Insurance	£1.19	9.1	6.2%	8.7	3.2%	76%	0.0	£761
181	S & U PLC	SUS	Small Cap	Financial Services	£13.26	14.4	3.5%	21.7	4.1%	81%	1.8	£12
115	SABMiller PLC	SAB	FTSE 100	Beverages	£30.74	21.9	2.1%	35.4	13.6%	95%	4.6	£2,652
39	Sage Group (The) PLC	SGE	FTSE 100	Software & Computer Services	£3.44	17.4	3.1%	23.2	13.1%	93%	0.7	£305
17	Sainsbury (J) PLC	SBRY	FTSE 100	Food & Drug Retailers	£3.85	13.9	4.3%	22.9	23.4%	90%	4.8	£579
197	Savills PLC	SVS	FTSE 250	Real Estate Investment & Services	£6.05	18.8	1.7%	21.1	0.8%	83%	0.0	£64
196	Schroders PLC	SDR	FTSE 100	Financial Services	£23.13	22.7	1.9%	30.2	9.6%	86%	6.2	£357
130	Senior PLC	SNR	FTSE 250	Aerospace & Defense	£2.70	14.7	1.7%	24.8	18.7%	88%	1.4	£80
42	Serco Group PLC	SRP	FTSE 100	Support Services	£5.48	14.5	1.8%	24.1	17.4%	100%	3.4	£227
118	Severn Trent PLC	SVT	FTSE 100	Gas, Water & Multiutilities	£16.88	20.3	4.5%	21.3	2.4%	86%	14.8	£325
157	Shanks Group PLC	SKS	Small Cap	Support Services	£0.94	19.3	3.7%	14.2	-1.8%	76%	8.8	£40
96	Smith & Nephew PLC	SN.	FTSE 100	Health Care Equipment & Services	£7.50	13.6	2.3%	21.1	13.1%	90%	0.5	£579
201	Smith (DS) PLC	SMDS	FTSE 250	General Industrials	£2.58	16.4	3.1%	26.3	3.7%	81%	6.5	£148
149	Smiths Group PLC	SMIN	FTSE 100	General Industrials	£12.82	12.6	3.0%	19.3	5.1%	83%	2.3	£436
33	Smiths News PLC	NWS	Small Cap	Support Services	£1.88	9.8	4.6%	14.3	11.3%	83%	2.6	£40
129	Spectris PLC	SXS	FTSE 250	Electronic & Electrical Equipment	£22.21	18.5	1.8%	33.9	13.9%	95%	1.9	£148
77	Speedy Hire PLC	SDY	Small Cap	Support Services	£0.57	66.0	0.9%	7.8	-25.9%	81%	1.2	£61
101	Spirax-Sarco Engineering PLC	SPX	FTSE 250	Industrial Engineering	£29.72	23.2	1.9%	34.9	12.8%	100%	0.4	£128
19	SSE PLC	SSE	FTSE 100	Electricity	£15.63	19.5	5.4%	17.3	12.8%	88%	4.0	£1,538
111	St Ives PLC	SIV	Small Cap	Support Services	£1.64	9.4	3.5%	8.3	-10.9%	71%	0.7	£34
216	St James's Place PLC	STJ	FTSE 250	Life Insurance	£5.94	30.2	1.8%	42.5	7.3%	81%	0.0	£116
188	Stagecoach Group PLC	SGC	FTSE 250	Travel & Leisure	£3.20	11.1	2.7%	17.9	14.3%	90%	4.4	£186
128	Standard Chartered PLC	STAN	FTSE 100	Banks	£14.41	12.1	3.6%	14.6	5.8%	81%	0.0	£3,861
85	Synergy Health PLC	SYR	FTSE 250	Health Care Equipment & Services	£11.07	20.0	1.9%	31.1	16.4%	98%	5.0	£40
171	Tarsus PLC	TRS	Small Cap	Media	£2.31	28.7	3.0%	25.2	10.0%	81%	1.8	£14
