September 2015

UK Value Investor

For Defensive and Income-Focused Value Investors

Black Monday: A media-frenzy that most investors should ignore

I probably don't need to tell you this, but during August stock markets around the world went into free-fall, if only for a little while.

The FTSE 100 managed to fall below 5,900 on the now grimly-labelled "Black Monday", despite having stood some 10% higher just a week before. What really spooked UK investors was the 4% drop in the large-cap index in just one day, which is the kind of drop that sends the media into a relentless end-of-the-world frenzy.

It was not a good day for those of a nervous disposition.

So what caused the panic? I don't know the details and to be honest I don't want to know, but the basic premise is that the Chinese economy is not growing as fast as some had hoped or expected, and the knock-on effects of a Chinese slowdown will be felt across the world.

Many investors reacted by selling their shares in an attempt to get out of the building before it burned to the ground. Selling shares because of an expected economic slowdown seems like a reasonable thing to do, but history and some of the best investors of all time suggest an alternative strategy, which is to simply ignore news about the global economy and instead stick to the task of buying good companies at attractive prices.

Warren Buffett is an immeasurably better writer than I am, so I'll hand over to the master for an extended quote on this topic from his 1994 letter to Berkshire Hathaway shareholders:

> ***"We will continue to ignore political and economic forecasts, which are an expensive distraction for many investors and businessmen. Thirty years ago, no one could have foreseen the huge expansion of the Vietnam War, wage and price controls, two oil shocks, the resignation of a president, the dissolution of the Soviet Union, a one-day drop in the Dow of 508 points, or treasury bill yields fluctuating between 2.8% and 17.4%.***
>
> ***But, surprise – none of these blockbuster events made the slightest dent in Ben Graham's investment principles. Nor did they render unsound the negotiated purchases of fine businesses at sensible prices. Imagine the cost to us, then, if we had let a fear of unknowns cause us to defer or alter the deployment of capital. Indeed, we have usually made our best purchases when apprehensions about some macro event were at a peak. Fear is the foe of the faddist, but the friend of the fundamentalist."***

If there is one absolute requirement for sensible investing it is the ability to ignore information that has no value, such as the media's second-by-second coverage of the mini-crash on Black Monday, and instead to stick methodically and relentlessly to a pre-defined plan for investment success.

John Kingham, 2nd September 2015

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FTSE 100 valuation and forecast

Valuing the market: *Although stock market valuations change over time they tend to stay fairly close to their long-term average. Investors can take advantage of this tendency as it implies that markets are more likely to go up when valuations are below average and more likely to go down when above average.*

Cyclically Adjusted PE ratio (CAPE)	Estimated probability of seeing this CAPE ratio in a given year	FTSE 100 (currently at 6,245)	Description of CAPE ratio relative to historic norms
Above 32	2%	Above 17,000	Extremely Expensive
28 - 32 (e.g. yr 2000)	5%	14,900 - 17,000	Very Expensive
24 - 28	10%	12,700 - 14,900	Expensive
20 - 24	20%	10,600 - 12,700	Slightly Expensive
14 - 20	30%	7,400 - 10,600	Normal
12 - 14	15%	6,400 - 7,400	Slightly Cheap
10 - 12	**10%**	**5,300 - 6,400**	**Cheap**
8 - 10 (e.g. yr 2009)	5%	4,200 - 5,300	Very Cheap
Below 8	3%	Below 4,200	Extremely Cheap

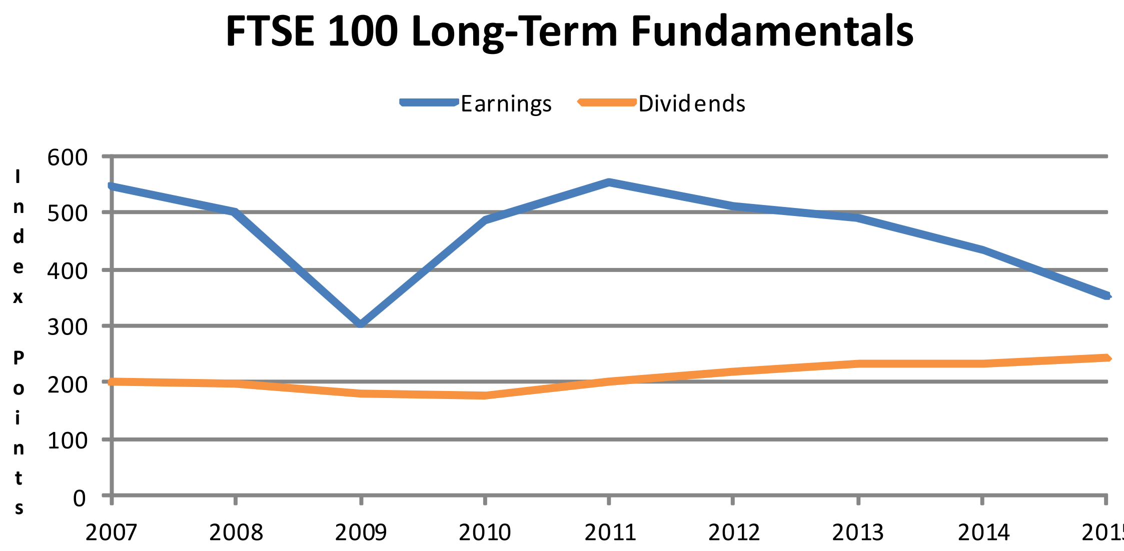
After the recent market falls the FTSE 100 is back down to 6,250, a considerable distance below the 7,000 level it so recently conquered. A declining market is for most people an emotional drain, even if we are rationally aware that lower prices mean higher dividend yields and higher future returns.

Speaking of dividend yields, we are at an interesting point I think. Now that the market is back into "fear-mode" the historic yield on the FTSE 100 is extremely close to the 4% level. If history tells us anything it is that a 4% dividend from the large-cap index is not sustainable. Either prices will rise or dividend payments will fall, but one way or another the current near-4% is unlikely to last long.

Of course personally I would prefer the 4% yield to meet its end by an increase in share prices, ideally accompanied by an increase in dividend payments as well. However, the less-positive option may now be the more likely option. The chart below shows why I think the index's dividend may go down before prices go up.

Since 2011 the overall earnings of the FTSE 100 have been declining, year after year after year. At the same the dividend has been creeping upwards, approximately keeping pace with inflation. This situation is unlikely to continue as the dividend is now covered just 1.45 times by earnings.

If the FTSE 100's earnings do not improve soon then index-tracking investors may well see their dividends begin to fall. Index tracking may be efficient, but it will also perform badly if most companies perform badly.



UKVI Portfolio review

__Reviewing the portfolio:__ In order to keep a portfolio on track it's important carry out regular reviews. These reviews should include tasks such as checking overall performance against a suitable benchmark, re-analysing existing holdings when new annual results are announced and dealing with corporate actions such as mergers, acquisitions or rights issues.

Last month's trade

On August 5th I sold all of the portfolio's 280 RSA shares at 525 pence each. The total return, including the sale of nil paid rights from RSA's recent rights issue, came to 19.2% over 3 years and 6 months. That gave the investment an annualised return of 5.8%, which is below the 10% per year I would generally hope to see. You can see the full post-sale analysis and lessons learned in last month's issue.

Performance review

Both the UKVI Portfolio and its FTSE All-Share tracker benchmark are down this month, which is not a big surprise after Black Monday. However, so far this year the portfolio is up by 9.5% compared to a small loss for the All-Share of 0.2%, so the portfolio is still performing well. On the risk side the UKVI Portfolio fell further this month in percentage terms than the All-Share (down 3.8% compared to a 2.7% decline for the index) but it hasn't fallen as much from its all-time high (down 3.8% compared to a paper loss of 7.4% for the index).

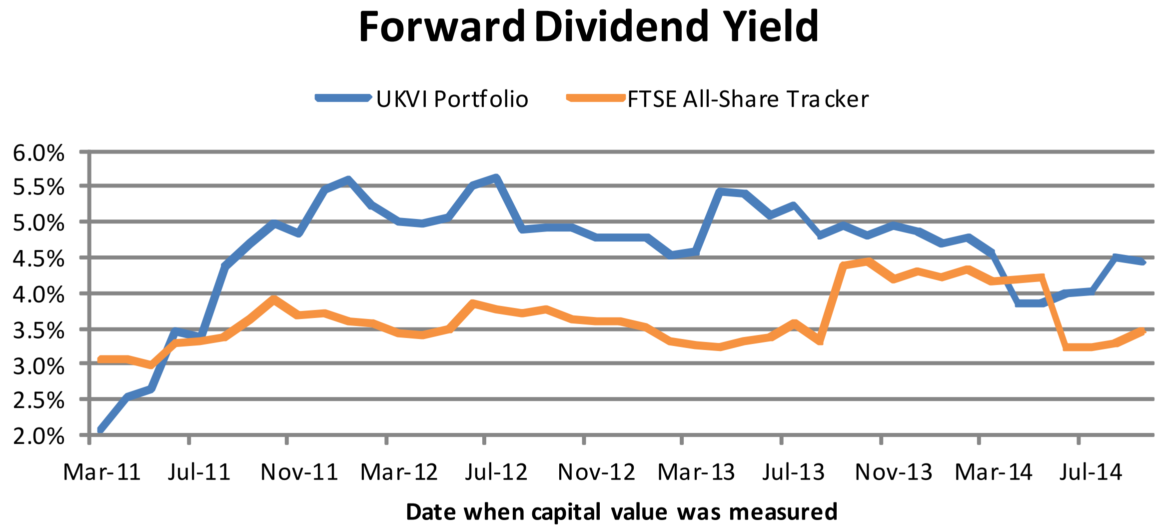
Holdings review

The biggest risers this month were JD Sport (again), up almost 22%, and Petrofac, up 6.5%. At the other end of the spectrum Standard Chartered fell by 21.2% after announcing a 50% dividend cut and ITE Group fell 17.5% after failing to recover well after Black Monday. As usual I will not be selling Standard Chartered just because it has cut its dividend.

Can the 4% safe withdrawal rate be generated purely from dividends?

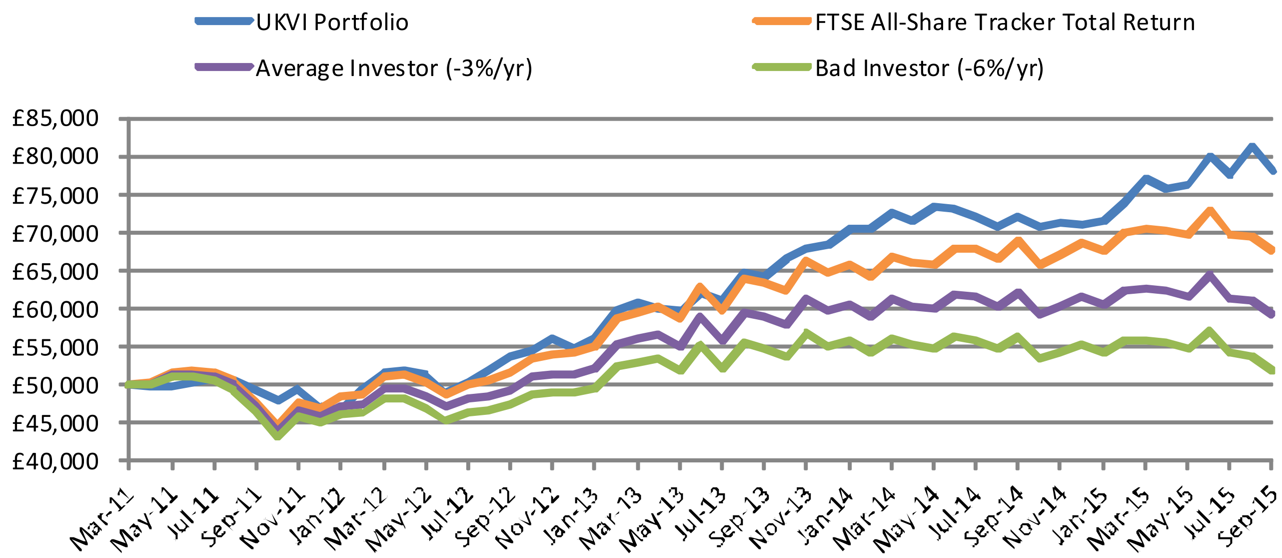
One topic that came up in conversation with a reader recently was the 4% safe withdrawal rate. It's a well-known rule of thumb that an equity investor should be able to safely draw an income of 4% relative to their portfolio's starting value, and increase that income in line with inflation. This level of income withdrawal is not expected, in most cases, to lead to a decline in the capital value of the portfolio, although the safety of this approach does depend on when the withdrawal process begins (January 2000 would have been a particularly bad time to start withdrawals).

I thought it would be interesting to see if the UKVI Portfolio had managed to throw off more than 4% in dividends over the following 12 months, relative to its capital value at any point in time. The chart below shows the results so far. As you can see, the "forward yield" was low during 2011, but that is because the portfolio was being set up slowly and wasn't fully invested until 2012. However, even before then, and almost all of the time since, the portfolio has indeed managed to throw off more than 4% in dividends over the following year, which is significantly more than its All-Share benchmark has managed.