174	Tate & Lyle PLC	TATE	FTSE 100	Food Producers	£8.05	14.1	3.3%	18.2	2.2%	81%	2.7	£333
188	Ted Baker PLC	TED	FTSE 250	Personal Goods	£18.70	35.7	1.4%	51.0	9.7%	95%	0.7	£30
140	Telecom plus PLC	TEP	FTSE 250	Fixed Line Telecommunications	£13.47	35.3	2.3%	64.6	25.5%	90%	0.1	£27
11	Tesco PLC	TSCO	FTSE 100	Food & Drug Retailers	£3.67	9.7	4.0%	14.0	9.3%	95%	2.7	£4,020
214	Tribal Group PLC	TRB	Small Cap	Support Services	£1.96	22.4	0.6%	17.9	-8.7%	74%	1.2	£15
12	Tullett Prebon PLC	TLPR	FTSE 250	Financial Services	£3.42	8.2	4.9%	9.1	12.2%	86%	1.8	£141
212	Tullow Oil PLC	TLW	FTSE 100	Oil & Gas Producers	£10.08	24.0	1.2%	50.0	14.6%	81%	2.5	£297
211	UK Mail Group PLC	UKM	Small Cap	Industrial Transportation	£6.30	25.2	3.0%	30.1	3.3%	74%	0.1	£17
138	Ultra Electronics Holdings PLC	ULE	FTSE 250	Aerospace & Defense	£18.55	19.8	2.2%	27.7	13.6%	88%	0.9	£82
165	Unilever PLC	ULVR	FTSE 100	Food Producers	£24.59	19.7	3.2%	19.7	5.2%	83%	3.0	£2,732
186	United Drug PLC	UDG	FTSE 250	Food & Drug Retailers	£3.39	20.2	0.5%	22.8	6.4%	86%	3.7	£61
152	United Utilities Group PLC	UU.	FTSE 100	Gas, Water & Multiutilities	£6.79	19.1	5.1%	16.0	-4.0%	74%	14.4	£428
10	Vedanta Resources PLC	VED	FTSE 100	Mining	£11.62	35.9	3.2%	11.7	15.6%	90%	22.9	£478
82	Victrex PLC	VCT	FTSE 250	Chemicals	£15.68	18.5	2.4%	32.2	15.7%	95%	0.0	£79
72	Vitec Group (The) PLC	VTC	Small Cap	Industrial Engineering	£6.35	13.4	3.5%	17.4	7.4%	86%	2.7	£27
9	Vodafone Group PLC	VOD	FTSE 100	Mobile Telecommunications	£2.06	12.6	4.9%	13.9	8.6%	95%	3.0	£13,658
141	Vp PLC	VP.	Small Cap	Support Services	£4.35	18.1	2.8%	22.5	7.6%	86%	4.1	£13
103	Weir Group PLC	WEIR	FTSE 100	Industrial Engineering	£21.75	16.4	1.7%	33.3	21.6%	95%	4.1	£265
112	Whitbread PLC	WTB	FTSE 100	Travel & Leisure	£30.80	19.8	1.9%	34.4	14.0%	95%	1.7	£308
123	William Hill PLC	WMH	FTSE 100	Travel & Leisure	£4.15	16.9	2.5%	17.3	-8.2%	90%	1.1	£375
209	Wilmington Group PLC	WIL	Small Cap	Media	£1.94	32.9	3.6%	29.4	4.2%	69%	5.1	£8
59	Wood Group (John) PLC	WG.	FTSE 100	Oil Equipment, Services & Distribution	£8.06	17.1	1.3%	13.3	29.0%	86%	0.5	£389
95	WPP Group PLC	WPP	FTSE 100	Media	£11.95	18.2	2.4%	26.4	12.8%	93%	4.3	£1,122
217	Xaar PLC	XAR	FTSE 250	Electronic & Electrical Equipment	£8.13	41.3	0.5%	90.1	9.6%	79%	0.1	£11

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