UKVI Portfolio performance

This virtual portfolio represents the portfolio of a typical investor who is still in the capital accumulation phase. It started with £50,000 in March 2011 and reinvests all dividends to generate additional growth.



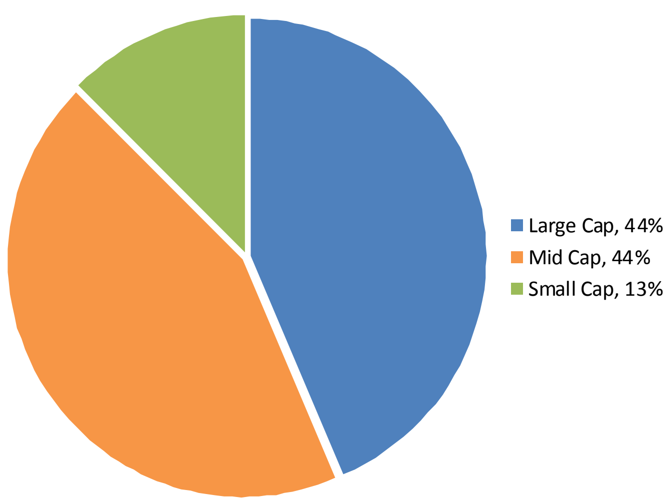
Note that the "average investor" and "bad investor" under-perform the market by 3% and 6% per year respectively due to overtrading, buying high and selling low. These figures are based on research cited by Barclays and the book, Monkey with a Pin.

Performance	Model Portfolio (A)	FTSE All-Share Tracker Trust (B)	Difference (A) - (B)
Total return over 1 year	8.7%	-2.1%	10.9%
Total return over 3 years	46.2%	31.0%	15.2%
Total return from inception (March 2011)	56.3%	34.8%	21.5%
Annualised return from inception	10.4%	6.9%	3.6%
Annualised return over 5 years	10.4%	7% (fixed target)	3.4%
Current cash value	£78,144	£67,393	£10,751
Historic dividend yield	4.1%	3.5%	0.7%
Maximum decline over 5 years	8%	13.5%	-5.5%

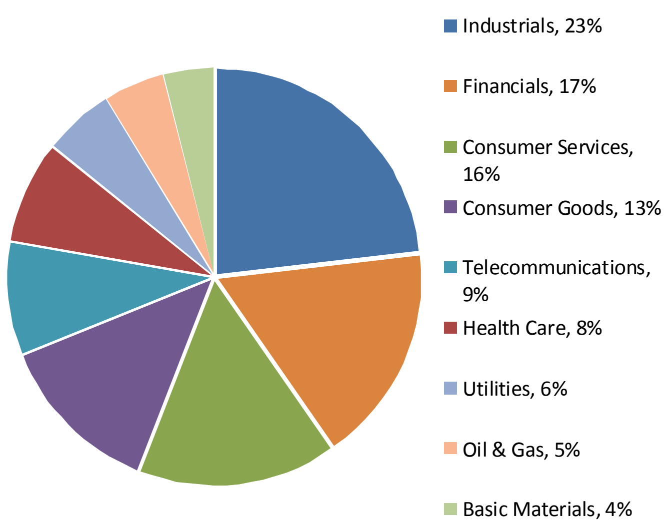
The portfolio should have at least half of its underlying revenues coming from international markets and at be least half invested in defensive sector companies. If these limits are breached I will try to bring them back into line with the next buy or sell trade.

UK Revenue	**50%**	**International Revenue**	**50%**
Cyclical Sector Stocks	**53%**	**Defensive Sector Stocks**	**47%**

Size Allocation



Industry Allocation



UKVI Portfolio - Current Holdings

Colour coding rules and column descriptions can be found in the appendices

Rank	Weight	Name	EPIC	Index	Sector	Share Price	PE Ratio	Dividend Yield	PE10	Growth Rate	Growth Quality	ROCE	Debt Ratio	UK Focus	Purchase Rank	Purchase Price	Purchase Date
1	2.1%	Petrofac Ltd	PFC	FTSE 250	Oil Equipment, Services & Distribution	£8.92	16.48	4.8%	13.1	22.3%	83%	29%	3.5	19%	23	£13.90	07/03/2014
2	3.0%	Admiral Group PLC	ADM	FTSE 100	Nonlife Insurance	£15.50	15.08	6.3%	21.2	13.3%	92%	54%	0.0	84%	8	£12.90	07/11/2013
3	3.1%	ITE Group PLC	ITE	Small Cap	Media	£1.50	9.45	4.9%	13.1	9.3%	83%	29%	1.3	5%	600%	185%	06/03/2015
5	1.7%	Centrica PLC	CNA	FTSE 100	Gas, Water & Multiutilities	£2.43	43.94	5.6%	10.2	7.0%	79%	12%	4.7	66%	25	£3.22	10/08/2012
7	4.2%	IG Group Holdings PLC	IGG	FTSE 250	Financial Services	£7.25	20.14	3.9%	23.8	13.5%	88%	26%	0.0	50%	8	£6.03	05/09/2014
10	3.1%	British American Tobacco PLC	BATS	FTSE 100	Tobacco	£34.79	17.77	4.3%	21.1	9.7%	88%	17%	3.2	11%	28	£33.22	09/09/2013
11	2.1%	Standard Chartered PLC	STAN	FTSE 100	Banks	£7.65	8.00	7.1%	7.2	7.1%	71%	12%	N/A	5%	9	£12.15	07/07/2014
13	3.8%	Mitie Group PLC	MTO	FTSE 250	Support Services	£2.97	13.38	3.9%	16.0	8.9%	92%	12%	3.6	97%	N/A	£2.38	16/09/2011
14	3.3%	Amlin PLC	AML	FTSE 250	Nonlife Insurance	£5.16	11.17	5.2%	11.4	6.4%	71%	17%	1.5	21%	18	£4.06	08/02/2013
16	1.9%	BHP Billiton PLC	BLT	FTSE 100	Mining	£11.32	21.99	7.2%	7.4	5.6%	63%	17%	1.9	1%	N/A	£19.10	12/09/2011
18	1.5%	Morrison (Wm) Supermarkets PLC	MRW	FTSE 100	Food & Drug Retailers	£1.68	17.82	8.1%	9.7	7.3%	79%	7%	5.4	100%	16	£2.93	07/05/2013
21	5.7%	Telecom plus PLC	TEP	FTSE 250	Fixed Line Telecommunications	£11.14	27.72	3.6%	39.7	17.4%	88%	36%	2.6	100%	9	£7.16	06/05/2015
24	3.5%	Brown (N) Group PLC	BWNG	FTSE 250	General Retailers	£3.00	11.72	4.7%	12.3	6.2%	75%	11%	3.8	100%	17	£3.47	07/11/2014
25	4.0%	AstraZeneca PLC	AZN	FTSE 100	Pharmaceuticals & Biotechnology	£41.20	33.42	4.3%	14.2	1.4%	75%	23%	1.8	17%	19	£41.67	06/07/2015
30	3.4%	GlaxoSmithKline PLC	GSK	FTSE 100	Pharmaceuticals & Biotechnology	£13.40	18.95	6.0%	14.6	1.6%	71%	18%	4.6	6%	25	£14.27	09/01/2015
32	2.4%	Vodafone Group PLC	VOD	FTSE 100	Mobile Telecommunications	£2.27	10.23	4.9%	12.4	4.0%	92%	7%	2.0	17%	N/A	£2.02	02/06/2011
36	3.7%	Reckitt Benckiser Group PLC	RB.	FTSE 100	Household Goods & Home Construction	£57.57	24.98	2.4%	29.8	11.1%	88%	21%	1.5	7%	27	£48.11	07/02/2014
44	3.4%	SSE PLC	SSE	FTSE 100	Electricity	£14.71	13.78	6.0%	15.5	5.3%	83%	8%	5.2	97%	N/A	£13.33	01/11/2011
49	4.5%	Homeserve PLC	HSV	FTSE 250	Support Services	£4.21	23.91	2.9%	20.6	6.7%	79%	18%	1.9	50%	17	£2.63	05/08/2013
64	1.8%	Rio Tinto PLC	RIO	FTSE 100	Mining	£23.88	9.09	5.6%	6.9	7.0%	54%	11%	2.2	1%	17	£29.88	07/09/2012
65	5.0%	JD Sports Fashion PLC	JD.	FTSE 250	General Retailers	£8.76	21.82	0.8%	34.0	16.4%	88%	24%	0.6	82%	N/A	£2.28	16/03/2011
69	2.9%	Braemar Shipping Services PLC	BMS	Small Cap	Industrial Transportation	£4.51	19.09	5.8%	11.4	0.3%	58%	15%	1.2	61%	N/A	£4.79	13/05/2011
71	1.3%	Tesco PLC	TSCO	FTSE 100	Food & Drug Retailers	£1.91	17.41	0.6%	7.3	1.8%	67%	8%	5.6	69%	28	£3.00	11/06/2012
72	3.3%	Tullett Prebon PLC	TLPR	FTSE 250	Financial Services	£3.77	9.82	4.5%	8.9	2.7%	54%	14%	2.4	50%	N/A	£3.59	05/09/2011
73	1.0%	Chemring Group PLC	CHG	Small Cap	Aerospace & Defense	£2.25	45.55	1.8%	8.7	3.9%	67%	10%	3.2	15%	N/A	£6.89	18/04/2011
77	2.3%	BP PLC	BP.	FTSE 100	Oil & Gas Producers	£3.61	6.99	6.9%	7.5	-0.5%	63%	10%	4.7	20%	N/A	£4.94	04/03/2011
84	4.6%	BAE Systems PLC	BA.	FTSE 100	Aerospace & Defense	£4.52	15.32	4.5%	13.5	2.8%	75%	9%	2.9	21%	N/A	£3.08	21/06/2011
89	4.6%	Hill & Smith Holdings PLC	HILS	Small Cap	Industrial Engineering	£7.17	16.74	2.5%	21.3	7.4%	88%	10%	3.5	46%	28	£4.31	07/06/2013
100	5.2%	Cranswick PLC	CWK	FTSE 250	Food Producers	£16.81	19.95	2.0%	24.7	8.7%	88%	11%	0.6	98%	16	£7.69	06/11/2012
	7.8%	Cash															

UKVI Portfolio - Current Opinion

Rank	Name	EPIC	Index	Sector	At today's price would I buy or hold?	Why?
2	Admiral Group PLC	ADM	FTSE 100	Nonlife Insurance	Buy	This still fits my definition of a good business at an attractive price.
10	Amlin PLC	AML	FTSE 250	Nonlife Insurance	Buy	This still fits my definition of a good business at an attractive price.
23	AstraZeneca PLC	AZN	FTSE 100	Pharmaceuticals & Biotechnology	Buy	AstraZeneca's Growth Rate is slightly below the 2% minimum rule of thumb, but I'm willing to be flexible on that because it otherwise fits the definition of a good business at an attractive price.
85	BAE Systems PLC	BA.	FTSE 100	Aerospace & Defense	Hold	BAE's Pension Ratio is 21.6, which is well above the rule of thumb maximum of 10. As a result BAE does not fit the definition of a good business. It is also one of the bottom five holdings by rank which means it could be sold soon.
3	BHP Billiton PLC	BLT	FTSE 100	Mining	Buy	This still fits my definition of a good business at an attractive price.
83	BP PLC	BP.	FTSE 100	Oil & Gas Producers	Hold	BP's Growth Rate is negative, so it no longer fits the definition of a good business. Also, BP is one of the bottom five holdings by rank which means it could be sold soon.
66	Braemar Shipping Services PLC	BMS	Small Cap	Industrial Transportation	Hold	Braemar's Growth Rate is only just above zero, so it no longer fits the definition of a good business.
12	British American Tobacco PLC	BATS	FTSE 100	Tobacco	Buy	This still fits my definition of a good business at an attractive price.
26	Brown (N) Group PLC	BWNG	FTSE 250	General Retailers	Buy	This still fits my definition of a good business at an attractive price.
9	Centrica PLC	CNA	FTSE 100	Gas, Water & Multiutilities	Buy	Despite a recent but relatively small dividend cut, this still fits the definition of a good business at an attractive price.
76	Chemring Group PLC	CHG	Small Cap	Aerospace & Defense	Hold	Chemring is one of the bottom five holdings by rank, which means it could be sold soon.
89	Cranswick PLC	CWK	FTSE 250	Food Producers	Hold	Cranswick is one of the bottom five holdings by rank, which means it could be sold soon.
34	GlaxoSmithKline PLC	GSK	FTSE 100	Pharmaceuticals & Biotechnology	Buy	GSK's Growth Rate is just below my rule of thumb minimum of 2% but I am willing to overlook that for now as it otherwise appears to be a good business at an attractive price.
82	Hill & Smith Holdings PLC	HILS	Small Cap	Industrial Engineering	Hold	Hill & Smith is one of the bottom five holdings by rank, which means it could be sold soon.
53	Homeserve PLC	HSV	FTSE 250	Support Services	Buy	This still fits my definition of a good business at an attractive price.
7	IG Group Holdings PLC	IGG	FTSE 250	Financial Services	Buy	This still fits my definition of a good business at an attractive price.
4	ITE Group PLC	ITE	Small Cap	Media	Buy	This still fits my definition of a good business at an attractive price.
57	JD Sports Fashion PLC	JD.	FTSE 250	General Retailers	Hold	The PE10 ratio is now above 30, so JD is no longer attractively priced.
14	Mitie Group PLC	MTO	FTSE 250	Support Services	Buy	This still fits my definition of a good business at an attractive price.
19	Morrison (Wm) Supermarkets PLC	MRW	FTSE 100	Food & Drug Retailers	Hold	The Debt Ratio is above my rule of thumb maximum of 5, so Morrison no longer fits the definition of a good business. Also, its combined Debt and Pension Ratio is 11.5, which is above the maximum of 10.
1	Petrofac Ltd	PFC	FTSE 250	Oil Equipment, Services & Distribution	Buy	This still fits my definition of a good business at an attractive price.
40	Reckitt Benckiser Group PLC	RB.	FTSE 100	Household Goods & Home Construction	Buy	This still fits my definition of a good business at an attractive price.
68	Rio Tinto PLC	RIO	FTSE 100	Mining	Buy	This still fits my definition of a good business at an attractive price.
41	SSE PLC	SSE	FTSE 100	Electricity	Buy	SSE's Debt Ratio is fractionally above my rule of thumb maximum of 5, but I would still buy it as it otherwise appears to be a good business at an attractive price.
15	Standard Chartered PLC	STAN	FTSE 100	Banks	Buy	Although the dividend has just been cut by 50% I would still buy as I think it is a fundamentally good business which is at an attractive price because it is going through a difficult period.
29	Telecom plus PLC	TEP	FTSE 250	Fixed Line Telecommunications	Hold	The PE10 ratio is now almost 40, well above my rule of thumb maximum of 30 so the company no longer appears to be obviously attractively valued.
77	Tesco PLC	TSCO	FTSE 100	Food & Drug Retailers	Hold	Tesco's Growth Rate is currently too low (below 2%) and its Debt Ratio too high (5.6), so I would not buy it at the moment.
78	Tullett Prebon PLC	TLPR	FTSE 250	Financial Services	Buy	This still fits my definition of a good business at an attractive price.
35	Vodafone Group PLC	VOD	FTSE 100	Mobile Telecommunications	Buy	This still fits my definition of a good business at an attractive price.

Latest interim results

5th August - Standard Chartered, Banks (cyclical), Large-Cap (£25bn)

"We are a leading international banking group, with more than 90,000 employees and a 150-year history in some of the world's most dynamic markets. We bank the people and companies driving investment, trade and the creation of wealth across Asia, Africa and the Middle East" (www.sc.com)

Book value per share up 5%	Dividend per share down 50%

Quotes from the interim results

Our results in the first half of 2015 clearly show the Group still has real challenges: we are working through a legacy of a focus on growth over risk discipline and returns together with an ongoing emerging markets slowdown. The Group's underlying franchise is strong. The markets in which we operate offer excellent long-term growth prospects. Our core global businesses are solid, and our Retail business has a renewed focus. However, what we are doing now is asking ourselves fundamental questions that will help shape the future direction of the Group. Returns will take primacy over growth. Growing with returns below our cost of capital is destroying shareholder value. Bigger doesn't necessarily mean better, especially if this is impacting returns. I have identified five core issues for the coming months as we develop our plans:

First, we need to institutionalise the improvements in the Group's risk and return frameworks that we are continuing to evolve. Second, we need to focus more on the products and services where we have an edge. Third, our loan book has too many low-returning corporate lending relationships. Fourth, we do not leverage our lending relationships as effectively as we can to offer our clients differentiated solutions for which they are prepared to pay. Finally, the Group's structure and organisation underpins many of the problems it faces in delivering returns.

I intend to announce a clear plan of action by the year end. Many of the areas we are considering are complex; the Board and I want to get to the right answers and are taking the time to complete our work.

6th August - Hill & Smith Holdings, Industrial Engineering (cyclical), Mid-Cap (£0.5bn)

"Hill & Smith Holdings PLC is an international group with leading positions in the manufacture and supply of infrastructure products and galvanizing services to global markets" (www.hsholdings.co.uk)

Revenue up 4%	Dividend per share up 11%

Quotes from the interim results

Hill & Smith has continued to perform well in the six months to 30 June 2015. Infrastructure investment in our key UK and US markets continues to be strong, underpinning the performance of our operations in Roads, Utilities and Galvanizing. Improving returns from the UK operations resulted in them generating half of the Group's underlying operating profit in the period (2014: 43%). The diversity and strength of our businesses within their respective markets continues to underpin our performance, which has shown improved underlying operating margins across all three divisions.

The Group continues to benefit from the industrial and geographical spread of its markets and businesses, which provide a resilient base as well as opportunities for growth. Generating 82% of revenue and 92% of underlying operating profit from its UK and US operations, the Group principally operates in markets where the overall economic outlook remains favourable. This, coupled with the implementation of strategic initiatives to fuel higher returns from the Group's portfolio, provides momentum to our drive for increased shareholder value.

We do however remain mindful of the challenging comparators from our record second half earnings performance in 2014, the continued market weakness in mainland Europe and the general global economic uncertainty. Overall, our encouraging performance to date has been in line with expectations and, with a marginal bias to the second half, we continue to expect 2015 to be a year of good progress for the Group.

Latest interim results

6th August - Rio TInto, Mining (cyclical), Large-Cap (£35bn)

"Rio Tinto is a leading global mining group that focuses on finding, mining and processing the Earth's mineral resources. Our goal is to deliver strong and sustainable shareholder returns from our portfolio of world-class assets and our compelling pipeline of projects. " (www.riotinto.com)

Revenue ($) down 26%	Dividend per share ($) up 12%

Quotes from the interim results

This is a robust set of results, given the tough operating environment. Tier one assets and sound operating capability have delivered stable margins with underlying earnings of $2.9 billion during the half. Post-tax operating cash flows of $4.4 billion more than covered our sustaining capital expenditure of $1.2 billion and dividend payments of $2.2 billion.

A continued focus on financial and operating discipline delivered first half cost savings of $641 million, representing 85 per cent of our original full year target, which we have now increased to $1.0 billion. We continue to invest in growth, and have reached key milestones in three of our growth projects with the expansion of our Pilbara iron ore infrastructure, first production from our expanded Kitimat aluminium smelter and an agreement to progress the development of the Oyu Tolgoi underground copper mine.

The early and decisive actions we started taking in 2013 provide a strong base for the business. Our low level of absolute net debt and gearing allow us to maintain our commitment to capital returns in 2015, with $3.2 billion returned to shareholders in the first half through our progressive dividend and ongoing share buy-back programme. I am pleased to announce an increase in our interim dividend of 12 per cent, in line with our established dividend policy.

Rio Tinto is well placed to succeed in these volatile times, and we will use our competitive advantages for the benefit of all our stakeholders.

25th August - Petrofac, Oil Equipment, Services & Distribution (cyclical), Mid-Cap (£2.7bn)

"Petrofac is a leading provider of oilfield services to the international oil and gas industry. We support our customers to unlock the potential of their assets; on and offshore, new and old. We have 31 offices and around 20,000 staff worldwide, comprising more than 80 nationalities." (www.petrofac.com)

Revenue ($) up 25%	Dividend per share ($) unchanged

Quotes from the interim results

The Group has had a strong start to the year in terms of new project awards, reflecting ongoing investment in large strategic projects by our clients in our core markets. Backlog increased 11% […] giving us excellent revenue visibility for the rest of this year and beyond.

We have recorded incremental losses on the [Laggan-Tormore gas plant] contract in the first half of 2015 of approximately US$263 million after tax as a result of additional completion and pre-commissioning work. The additional costs predominantly relate to additional direct construction man-hours, along with the associated indirect, subcontractor and material costs. The rest of our portfolio remains in good shape and is performing in line with our expectations.

Revenue for the first six months of the year increased 25%, predominantly due to Onshore Engineering & Construction, where activity levels increased substantially from the second half of 2014 onwards as we moved into the execution phase on a number of projects. As in 2014, and as previously announced, net profit for 2015 is expected to be significantly weighted to the second half of 2015. After recognising the year to date loss on Laggan-Tormore […] the net loss for the first half of the year was US$133 million.

Against the backdrop of a challenging environment for the industry, we are in a strong position. Our clients are continuing to invest in large strategic projects in our core markets, where we have an unrivalled track record and a very cost-competitive delivery capability.

Latest interim results

20th August - Admiral Group, Nonlife Insurance (defensive), Large-Cap (£4bn)

"Admiral Group is one of the largest car insurance providers in the UK with businesses all over the world. You may know us in the UK by our insurance brands Admiral, Elephant, Diamond and Bell, our price comparison site, Confused.com and Gladiator for commercial vehicles." (admiralgroup.co.uk)

Tangible book value up 7.7%	**Interim dividend up 3.2%**

Quotes from the interim results

Admiral's strategy in its core UK Car Insurance market is unchanged. The Group aims to grow profitably its share of the UK private motor insurance market and in the six months to 30 June 2015 Admiral continued to grow, resulting in a total customer base of 3.18 million (H1 2014: 3.15 million). During this period Admiral implemented a number of premium increases.

Admiral's International Car Insurance businesses also continued to grow, delivering an overall increase in turnover of 6% […] and insuring 14% more vehicles at 30 June 2015 compared with a year earlier. During the first half of 2015, the International Car Insurance businesses made losses of £11.2 million compared to £15.5 million in the first half of 2014. The lower loss was driven by a number of factors including continued positive results from the Group's Italian car insurance operation, ConTe. The overall international insurance loss equated to 6% of the Group's profit before tax for the period.

Admiral's Price Comparison businesses made a combined loss of £4.0 million. This was due to both International price comparison, where an investment in compare.com of £10.4 million offset profits from the Group's European price comparison operations, Rastreator and LeLynx, and a lower profit from the Group's UK price comparison business Confused.com.

The Group continues to make good progress towards full compliance with the requirements of the Solvency II [regulatory] regime in advance of it taking effect in January 2016 and expects to be fully compliant from that date.

24th August - Amlin, Nonlife Insurance (defensive), Mid-Cap (£2.5bn)

"We underwrite a wide range of risks, from catastrophe reinsurance, which protects other insurance companies from extreme natural perils, to liability insurance, which protects businesses from unintended liability to third parties." (www.amlin.com)

Tangible book value down 1.1%	**Interim dividend up 3.7%**

Quotes from the interim results

Amlin delivered a good financial performance in the first half of 2015 despite challenging market conditions.

Reinsurance markets remain under pressure but our strong client proposition […] continues to differentiate Amlin. There are opportunities for selective growth, as evidenced by the increased written premium in the period.

Our Marine & Aviation and Property & Casualty insurance businesses have developed exciting strategies for long term growth involving further diversification by product, distribution channel and geography. The combination of talent in each of these businesses, achieved through our 2014 reorganisation, together with our increasing focus on client intimacy, has enhanced business development opportunities.

Despite the mixed conditions facing investment markets, Amlin's asset allocation strategy delivered an impressive six month investment return of 2.2%. The investment return was ahead of expectations, with strong contributions from equities and property.

The markets in which Amlin operates are undergoing significant transformation. Capital is abundant, regulation is changing and technology is increasingly influencing how business is conducted. However […] we remain confident that Amlin is well positioned to navigate the more challenging underwriting environment and deliver attractive returns to shareholders.

Latest annual results

25th August - BHP Billiton, Mining (cyclical), Large-Cap (£22.5bn)

“We are a leading global resources company. Our purpose is to create long-term shareholder value through the discovery, acquisition, development and marketing of natural resources.” (www.bhpbilliton.com)

Revenue ($)	10 Year average earnings (£)	Dividend per share ($)
Down 21.4%	Down 6.0%	Up 2.5%
Debt Ratio (max 4)	**Pension Ratio (max 10)**	**Does it still pass the buy tests?**
2.2	0.1	Yes

Quotes from the annual results

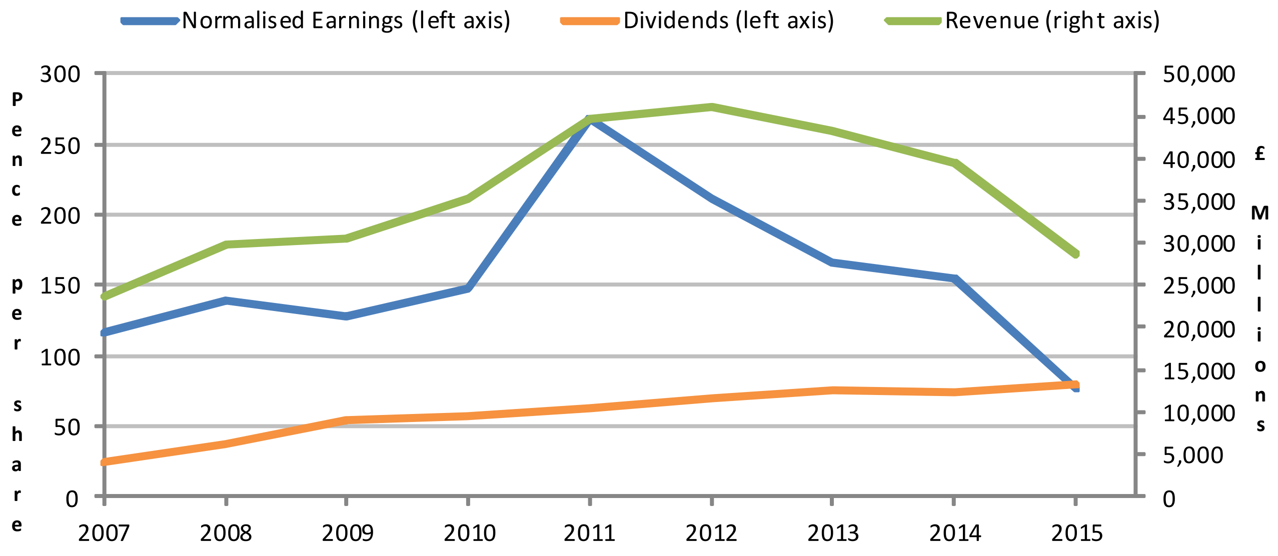
The success of our productivity initiatives generated strong cash flow which supported our dividend commitment, funded continued investment in growth and enabled a reduction in net debt, despite the dramatic fall in commodity prices. And while we recorded a sector-leading EBITDA margin of 50 per cent, we will cut costs further and exercise our growing capital flexibility to improve our competitiveness and support our progressive dividend policy through the cycle.

In the short term we expect ongoing economic reforms in China to contribute to periods of market volatility. And, while we remain confident in the long-term outlook for commodities demand as emerging economies continue to urbanise and industrialise, we have lowered our forecast of peak Chinese steel production to between 935 million tonnes and 985 million tonnes in the mid 2020’s. This backdrop will favour low-cost producers with economies of scale.

Importantly, we do not require the same level of investment to grow as in the past. Improved productivity can further stretch the capacity of our existing operations to increase volumes at very low cost. For example, in Western Australia Iron Ore we can increase the capacity of our system from 254 million tonnes today to 290 million tonnes over time with minimal investment, while making more than US$20 per tonne margin at today’s prices. Beyond this, we continue to reduce development costs within our project portfolio. However, we remain focused on value and will only approve projects when the time is right.

The global economy grew at a modest rate in the 2015 financial year with a mild improvement in developed economies offsetting a moderation in emerging markets. In the short to medium term, we expect moderate growth of the global economy. In the longer term, urbanisation and industrialisation will remain the primary drivers of commodity demand. The transition to consumption-led growth in emerging economies should provide particular support for industrial metals, energy and fertilisers.

BHP Billiton has a progressive dividend policy. The aim of this policy is to steadily increase or at least maintain the dividend per share in US dollar terms at each financial half year.



Buying: Beazley PLC (BEZ)

Improve the portfolio : *As companies grow (or shrink) and as their share prices go up (or down) the attractiveness of the investment changes. If a company's share price shoots up quickly its shares may no longer represent good value for money, while a company that falls into a long-term decline may no longer be remotely defensive. In both situations selling can be the right course of action.*

Price on 1st September 2015	Index	Sector
335p	FTSE 250	Nonlife Insurance
FTSE Market Cap	**Net Earned Premium**	**Normalised Post-tax Profit**
£1.7 billion	£1.1 billion	£140 million

"Beazley plc is [a] global specialist insurance businesses with operations in the UK, US, France, Norway, Germany, Ireland, Singapore, Hong Kong, Middle East and Australia. Beazley is a proud participant in the Lloyd's market, the largest and oldest insurance market in the world." (www.beazley.com)

Overview

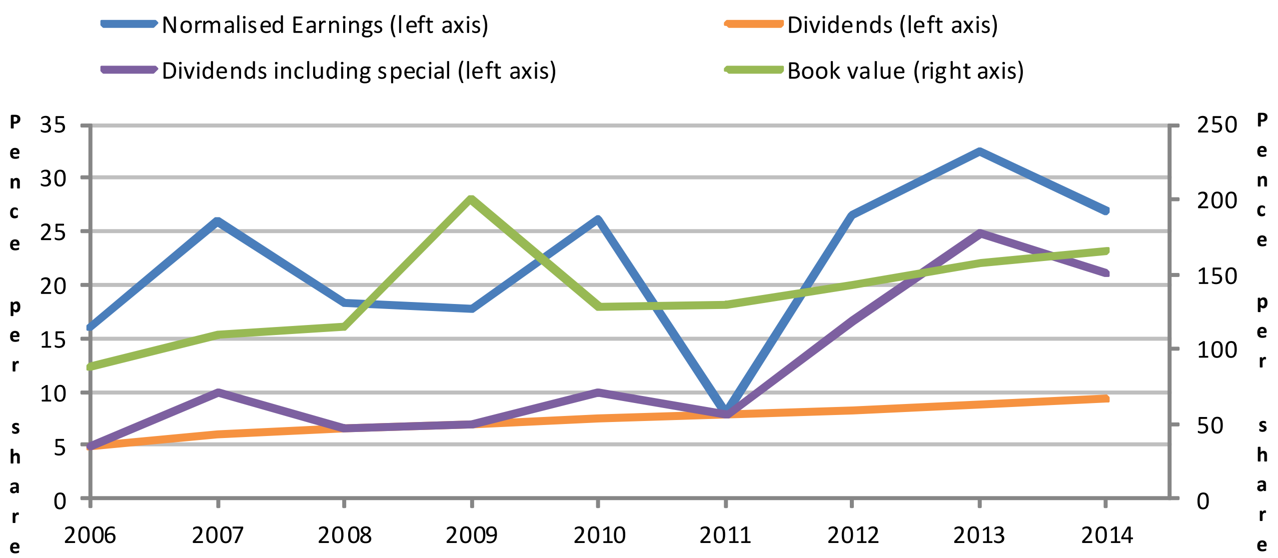
Andrew Beazley co-founded Beazley, Furlonge & Hiscox in 1986 with Nick Furlong in a 50/50 joint venture with Lloyd's insurer Hiscox. The enterprise began in "an office that was almost a broom cupboard"with a "battered hatstand and a borrowed computer". After buying out Hiscox in 1992 the company has grown - almost entirely organically - to where it now earns more than a billion pounds in premium in a single year and is one of the largest businesses in the Lloyd's insurance market.

The company's core business is specialist insurance, which covers risks such as directors' and management liability, professional indemnity and cyber attack insurance. However, Beazley is a diverse insurance business and it also covers a range of other risks including: personal accident, marine cargo, kidnap and ransom, commercial property, engineering and construction, space satellites, and events (such as the New York Marathon).

As part of its continued effort to diversify, Beazley purchased Omaha Property and Casualty in 2004 in order to develop a US business which could write business in the US that wouldn't usually be offered to the Lloyd's market. Today the US business accounts for some 27% of the company's total gross written premium.

Growth Rate	Dividend Yield	Profitability	PE10
6.7% (min 2%)	2.8%(6.3% including the special dividend)	ROE = 18.1% (min 7%) & Combined Ratio = 90% (max 95%)	15.2 (max = 30)
Growth Quality	**Leverage**	**Pension Ratio**	**Rank**
79% (min 50%)	Debt Ratio = 1.3 (max 5) & Premium/Surplus = 1.4 (max 2)	0.2 (max 10)	22 (out of 231)

__Green__ = Better than FTSE 100; __Red__ = Worse than FTSE 100 or outside the "rule of thumb" minimum or maximum values



Investment checklist

Successful investing requires the methodical application of a systematic approach in order to achieve specific objectives, and a checklist is a great aid towards that end. This checklist helps to ensure that the company under investigation is high quality and that its shares are likely to improve the portfolio in the long-run.

Maintaining and increasing portfolio diversification

1. Will the addition of this company leave the proportion of UK revenues in the portfolio at less than 50%?

YES The UKVI Portfolio currently has exactly 50% of its revenues coming from the UK. Beazley currently has UK revenues of 14% and so its addition would reduce the portfolio's UK exposure.

2. Will the addition of this company leave the proportion of cyclical sector companies in the portfolio at less than 50%?

NO The portfolio is currently 53% invested in cyclical sector companies, which is too high. Beazley operates in the defensive Nonlife Insurance sector so it will help to reduce the portfolio's exposure to cyclical sectors, but probably not by enough to leave it under 50%.

3. Are there less than three companies in the portfolio from the same sector as this company?

YES There are two other Nonlife Insurance companies in the portfolio: Admiral and Amlin. The addition of Beazley will mean that no new Nonlife Insurance companies will be purchased until one of these is sold.

Avoiding (or trying to avoid) value traps

Good management

1. Does the company have a clear and consistent goal and strategy and is it focused on implementing that strategy successfully?

YES Beazley's long-standing goal is "to become, and to be recognised as, the highest performing specialist insurer."

The company's strategy, which it has also had for many years, is broadly:

- To hire talented and entrepreneurial people,
- who can prudently and profitably underwrite complex risks with bespoke policies,
- and build long-term relationships with the insurance brokers who are the company's primary route to market,
- whilst also developing new and innovative insurance products,
- in order to build a diverse and robust insurance business,
- which can be grown internationally

This goal and strategy feature prominently in each annual report and are backed up with many examples of how the company is pursuing each of them.

2. Does the company have an obvious core business upon which its goal, strategy and long-term future are heavily focused?

YES Beazley's core business is specialist insurance, which currently generates 44% of its total gross written premiums (gross premium includes premiums that are subsequently passed onto a reinsurer, along with the obligation to pay that portion of any claims).

Adequate financial control

3. Do the company's KPIs focus on a range of relevant indicators beyond revenue and EPS growth, such as profitability, leverage, liquidity and investment?

YES Profitability is a KPI, measured with return on equity (ROE) and the combined ratio. ROE measures profitability relative to shareholder equity while the combined ratio measures the profitability of the underwriting (i.e. insurance) side of the business and excludes the performance of the company's financial investments (insurance companies invest premiums in order to generate additional returns).

I would prefer to see a leverage ratio included in the KPIs as well, such as the premium to surplus ratio or perhaps one of the regulatory capital requirement ratios. The company's capital requirement ratios are included in the annual reports, but not as KPIs.

Low costs

4. Scale: Is the company in the leading group in terms of market share within its chosen markets?

YES While I could not find much in the way of quantitative data on Beazley's position within its chosen markets, it is frequently described as 'leading' in relation to many of those markets, including professional liability, data security breaches and marine voyage and tow business. For example, Beazley is apparently the prominent leader of marine voyage and tow insurance in the London (Lloyd's) market.

5. Experience: Has the company had the same core business for many years?

YES Although the company has not been around for a particularly long time, it has been in the same business since it was formed in 1986.

Caution with big projects

6. Is the company free of "bold" projects which, if they failed, could push it into a major crisis?

YES I could not find evidence of any significant high-risk projects.

7. Is the company free of the need for large capital expenditures (i.e. was total capex less than total EPS over the past 10 years?)

YES Insurance company's generally don't need to invest heavily in capital assets such as factories, machinery or intellectual property. In Beazley's case, in the last ten years capital expenditure has average about 6% of post-tax profits and I would consider anything below 50% as quite low.

8. Are revenues generated through the sale of a large number of small-ticket items rather than through major one-off contracts?

YES Each individual insurance policy and each individual client is relatively small in relation to the total volume of business that Beazley writes. When a "contract" (i.e. insurance policy) ends it is not particularly detrimental to the company and it is not particularly difficult to replace it with another policy.

Caution with acquisitions and mergers

9. Has the company avoided mergers or large acquisitions in the last few years (i.e. acquisitions that cost more than a year's profit)?

YES There have been no large acquisitions in recent years.

10. Has the company avoided acquisitions that have little to do with its core capability?

YES The acquisitions the company has carried out have been closely related to its insurance business.

Ability to adapt to changing market demand

11. Does the company operate in defensive markets?

NO Although Beazley is listed in the Nonlife Insurance sector, which is defined as defensive in the Capita Dividend Monitor newsletter, the various markets it operates in are in fact relatively cyclical.

In the short-term the profitability of different types of insurance can change markedly, depending on the magnitude of claims in recent years. When there are few claims, insurers make outsize profits and are therefore willing to write insurance with lower premiums and thinner margins. But when large claims roll in many insurers become loss-making which leads to a reluctance to write that type of business again, and so higher premiums and profit margins are required in order to offset the perceived risk.

Beazley counteracts this cyclicality by writing a diverse range of insurance policies, where the downs of some markets are largely offset by the ups of others.

12. Does the company operate in markets where the pattern of demand (whether cyclical or defensive) is unlikely to be disrupted in the short or medium-term?

YES There are certainly risks to insurers from new financial technology, or "Fintech" as it is often called. Insurance is essentially the act of people coming together in order to share the burden of their risks. Peer-to-peer funding and lending networks, or crowdfunding, perform a very similar function, so it isn't impossible to imagine some sort of peer-to-peer car insurance website popping up, if it hasn't already, perhaps backed by Amazon/Facebook/Google or some other entity with a massive audience.

Having said that, Beazley operates at the much less commoditised end of the insurance market, where policies are bespoke to a far greater extent than in car or home insurance. The types of risk that Beazley covers, including kidnap and ransom, cyber-attack and fine art, are far less homogeneous and require far more knowledge from both the underwriter and claims handler. So while the threat of commoditisation from technology is still there, I think it lies mostly outside of the next ten years.

13. Does the company operate in markets where demand is expected to grow?

YES I don't expect the company's core western markets to grow substantially faster than the global economy in general. However, one of Beazley's key strategic objectives is to expand its business in faster growing markets such as Asia.

Competitive product, service and price

14. Does the company generate most of its profits from products or contracts that do not need to be replaced in the next 10 years?

YES Although each individual insurance policy needs to be replaced (or renewed) every year or so, each can be replaced or renewed with relative ease. This is in contrast to a company like Balfour Beatty which has to repeatedly replace multi-year multi-million pound construction projects with new projects of a similar scale, which is an enormously more difficult task than simply writing another insurance policy.

15. Does the company sell differentiated products that do not compete purely on price?

YES My feeling is that Beazley does not compete primarily on price. With highly complex risks and claims, clients and brokers require a significant degree of trust in the ability of the underwriter to design the policy effectively, and in the insurer's claims department to deal with any claims quickly and efficiently.

Beazley focuses on this end of the market and it repeatedly points out that client and broker partnerships are at the heart of its business:

> *"Strong partnerships with clients are based on the expectation that Beazley will be prepared to provide continuity of coverage over the years. Our clients understand that, for us to deliver on this expectation, we need to charge a fair premium to cover the risk even if, for a time, a competitor may be willing to write the same risks at an uneconomic rate."*

Indifferent to commodity prices

16. Is the company relatively immune to commodity price movements?

YES Beazley's business is not significantly affected by commodity price movements.

Sound financial policy

17. Does the company have a target rate of return on investment (ROCE or similar) of more than 10%?

YES Return on equity is the company's main measurement of profitability other than the combined ratio. The company runs an employee bonus scheme which is linked to ROE, with significant bonuses only being paid out when ROE is more than 10% above the risk-free rate of return (currently about 1% based on short-term US government bonds).

18. Is the company's use of leverage conservative enough given the potential for its earnings to decline?

YES Beazley does not have a lot of borrowings, which shows up as a relatively low Debt Ratio of 1.3; well below my maximum for defensive sector companies of 5. It also does not appear to underwrite a particularly large volume of risk relative to its policyholder's surplus. This shows up as a low premium to surplus ratio of 1.4 which is well below my maximum of 2 (the premium to surplus ratio is the ratio between premiums earned and net tangible asset value, i.e. tangible assets minus all liabilities).

19. Are the chances of this company being a value trap acceptably low (and if so, why are the shares cheap at the moment)?

YES Beazley does not look like an obvious value trap to me. It is not facing any major challenges at the moment and does not have a history of crises either. It appears to be running its business prudently, with little leverage and a long-term outlook. So if everything is going smoothly, why do the shares appear cheap?

I think that in some ways the shares don't look particularly cheap. The dividend yield is 2.8% and the PE ratio is 12.5, neither of which is particularly good. However, the company has an above average growth rate of 6.7% and has a dividend growth rate of 7.2%. It has also increased its dividend in every single year for more than a decade and has had an average dividend cover ratio of 3 (i.e. earnings are typically three times larger than dividend payments, so the dividend appears to be relative safe). It has also produced relatively high returns on equity (18%), even for an insurance company.

So while none of its defensive or value metrics are outstanding, it does seem to be an above average company with valuation multiples that are lower than those of other similarly successful companies.

One important – although perhaps somewhat unreliable – factor is the company's tendency to pay a special dividend. Like many insurance companies, Beazley pays back excess capital to shareholders as a special dividend. If the company's investments perform particularly well, or if it goes through a period in which claims are few and far between, it may unintentionally build up its asset base beyond the amount required. Currently, if its surplus assets exceed the amount required by regulation by more than 30% it will pay back some of that surplus as a special dividend.

This has happened in five of the last nine years and in each of the last three years. Last year the base dividend was 9.3p and the special dividend was 11.8p, giving the company an historic dividend yield of 6.3% at today's share price. While these special dividends are not guaranteed, they occur frequently enough to make Beazley a much more interesting income investment than it might at first glance appear.

Uncovering competitive advantages

1. Does the company have any intangible asset advantages (e.g. brand names that command pricing power; patents; regulatory barriers)?

NO Although I'm sure Beazley's name is well-regarded, I don't think it amounts to an intangible competitive advantage.

2. Does the company gain an advantage from "switching costs", i.e. the effort required for customers to switch to another supplier (e.g. bank accounts or computer software)?

YES The advantage here is more to do with trust than it is to do with effort. Brokers need to know that the insurance companies they use to insure their clients will not only provide a professional service in terms of policy design and claims handling, but that the insurance company will be willing and able to provide that cover at a reasonable price over many years. Once a specialist insurance broker has found a trustworthy and effective insurer and built a relationship with them, they will typically be more inclined to refer business to that insurer in future, and as long as the insurer performs well that inclination will continue.

3. Do the company's products or services have a "network effect", i.e. become more attractive as more people use them (e.g. Facebook, eBay)?

NO Insurance products do not become significantly more attractive as more people use them.

4. Does the company have any durable cost advantages (e.g. unique location, unique low cost source of raw materials, greater scale)?

NO Beazley is not a low cost provider of commodity insurance (unlike Admiral) and it has no obvious cost advantages.

Making the trade - Are you happy to own these shares for at least 5 years?

YES I think Beazley is a good business trading at an attractive price and the potential for the occasional large special dividend is a bonus. It does not seem to be having any particular problems at the moment and I don't think it is an obvious value trap.

I will be buying shares in Beazley for the UKVI Portfolio and my personal portfolio a few days after this issue is published. I will target a position size of approximately 4% in the UKVI Portfolio in order to reduce the portfolio's excess cash.

As usual I expect this company to be in the portfolio for anywhere between one and ten years, although exactly how long will depend on the performance of both company and its share price.

Higher ranked stocks that were not bought	Reason for not buying
Chesnara PLC	Operates in the cyclical Life Insurance sector and the portfolio already holds too many cyclical stocks
Amec Foster Wheeler PLC	Debt Ratio too high
Fenner PLC	Operates in the cyclical Industrial Engineering sector and the portfolio already holds too many cyclical stocks
Aggreko PLC	Operates in the cyclical Support Services sector and the portfolio already holds too many cyclical stocks
Rotork PLC	Operates in the cyclical Industrial Engineering sector and the portfolio already holds too many cyclical stocks
Sky PLC	Operates in the cyclical Media sector and the portfolio already holds too many cyclical stocks
Weir Group PLC	Operates in the cyclical Industrial Engineering sector and the portfolio already holds too many cyclical stocks
PayPoint PLC	Operates in the cyclical Support Services sector and the portfolio already holds too many cyclical stocks
Stagecoach Group PLC	Operates in the cyclical Travel & Leisure sector and its Debt Ratio is too high

Questions and Answers

Readers ask questions on a range of topics every month. Here are the most interesting and/or frequent:

Q: When considering candidates for addition to the portfolio or for ejection what importance do you give to 50-day and 200-days share price moving averages?

A: I don't actually use any “technical indicators”, including the 50-day or 200-day moving averages. I know a lot of investors swear by them, especially for timing buy or sell decisions, but personally I think:

1. I don't have any special expertise in using them and,
2. psychologically I don't like to think about historic share prices or share price patterns. They might lead me to think about the short-term ups and downs of share prices, which I don't want to do.

I prefer to think about the long-term fundamentals of a company (its revenues, earnings, profits and so on) and the current price at which I can buy or sell it, and not much else.

Q: do you manage all your savings yourself or do you use someone externally?

A: I manage all of my savings myself. I have a fairly simple plan which is to build up my savings and invest (unsurprisingly) in dividend paying shares. I copy the UKVI Portfolio with about 90% of my pension savings; the remaining 10% is in past job-related pension schemes.

If I decide to stop paid work at some point I expect to live off the dividends and not touch the capital, unless I see a particularly attractive Lamborghini.

Defensive and Cyclical sectors

The model portfolio aims to be at least 50% invested in defensive FTSE Sectors as defined in the Capita Dividend Monitor. The definitions are repeated here in case you want to follow a similar policy:

Defensive Sectors

- Aerospace & Defense
- Beverages
- Electricity
- Fixed Line Telecommunications
- Food & Drug Retailers
- Food Producers
- Gas, Water & Multiutilities
- Health Care Equipment & Services
- Mobile Telecommunications
- Non-life Insurance
- Personal Goods
- Pharmaceuticals & Biotechnology
- Tobacco

Cyclical Sectors

- Automobiles & Parts
- Banks
- Chemicals
- Construction & Materials
- Electronic & Electrical Equipment
- Financial Services
- Forestry & Paper
- General Industrials
- General Retailers
- Household Goods & Home Construction
- Industrial Engineering
- Industrial Metals & Mining
- Industrial Transportation
- Leisure Goods
- Life Insurance
- Media
- Mining
- Oil & Gas Producers
- Oil Equipment, Services & Distribution
- Real Estate Investment & Services
- Software & Computer Services
- Support Services
- Technology Hardware & Equipment
- Travel & Leisure

Stock Screen - Sorted by Rank

Colour coding rules and column descriptions can be found in the appendices

Rank	Name	EPIC	Index	Sector	Share Price	PE Ratio	Dividend Yield	PE10	Growth Rate	Growth Quality	ROCE	Debt Ratio	Earnings Power
1	Petrofac Ltd	PFC	FTSE 250	Oil Equipment, Services & Distribution	£8.92	16.5	4.8%	13.1	22.3%	83%	29%	3.5	£316
2	Admiral Group PLC	ADM	FTSE 100	Nonlife Insurance	£15.50	15.1	6.3%	21.2	13.3%	92%	54%	0.0	£249
3	ITE Group PLC	ITE	Small Cap	Media	£1.50	9.5	4.9%	13.1	9.3%	83%	29%	1.3	£32
4	Chesnara PLC	CSN	Small Cap	Life Insurance	£3.60	16.3	5.1%	15.2	7.0%	83%	15%	N/K	£29
5	Centrica PLC	CNA	FTSE 100	Gas, Water & Multiutilities	£2.43	43.9	5.6%	10.2	7.0%	79%	12%	4.7	£1,475
6	Amec Foster Wheeler PLC	AMFW	FTSE 250	Oil Equipment, Services & Distribution	£8.06	12.8	5.4%	15.5	15.0%	83%	12%	6.1	£216
7	IG Group Holdings PLC	IGG	FTSE 250	Financial Services	£7.25	20.1	3.9%	23.8	13.5%	88%	26%	0.0	£139
8	Fenner PLC	FENR	Small Cap	Industrial Engineering	£1.71	6.2	7.0%	8.5	10.9%	79%	8%	4.6	£47
9	Aggreko PLC	AGK	FTSE 250	Support Services	£10.67	13.2	2.5%	15.8	17.7%	88%	16%	2.2	£238
10	British American Tobacco PLC	BATS	FTSE 100	Tobacco	£34.79	17.8	4.3%	21.1	9.7%	88%	17%	3.2	£3,838
11	Standard Chartered PLC	STAN	FTSE 100	Banks	£7.65	8.0	7.1%	7.2	7.1%	71%	12%	N/A	£2,845
12	Rotork PLC	ROR	FTSE 250	Industrial Engineering	£2.09	17.6	2.4%	26.0	14.3%	100%	30%	0.2	£88
13	Mitie Group PLC	MTO	FTSE 250	Support Services	£2.97	13.4	3.9%	16.0	8.9%	92%	12%	3.6	£78
14	Amlin PLC	AML	FTSE 250	Nonlife Insurance	£5.16	11.2	5.2%	11.4	6.4%	71%	17%	1.5	£178
15	Sky PLC	SKY	FTSE 100	Media	£10.43	33.3	3.1%	26.5	10.8%	96%	21%	2.4	£1,106
16	BHP Billiton PLC	BLT	FTSE 100	Mining	£11.32	22.0	7.2%	7.4	5.6%	63%	17%	1.9	£10,845
17	Weir Group PLC	WEIR	FTSE 100	Industrial Engineering	£14.04	10.9	3.1%	15.2	18.2%	83%	11%	3.7	£280
18	Morrison (Wm) Supermarkets PLC	MRW	FTSE 100	Food & Drug Retailers	£1.68	17.8	8.1%	9.7	7.3%	79%	7%	5.4	£468
19	PayPoint PLC	PAY	FTSE 250	Support Services	£10.20	17.8	3.8%	25.8	8.1%	88%	34%	0.0	£31
20	Stagecoach Group PLC	SGC	FTSE 250	Travel & Leisure	£3.63	14.4	2.9%	17.2	8.1%	92%	14%	5.4	£145
21	Telecom plus PLC	TEP	FTSE 250	Fixed Line Telecommunications	£11.14	27.7	3.6%	39.7	17.4%	88%	36%	2.6	£26
22	Beazley PLC	BEZ	FTSE 250	Nonlife Insurance	£3.35	12.5	2.8%	15.2	6.7%	79%	18%	N/K	£125
23	Victrex PLC	VCT	FTSE 250	Chemicals	£17.96	18.7	2.5%	28.6	13.0%	92%	23%	0.0	£70
24	Brown (N) Group PLC	BWNG	FTSE 250	General Retailers	£3.00	11.7	4.7%	12.3	6.2%	75%	11%	3.8	£76
25	AstraZeneca PLC	AZN	FTSE 100	Pharmaceuticals & Biotechnology	£41.20	33.4	4.3%	14.2	1.4%	75%	23%	1.8	£3,928
26	Vedanta Resources PLC	VED	FTSE 250	Mining	£5.47	0.4	7.4%	2.4	15.8%	67%	3%	13.0	£863
27	Menzies (John) PLC	MNZS	Small Cap	Support Services	£4.52	13.2	3.6%	10.1	4.5%	71%	13%	4.6	£32
28	Ashley (Laura) Holdings PLC	ALY	Small Cap	General Retailers	£0.28	11.5	7.1%	17.1	7.7%	58%	20%	0.0	£16
29	IMI PLC	IMI	FTSE 250	Industrial Engineering	£10.38	14.5	3.6%	18.2	6.0%	83%	17%	1.2	£210
30	GlaxoSmithKline PLC	GSK	FTSE 100	Pharmaceuticals & Biotechnology	£13.40	19.0	6.0%	14.6	1.6%	71%	18%	4.6	£4,051
31	Jardine Lloyd Thompson Group PLC	JLT	FTSE 250	Nonlife Insurance	£10.54	18.1	2.7%	25.5	10.1%	88%	16%	N/K	£114
32	Vodafone Group PLC	VOD	FTSE 100	Mobile Telecommunications	£2.27	10.2	4.9%	12.4	4.0%	92%	7%	2.0	£9,979
33	Burberry Group PLC	BRBY	FTSE 100	Personal Goods	£14.11	18.4	2.5%	26.9	16.5%	83%	26%	0.2	£304
34	UK Mail Group PLC	UKM	Small Cap	Industrial Transportation	£3.86	12.6	5.6%	16.8	5.4%	67%	18%	0.7	£14
35	De La Rue PLC	DLAR	Small Cap	Support Services	£4.90	10.7	3.4%	9.6	1.2%	50%	46%	2.9	£48
36	Reckitt Benckiser Group PLC	RB.	FTSE 100	Household Goods & Home Construction	£57.57	25.0	2.4%	29.8	11.1%	88%	21%	1.5	£1,689
37	Antofagasta PLC	ANTO	FTSE 100	Mining	£6.09	13.4	2.2%	9.2	14.6%	58%	13%	2.2	£694
38	Diageo PLC	DGE	FTSE 100	Beverages	£17.30	17.8	3.3%	21.7	7.3%	88%	13%	4.3	£2,380
39	Prudential PLC	PRU	FTSE 100	Life Insurance	£14.18	15.8	2.6%	24.6	11.5%	83%	18%	N/K	£1,807
40	Mears Group PLC	MER	Small Cap	Support Services	£3.98	16.3	2.5%	20.1	12.2%	92%	11%	2.9	£21
41	Hiscox Ltd	HSX	FTSE 250	Nonlife Insurance	£9.00	13.0	2.7%	17.3	9.3%	79%	15%	N/K	£167
42	Computacenter PLC	CCC	FTSE 250	Software & Computer Services	£7.72	16.5	2.5%	22.3	10.4%	92%	13%	0.2	£60
43	Imperial Tobacco Group PLC	IMT	FTSE 100	Tobacco	£31.59	6.4	4.1%	17.3	13.7%	75%	10%	5.3	£1,858
44	SSE PLC	SSE	FTSE 100	Electricity	£14.71	13.8	6.0%	15.5	5.3%	83%	8%	5.2	£1,179
45	Tullow Oil PLC	TLW	FTSE 250	Oil & Gas Producers	£2.23	2.4	1.8%	6.3	13.6%	54%	9%	4.3	£506
46	Ladbrokes PLC	LAD	FTSE 250	Travel & Leisure	£1.00	8.2	8.9%	4.2	-4.9%	50%	21%	2.5	£190
47	Cobham PLC	COB	FTSE 250	Aerospace & Defense	£2.82	30.8	3.8%	19.0	9.7%	79%	13%	7.7	£188
48	Domino's Pizza UK & IRL PLC	DOM	FTSE 250	Travel & Leisure	£8.65	33.5	2.0%	52.4	19.4%	100%	39%	0.6	£35
49	Homeserve PLC	HSV	FTSE 250	Support Services	£4.21	23.9	2.9%	20.6	6.7%	79%	18%	1.9	£73
50	Aberdeen Asset Management PLC	ADN	FTSE 100	Financial Services	£3.19	12.5	5.6%	22.3	19.8%	79%	9%	0.0	£241
51	Compass Group PLC	CPG	FTSE 100	Travel & Leisure	£10.35	21.5	2.6%	32.4	13.7%	96%	13%	3.6	£775
52	Restaurant Group (The) PLC	RTN	FTSE 250	Travel & Leisure	£6.66	22.3	2.3%	31.4	10.0%	100%	19%	0.9	£50
53	Intertek Group PLC	ITRK	FTSE 100	Support Services	£25.36	20.2	1.9%	29.0	16.8%	92%	14%	4.1	£182
54	Sainsbury (J) PLC	SBRY	FTSE 100	Food & Drug Retailers	£2.43	9.6	3.4%	10.1	5.7%	75%	5%	5.2	£533
55	Legal & General Group PLC	LGEN	FTSE 100	Life Insurance	£2.53	14.0	4.4%	21.1	11.1%	67%	17%	N/K	£894
56	Spirax-Sarco Engineering PLC	SPX	FTSE 250	Industrial Engineering	£31.54	22.7	2.1%	29.3	10.0%	96%	17%	0.9	£96
57	William Hill PLC	WMH	FTSE 250	Travel & Leisure	£3.60	14.0	3.4%	14.9	1.4%	88%	10%	3.9	£183
58	Atkins (W S) PLC	ATK	FTSE 250	Support Services	£14.68	15.1	2.5%	18.1	5.2%	79%	19%	1.3	£87
59	Rolls-Royce Group PLC	RR.	FTSE 100	Aerospace & Defense	£7.43	11.4	3.1%	15.4	9.0%	83%	9%	3.2	£1,008
60	KCOM Group PLC	KCOM	Small Cap	Fixed Line Telecommunications	£0.94	10.1	5.7%	14.5	6.1%	50%	19%	2.8	£39
61	Premier Farnell PLC	PFL	FTSE 250	Support Services	£1.31	9.3	7.9%	9.3	2.6%	42%	13%	5.3	£57
62	Fidessa Group PLC	FDSA	FTSE 250	Software & Computer Services	£18.78	25.2	2.0%	30.7	12.3%	83%	17%	0.0	£29
63	BG Group PLC	BG.	FTSE 100	Oil & Gas Producers	£9.95	7.2	1.8%	11.3	8.0%	79%	12%	3.3	£3,457
64	Rio Tinto PLC	RIO	FTSE 100	Mining	£23.88	9.1	5.6%	6.9	7.0%	54%	11%	2.2	£7,462
65	JD Sports Fashion PLC	JD.	FTSE 250	General Retailers	£8.76	21.8	0.8%	34.0	16.4%	88%	24%	0.6	£63
66	Ultra Electronics Holdings PLC	ULE	FTSE 250	Aerospace & Defense	£17.57	37.2	2.5%	22.9	11.7%	71%	18%	2.7	£64
67	Royal Dutch Shell PLC	RDSB	FTSE 100	Oil & Gas Producers	£17.07	9.1	6.9%	7.8	3.0%	63%	9%	2.1	£14,029
68	Goodwin PLC	GDWN	Small Cap	Industrial Engineering	£23.80	11.1	1.8%	17.1	11.4%	71%	18%	1.4	£12
69	Braemar Shipping Services PLC	BMS	Small Cap	Industrial Transportation	£4.51	19.1	5.8%	11.4	0.3%	58%	15%	1.2	£8
70	Barr (A G) PLC	BAG	FTSE 250	Beverages	£5.61	19.6	2.2%	30.7	9.2%	96%	16%	0.6	£27
71	Tesco PLC	TSCO	FTSE 100	Food & Drug Retailers	£1.91	17.4	0.6%	7.3	1.8%	67%	8%	5.6	£2,270
72	Tullett Prebon PLC	TLPR	FTSE 250	Financial Services	£3.77	9.8	4.5%	8.9	2.7%	54%	14%	2.4	£92
73	Chemring Group PLC	CHG	Small Cap	Aerospace & Defense	£2.25	45.5	1.8%	8.7	3.9%	67%	10%	3.2	£49
74	Drax Group PLC	DRX	FTSE 250	Electricity	£2.93	9.2	4.1%	4.5	-5.7%	50%	14%	1.7	£187
75	Britvic PLC	BVIC	FTSE 250	Beverages	£6.70	15.8	3.1%	22.5	9.2%	79%	12%	6.7	£85
76	Babcock International Group PLC	BAB	FTSE 100	Support Services	£9.69	19.0	2.4%	26.5	13.6%	88%	10%	8.4	£187
77	BP PLC	BP.	FTSE 100	Oil & Gas Producers	£3.61	7.0	6.9%	7.5	-0.5%	63%	10%	4.7	£7,290
78	Fisher (James) & Sons PLC	FSJ	FTSE 250	Industrial Transportation	£10.45	12.0	2.1%	22.1	13.0%	100%	8%	2.7	£30
79	NCC Group PLC	NCC	Small Cap	Software & Computer Services	£2.31	28.9	1.7%	41.3	19.5%	96%	14%	4.4	£15
80	Dialight PLC	DIA	Small Cap	Electronic & Electrical Equipment	£6.32	17.3	2.4%	28.3	17.0%	83%	12%	0.7	£10
81	Spectris PLC	SXS	FTSE 250	Electronic & Electrical Equipment	£18.24	15.8	2.5%	22.3	11.0%	79%	13%	1.3	£122

Stock Screen - Sorted by Rank

Colour coding rules and column descriptions can be found in the appendices

Rank	Name	EPIC	Index	Sector	Share Price	PE Ratio	Dividend Yield	PE10	Growth Rate	Growth Quality	ROCE	Debt Ratio	Earnings Power
82	Wood Group (John) PLC	WG.	FTSE 250	Oil Equipment, Services & Distribution	£6.39	12.7	2.7%	9.3	11.6%	71%	9%	2.3	£142
83	Diploma PLC	DPLM	FTSE 250	Support Services	£7.26	22.6	2.3%	36.9	15.6%	92%	14%	0.0	£29
84	BAE Systems PLC	BA.	FTSE 100	Aerospace & Defense	£4.52	15.3	4.5%	13.5	2.8%	75%	9%	2.9	£1,152
85	Croda International PLC	CRDA	FTSE 250	Chemicals	£28.92	23.1	2.3%	34.9	17.8%	83%	17%	1.4	£162
86	HSBC Holdings PLC	HSBA	FTSE 100	Banks	£5.19	11.5	6.1%	10.5	-1.4%	71%	9%	N/A	£9,371
87	Carillion PLC	CLLN	FTSE 250	Support Services	£3.41	13.4	5.2%	11.7	5.0%	71%	7%	4.5	£145
88	Capita PLC	CPI	FTSE 100	Support Services	£12.36	30.6	2.4%	35.0	11.5%	92%	13%	7.8	£263
89	Hill & Smith Holdings PLC	HILS	Small Cap	Industrial Engineering	£7.17	16.7	2.5%	21.3	7.4%	88%	10%	3.5	£29
90	Ted Baker PLC	TED	FTSE 250	Personal Goods	£30.66	36.7	1.3%	64.0	13.5%	92%	25%	1.0	£25
91	Next PLC	NXT	FTSE 100	General Retailers	£79.45	19.3	1.9%	32.5	10.9%	83%	42%	1.7	£501
92	Brammer PLC	BRAM	Small Cap	Support Services	£3.04	16.3	3.5%	18.6	9.5%	79%	8%	4.4	£22
93	Senior PLC	SNR	FTSE 250	Aerospace & Defense	£2.86	15.8	2.0%	20.1	13.2%	79%	12%	1.4	£83
94	Electrocomponents PLC	ECM	FTSE 250	Support Services	£1.84	11.0	6.4%	11.9	1.0%	54%	12%	2.3	£75
95	RPS Group PLC	RPS	Small Cap	Support Services	£2.34	14.3	3.6%	16.3	7.2%	83%	8%	3.1	£30
96	Intermediate Capital Group PLC	ICP	FTSE 250	Financial Services	£5.34	9.0	4.8%	10.4	-1.6%	63%	12%	12.7	£164
97	Smiths Group PLC	SMIN	FTSE 100	General Industrials	£11.29	14.0	3.6%	15.5	5.5%	67%	11%	2.9	£343
98	Vitec Group (The) PLC	VTC	Small Cap	Industrial Engineering	£6.15	9.0	3.9%	12.4	5.1%	63%	11%	3.3	£25
99	Renishaw PLC	RSW	FTSE 250	Electronic & Electrical Equipment	£21.65	12.9	2.1%	30.8	18.2%	79%	14%	0.0	£64
100	Cranswick PLC	CWK	FTSE 250	Food Producers	£16.81	20.0	2.0%	24.7	8.7%	88%	11%	0.6	£38
101	Aveva Group PLC	AVV	FTSE 250	Software & Computer Services	£21.65	32.3	1.4%	35.8	13.9%	83%	21%	0.0	£44
102	Standard Life PLC	SL.	FTSE 100	Life Insurance	£4.16	18.5	4.2%	21.8	5.2%	75%	11%	N/K	£475
103	RM PLC	RM.	Small Cap	Software & Computer Services	£1.77	11.0	2.3%	10.6	-3.6%	58%	19%	0.0	£13
104	WPP Group PLC	WPP	FTSE 100	Media	£13.51	17.6	2.8%	22.2	13.0%	88%	7%	4.7	£1,017
105	Tate & Lyle PLC	TATE	FTSE 250	Food Producers	£5.42	14.7	5.2%	11.9	2.0%	63%	10%	3.4	£227
106	RPC Group PLC	RPC	FTSE 250	General Industrials	£6.57	14.1	2.4%	23.2	13.6%	83%	9%	7.0	£73
107	Unilever PLC	ULVR	FTSE 100	Personal Goods	£26.23	23.4	3.4%	22.5	5.0%	71%	15%	2.7	£3,584
108	Connect Group PLC	CNCT	Small Cap	Support Services	£1.54	8.4	5.7%	10.2	4.7%	71%	-115%	3.4	£33
109	Devro PLC	DVO	Small Cap	Food Producers	£2.89	24.4	3.0%	21.0	11.0%	67%	11%	2.7	£30
110	Smith & Nephew PLC	SN.	FTSE 100	Health Care Equipment & Services	£11.63	24.6	1.6%	30.1	10.5%	83%	16%	2.7	£401
111	Euromoney Institutional Investor PLC	ERM	FTSE 250	Media	£10.11	17.2	2.3%	23.5	5.5%	75%	17%	0.7	£65
112	Johnson Matthey PLC	JMAT	FTSE 100	Chemicals	£27.05	15.5	2.5%	22.1	8.8%	75%	11%	3.5	£307
113	Playtech PLC	PTEC	FTSE 250	Travel & Leisure	£8.57	23.0	2.4%	37.0	19.1%	71%	16%	2.4	£81
114	Clarkson PLC	CKN	FTSE 250	Industrial Transportation	£23.00	17.7	2.6%	19.8	1.3%	79%	13%	0.0	£22
115	RSA Insurance Group PLC	RSA	FTSE 100	Nonlife Insurance	£5.14	-25.4	0.4%	10.3	-8.1%	42%	13%	1.1	£218
116	Bunzl PLC	BNZL	FTSE 100	Support Services	£17.39	24.3	2.0%	32.7	8.8%	100%	11%	4.8	£204
117	UBM PLC	UBM	FTSE 250	Media	£4.93	9.9	4.6%	13.2	0.3%	58%	12%	5.5	£113
118	St James's Place PLC	STJ	FTSE 100	Life Insurance	£9.15	25.5	2.5%	46.5	16.0%	83%	15%	N/K	£123
119	National Grid PLC	NG.	FTSE 100	Gas, Water & Multiutilities	£8.60	15.2	5.0%	15.4	3.7%	75%	5%	12.4	£2,086
120	Hunting PLC	HTG	FTSE 250	Oil Equipment, Services & Distribution	£5.18	9.4	3.8%	15.0	7.2%	71%	6%	2.4	£59
121	Morgan Advanced Materials PLC	MGAM	FTSE 250	Electronic & Electrical Equipment	£3.35	14.3	3.3%	15.7	4.8%	71%	10%	4.2	£64
122	Headlam Group PLC	HEAD	Small Cap	Household Goods & Home Construction	£4.78	16.8	3.7%	17.3	-2.5%	75%	11%	1.1	£21
123	Morgan Sindall PLC	MGNS	Small Cap	Construction & Materials	£8.21	21.0	3.3%	11.7	-5.5%	46%	14%	1.5	£24
124	WH Smith PLC	SMWH	FTSE 250	General Retailers	£15.00	19.3	2.3%	31.0	10.8%	71%	34%	0.1	£81
125	Man Group PLC	EMG	FTSE 250	Financial Services	£1.61	11.3	3.9%	8.2	-14.0%	50%	10%	0.5	£197
126	S & U PLC	SUS	Small Cap	Financial Services	£24.27	15.7	2.7%	30.9	10.1%	83%	10%	4.6	£12
127	Hikma Pharmaceuticals PLC	HIK	FTSE 100	Pharmaceuticals & Biotechnology	£22.75	24.0	0.6%	58.9	21.7%	88%	12%	3.4	£106
128	Close Brothers Group PLC	CBG	FTSE 250	Financial Services	£14.91	14.9	3.3%	21.5	3.0%	67%	14%	67.2	£100
129	Whitbread PLC	WTB	FTSE 100	Travel & Leisure	£47.97	23.1	1.7%	38.9	13.8%	100%	10%	2.0	£290
130	Greggs PLC	GRG	FTSE 250	Food & Drug Retailers	£11.40	24.2	1.9%	32.3	5.5%	83%	18%	0.0	£39
131	Carr's Group PLC	CARR	Small Cap	Food Producers	£1.55	12.7	2.2%	19.2	7.8%	79%	9%	4.9	£8
132	Elementis PLC	ELM	FTSE 250	Chemicals	£2.37	10.3	2.2%	22.0	10.8%	71%	11%	0.1	£68
133	Huntsworth PLC	HNT	Small Cap	Media	£0.37	7.1	4.7%	5.5	1.4%	46%	6%	2.7	£16
134	Kier Group PLC	KIE	FTSE 250	Construction & Materials	£14.99	21.5	3.8%	18.8	2.0%	63%	14%	7.3	£44
135	Halma PLC	HLMA	FTSE 250	Electronic & Electrical Equipment	£7.55	28.0	1.0%	39.1	8.7%	92%	14%	12.2	£90
136	Pennon Group PLC	PNN	FTSE 250	Gas, Water & Multiutilities	£7.70	20.6	4.1%	21.7	5.6%	83%	4%	20.5	£145
137	Interserve PLC	IRV	FTSE 250	Support Services	£5.84	15.8	3.9%	18.3	3.9%	75%	8%	8.4	£42
138	ICAP PLC	IAP	FTSE 250	Financial Services	£4.54	20.2	4.8%	15.9	2.5%	54%	11%	2.8	£196
139	SThree PLC	STHR	Small Cap	Support Services	£3.50	22.5	4.0%	23.1	0.9%	58%	24%	1.4	£17
140	Rathbone Brothers PLC	RAT	FTSE 250	Financial Services	£21.75	20.1	2.4%	30.7	3.7%	79%	16%	41.5	£34
141	Sage Group (The) PLC	SGE	FTSE 100	Software & Computer Services	£5.16	24.2	2.3%	30.1	7.2%	83%	11%	2.5	£237
142	Darty PLC	DRTY	Small Cap	General Retailers	£0.73	17.2	3.5%	7.8	-15.1%	38%	10%	5.6	£40
143	Serco Group PLC	SRP	FTSE 250	Support Services	£1.13	-1.0	2.2%	17.4	-4.9%	75%	8%	-77.9	-£11
144	PZ Cussons PLC	PZC	FTSE 250	Personal Goods	£3.17	18.3	2.5%	22.1	6.6%	75%	10%	3.0	£71
145	Paragon Group of Companies (The) PLC	PAG	FTSE 250	Financial Services	£4.12	11.8	2.2%	6.7	-11.5%	63%	13%	102.8	£95
146	Inmarsat PLC	ISAT	FTSE 100	Mobile Telecommunications	£9.81	22.2	3.1%	28.3	10.3%	71%	10%	6.9	£196
147	Keller Group PLC	KLR	FTSE 250	Construction & Materials	£9.82	13.9	2.6%	14.1	1.6%	75%	8%	5.2	£36
148	Bloomsbury Publishing PLC	BMY	Small Cap	Media	£1.69	12.7	3.6%	16.4	2.8%	75%	7%	0.3	£8
149	Marks & Spencer Group PLC	MKS	FTSE 100	General Retailers	£5.22	15.2	2.2%	14.8	-1.5%	63%	11%	3.7	£548
150	Provident Financial PLC	PFG	FTSE 250	Financial Services	£29.50	23.0	3.3%	34.1	10.7%	75%	9%	9.6	£155
151	Hogg Robinson Group PLC	HRG	Small Cap	Support Services	£0.64	10.2	3.6%	10.5	1.1%	63%	7%	4.1	£23
152	Aviva PLC	AV.	FTSE 100	Life Insurance	£4.84	9.7	3.7%	11.2	-6.4%	46%	10%	N/K	£1,042
153	Go-Ahead Group (The) PLC	GOG	FTSE 250	Travel & Leisure	£25.31	18.0	3.3%	17.6	2.3%	58%	12%	5.9	£55
154	SABMiller PLC	SAB	FTSE 100	Beverages	£30.54	21.5	2.4%	28.5	9.5%	83%	7%	4.1	£2,067
155	Marston's PLC	MARS	FTSE 250	Travel & Leisure	£1.52	10.2	4.4%	10.2	-1.4%	67%	3%	17.6	£78
156	Kingfisher PLC	KGF	FTSE 100	General Retailers	£3.56	13.9	2.8%	17.5	6.8%	67%	8%	0.5	£616
157	ARM Holdings PLC	ARM	FTSE 100	Technology Hardware & Equipment	£9.34	51.7	0.8%	122.8	22.3%	88%	9%	0.0	£155
158	Meggitt PLC	MGGT	FTSE 100	Aerospace & Defense	£4.77	19.5	2.9%	20.9	9.3%	71%	6%	3.3	£208
159	Greene King PLC	GNK	FTSE 250	Travel & Leisure	£8.21	13.5	3.6%	14.8	3.8%	71%	4%	12.8	£124
160	Bodycote PLC	BOY	FTSE 250	Industrial Engineering	£6.41	15.1	2.2%	22.6	6.4%	75%	10%	0.0	£65
161	BBA Aviation PLC	BBA	FTSE 250	Industrial Transportation	£2.91	12.4	3.6%	17.0	4.6%	67%	7%	5.7	£90
162	Brewin Dolphin Holdings PLC	BRW	FTSE 250	Financial Services	£2.83	17.7	3.5%	25.6	3.3%	63%	14%	0.0	£29

Stock Screen - Sorted by Rank

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Rank	Name	EPIC	Index	Sector	Share Price	PE Ratio	Dividend Yield	PE10	Growth Rate	Growth Quality	ROCE	Debt Ratio	Earnings Power
163	Speedy Hire PLC	SDY	Small Cap	Support Services	£0.48	4.3	1.5%	7.1	-15.8%	67%	4%	6.5	£16
164	Investec PLC	INVP	FTSE 250	Financial Services	£5.34	15.8	3.7%	13.4	-0.6%	58%	9%	120.7	£324
165	InterContinental Hotels Group PLC	IHG	FTSE 100	Travel & Leisure	£24.56	27.8	2.0%	30.0	6.0%	71%	19%	4.8	£227
166	FTSE 100				6,248	17.8	3.9%	13.5	1.3%	42%	10%		
167	Home Retail Group PLC	HOME	FTSE 250	General Retailers	£1.52	10.7	2.5%	7.3	-11.5%	42%	6%	0.0	£120
168	Melrose Industries PLC	MRO	FTSE 250	Industrial Engineering	£2.67	25.3	3.0%	35.1	14.0%	79%	4%	5.2	£109
169	Essentra PLC	ESNT	FTSE 250	Support Services	£8.52	23.6	2.1%	37.4	11.4%	79%	11%	1.8	£64
170	Hays PLC	HAS	FTSE 250	Support Services	£1.60	21.7	1.7%	22.6	-3.9%	58%	20%	1.4	£78
171	Pearson PLC	PSON	FTSE 100	Media	£11.33	23.5	4.5%	21.7	3.7%	71%	5%	4.9	£453
172	Charles Taylor PLC	CTR	Small Cap	Support Services	£2.30	13.6	4.1%	12.9	-2.1%	58%	6%	6.8	£6
173	Experian PLC	EXPN	FTSE 100	Support Services	£11.09	21.5	2.3%	30.6	8.9%	71%	12%	5.7	£390
174	Anglo-Eastern Plantations PLC	AEP	Small Cap	Food Producers	£5.58	11.1	0.5%	8.0	4.9%	58%	11%	0.6	£35
175	Communisis PLC	CMS	Small Cap	Support Services	£0.48	10.7	4.2%	8.3	-4.5%	58%	4%	833%	£7
176	Michael Page International PLC	MPI	FTSE 250	Support Services	£5.07	27.2	2.2%	28.7	0.5%	67%	26%	0.0	£47
177	Xaar PLC	XAR	Small Cap	Electronic & Electrical Equipment	£5.10	19.8	1.8%	35.1	20.9%	63%	14%	0.0	£16
178	Berendsen PLC	BRSN	FTSE 250	Support Services	£9.98	19.9	3.0%	27.0	5.6%	79%	6%	6.7	£70
179	Randgold Resources Ltd	RRS	FTSE 100	Mining	£39.59	24.6	1.0%	31.9	30.5%	79%	7%	0.0	£177
180	Fuller Smith & Turner PLC	FSTA	Small Cap	Travel & Leisure	£10.61	21.1	1.0%	28.9	7.8%	92%	6%	6.7	£25
181	4imprint Group PLC	FOUR	Small Cap	Media	£11.01	25.7	1.9%	48.0	5.8%	83%	13%	0.0	£7
182	St Ives PLC	SIV	Small Cap	Support Services	£1.80	16.7	4.0%	13.4	-8.0%	54%	7%	3.7	£15
183	Informa PLC	INF	FTSE 250	Media	£5.79	19.8	3.3%	24.2	6.2%	71%	6%	5.6	£165
184	Anglo Pacific Group PLC	APF	Small Cap	Mining	£0.86	-5.2	9.8%	10.1	-9.9%	42%	4%	0.0	£5
185	Associated British Foods PLC	ABF	FTSE 100	Food Producers	£32.02	32.6	1.1%	47.1	10.0%	96%	7%	1.5	£646
186	Carclo PLC	CAR	Small Cap	Chemicals	£1.41	9.2	2.0%	16.1	2.8%	75%	7%	6.2	£6
187	Old Mutual PLC	OML	FTSE 100	Life Insurance	£2.00	13.9	4.4%	16.8	0.8%	58%	8%	N/K	£617
188	Ashtead Group PLC	AHT	FTSE 100	Support Services	£9.45	17.3	1.6%	47.0	19.6%	88%	5%	12.1	£140
189	Ricardo PLC	RCDO	Small Cap	Support Services	£8.55	22.7	1.8%	29.7	4.8%	71%	14%	0.0	£16
190	BT Group PLC	BT.A	FTSE 100	Fixed Line Telecommunications	£4.37	15.1	2.8%	22.2	0.9%	67%	10%	5.3	£1,846
191	Dignity PLC	DTY	FTSE 250	General Retailers	£24.22	18.3	0.8%	41.3	10.3%	88%	8%	14.9	£41
192	RELX PLC	REL	FTSE 100	Media	£10.45	23.1	2.5%	28.1	5.2%	67%	10%	4.9	£409
193	DCC PLC	DCC	FTSE 250	Support Services	£48.59	26.4	1.7%	35.9	11.1%	79%	8%	10.8	£136
194	Lavendon Group PLC	LVD	Small Cap	Support Services	£1.76	12.4	2.6%	9.5	-6.2%	67%	5%	5.8	£19
195	Severn Trent PLC	SVT	FTSE 100	Gas, Water & Multiutilities	£20.77	35.7	4.1%	22.9	3.0%	71%	3%	23.6	£209
196	Low & Bonar PLC	LWB	Small Cap	Construction & Materials	£0.67	15.4	4.0%	13.5	-0.4%	54%	4%	7.1	£16
197	Balfour Beatty PLC	BBY	FTSE 250	Construction & Materials	£2.72	-6.0	2.1%	15.8	-8.7%	50%	8%	15.9	£60
198	Barclays PLC	BARC	FTSE 100	Banks	£2.61	159.1	2.5%	12.3	-23.0%	54%	4%	N/A	£1,925
199	Genus PLC	GNS	FTSE 250	Pharmaceuticals & Biotechnology	£13.77	26.9	1.3%	39.2	10.1%	92%	5%	3.5	£25
200	Oxford Instruments PLC	OXIG	Small Cap	Electronic & Electrical Equipment	£8.40	81.0	1.5%	33.3	22.7%	67%	7%	6.9	£21
201	Dairy Crest Group PLC	DCG	FTSE 250	Food Producers	£5.86	16.7	3.7%	15.7	-2.6%	54%	7%	5.5	£48
202	Schroders PLC	SDR	FTSE 100	Financial Services	£28.38	18.1	2.7%	29.6	10.9%	75%	5%	49.0	£343
203	Rexam PLC	REX	FTSE 250	General Industrials	£5.39	13.8	3.3%	17.6	1.0%	63%	6%	5.2	£274
204	DS Smith PLC	SMDS	FTSE 250	General Industrials	£3.95	19.5	2.9%	33.1	10.9%	71%	6%	6.3	£126
205	United Utilities Group PLC	UU.	FTSE 100	Gas, Water & Multiutilities	£8.55	19.9	4.4%	17.4	-2.2%	63%	3%	20.3	£327
206	Millennium & Copthorne Hotels PLC	MLC	FTSE 250	Travel & Leisure	£5.58	16.0	2.4%	14.0	6.1%	54%	4%	6.0	£152
207	Henderson Group PLC	HGG	FTSE 250	Financial Services	£2.59	-108.4	3.5%	35.9	4.1%	67%	10%	2.2	£69
208	Porvair PLC	PRV	Small Cap	Industrial Engineering	£3.09	21.2	1.0%	39.1	9.3%	88%	5%	0.6	£4
209	Vp PLC	VP.	Small Cap	Support Services	£7.50	19.1	2.2%	31.5	5.2%	79%	7%	6.5	£11
210	Robert Walters PLC	RWA	Small Cap	Support Services	£4.48	31.3	1.3%	36.7	1.8%	75%	14%	2.8	£8
211	Shanks Group PLC	SKS	Small Cap	Support Services	£0.94	28.1	3.7%	14.1	-1.4%	50%	3%	19.2	£23
212	British Polythene Industries PLC	BPI	Small Cap	General Industrials	£7.05	12.5	2.3%	17.0	0.8%	58%	7%	2.0	£12
213	Regus PLC	RGU	FTSE 250	Support Services	£2.86	40.2	1.4%	39.5	8.2%	79%	9%	3.9	£54
214	Dechra Pharmaceuticals PLC	DPH	FTSE 250	Pharmaceuticals & Biotechnology	£9.51	39.2	1.6%	56.0	2.9%	88%	9%	2.2	£15
215	Laird PLC	LRD	FTSE 250	Technology Hardware & Equipment	£3.81	18.8	3.3%	28.6	0.5%	75%	5%	6.7	£34
216	Centaur Media PLC	CAU	Small Cap	Media	£0.86	505.9	3.5%	20.8	-7.4%	67%	4%	4.4	£4
217	Galliford Try PLC	GFRD	FTSE 250	Household Goods & Home Construction	£17.41	19.8	3.0%	27.7	4.1%	71%	8%	25.4	£43
218	Chime Communications PLC	CHW	Small Cap	Media	£3.62	34.2	2.3%	26.3	-1.4%	71%	9%	9.5	£8
219	G4S PLC	GFS	FTSE 100	Support Services	£2.57	38.7	3.6%	25.4	0.3%	67%	5%	17.9	£119
220	UDG Healthcare PLC	UDG	FTSE 250	Health Care Equipment & Services	£5.05	23.9	1.6%	29.5	5.9%	71%	7%	6.9	£44
221	Tribal Group PLC	TRB	Small Cap	Support Services	£1.34	13.0	1.3%	12.9	-6.4%	54%	6%	2.1	£10
222	Zotefoams PLC	ZTF	Small Cap	Chemicals	£3.20	29.2	1.7%	35.9	5.1%	67%	9%	0.5	£4
223	QinetiQ Group PLC	QQ.	FTSE 250	Aerospace & Defense	£2.33	12.5	2.3%	19.2	0.7%	63%	6%	0.0	£80
224	CRH PLC	CRH	FTSE 100	Construction & Materials	£19.22	25.6	2.6%	20.7	-4.1%	58%	4%	9.6	£479
225	Acal PLC	ACL	Small Cap	Support Services	£2.95	22.4	2.6%	31.1	3.1%	50%	5%	7.0	£7
226	Greencore Group PLC	GNC	FTSE 250	Food Producers	£2.97	16.0	1.8%	27.3	1.3%	63%	6%	4.5	£51
227	Consort Medical PLC	CSRT	Small Cap	Health Care Equipment & Services	£9.48	23.9	1.9%	25.0	-0.7%	42%	9%	11.4	£13
228	London Stock Exchange Group PLC	LSE	FTSE 100	Financial Services	£25.20	30.3	0.9%	40.2	6.5%	67%	8%	7.7	£207
229	Boot (Henry) PLC	BHY	Small Cap	Construction & Materials	£2.40	15.4	2.3%	35.4	1.0%	63%	4%	3.6	£11
230	Bellway PLC	BWY	FTSE 250	Household Goods & Home Construction	£24.89	15.9	2.1%	33.9	-0.1%	71%	7%	0.3	£93
231	Marshalls PLC	MSLH	FTSE 250	Construction & Materials	£3.35	29.6	1.8%	35.4	-7.4%	46%	5%	3.9	£13

Stock Screen - Sorted by Name

Colour coding rules and column descriptions can be found in the appendices

Rank	Name	EPIC	Index	Sector	Share Price	PE Ratio	Dividend Yield	PE10	Growth Rate	Growth Quality	ROCE	Debt Ratio	Earnings Power
181	4imprint Group PLC	FOUR	Small Cap	Media	£11.01	25.7	1.9%	48.0	5.8%	83%	13%	0.0	£7
50	Aberdeen Asset Management PLC	ADN	FTSE 100	Financial Services	£3.19	12.5	5.6%	22.3	19.8%	79%	9%	0.0	£241
225	Acal PLC	ACL	Small Cap	Support Services	£2.95	22.4	2.6%	31.1	3.1%	50%	5%	7.0	£7
2	Admiral Group PLC	ADM	FTSE 100	Nonlife Insurance	£15.50	15.1	6.3%	21.2	13.3%	92%	54%	0.0	£249
9	Aggreko PLC	AGK	FTSE 250	Support Services	£10.67	13.2	2.5%	15.8	17.7%	88%	16%	2.2	£238
6	Amec Foster Wheeler PLC	AMFW	FTSE 250	Oil Equipment, Services & Distribution	£8.06	12.8	5.4%	15.5	15.0%	83%	12%	6.1	£216
14	Amlin PLC	AML	FTSE 250	Nonlife Insurance	£5.16	11.2	5.2%	11.4	6.4%	71%	17%	1.5	£178
184	Anglo Pacific Group PLC	APF	Small Cap	Mining	£0.86	-5.2	9.8%	10.1	-9.9%	42%	4%	0.0	£5
174	Anglo-Eastern Plantations PLC	AEP	Small Cap	Food Producers	£5.58	11.1	0.5%	8.0	4.9%	58%	11%	0.6	£35
37	Antofagasta PLC	ANTO	FTSE 100	Mining	£6.09	13.4	2.2%	9.2	14.6%	58%	13%	2.2	£694
157	ARM Holdings PLC	ARM	FTSE 100	Technology Hardware & Equipment	£9.34	51.7	0.8%	122.8	22.3%	88%	9%	0.0	£155
28	Ashley (Laura) Holdings PLC	ALY	Small Cap	General Retailers	£0.28	11.5	7.1%	17.1	7.7%	58%	20%	0.0	£16
188	Ashtead Group PLC	AHT	FTSE 100	Support Services	£9.45	17.3	1.6%	47.0	19.6%	88%	5%	12.1	£140
185	Associated British Foods PLC	ABF	FTSE 100	Food Producers	£32.02	32.6	1.1%	47.1	10.0%	96%	7%	1.5	£646
25	AstraZeneca PLC	AZN	FTSE 100	Pharmaceuticals & Biotechnology	£41.20	33.4	4.3%	14.2	1.4%	75%	23%	1.8	£3,928
58	Atkins (W S) PLC	ATK	FTSE 250	Support Services	£14.68	15.1	2.5%	18.1	5.2%	79%	19%	1.3	£87
101	Aveva Group PLC	AVV	FTSE 250	Software & Computer Services	£21.65	32.3	1.4%	35.8	13.9%	83%	21%	0.0	£44
152	Aviva PLC	AV.	FTSE 100	Life Insurance	£4.84	9.7	3.7%	11.2	-6.4%	46%	10%	N/K	£1,042
76	Babcock International Group PLC	BAB	FTSE 100	Support Services	£9.69	19.0	2.4%	26.5	13.6%	88%	10%	8.4	£187
84	BAE Systems PLC	BA.	FTSE 100	Aerospace & Defense	£4.52	15.3	4.5%	13.5	2.8%	75%	9%	2.9	£1,152
197	Balfour Beatty PLC	BBY	FTSE 250	Construction & Materials	£2.72	-6.0	2.1%	15.8	-8.7%	50%	8%	15.9	£60
198	Barclays PLC	BARC	FTSE 100	Banks	£2.61	159.1	2.5%	12.3	-23.0%	54%	4%	N/A	£1,925
70	Barr (A G) PLC	BAG	FTSE 250	Beverages	£5.61	19.6	2.2%	30.7	9.2%	96%	16%	0.6	£27
161	BBA Aviation PLC	BBA	FTSE 250	Industrial Transportation	£2.91	12.4	3.6%	17.0	4.6%	67%	7%	5.7	£90
22	Beazley PLC	BEZ	FTSE 250	Nonlife Insurance	£3.35	12.5	2.8%	15.2	6.7%	79%	18%	N/K	£125
230	Bellway PLC	BWY	FTSE 250	Household Goods & Home Construction	£24.89	15.9	2.1%	33.9	-0.1%	71%	7%	0.3	£93
178	Berendsen PLC	BRSN	FTSE 250	Support Services	£9.98	19.9	3.0%	27.0	5.6%	79%	6%	6.7	£70
63	BG Group PLC	BG.	FTSE 100	Oil & Gas Producers	£9.95	7.2	1.8%	11.3	8.0%	79%	12%	3.3	£3,457
16	BHP Billiton PLC	BLT	FTSE 100	Mining	£11.32	22.0	7.2%	7.4	5.6%	63%	17%	1.9	£10,845
148	Bloomsbury Publishing PLC	BMY	Small Cap	Media	£1.69	12.7	3.6%	16.4	2.8%	75%	7%	0.3	£8
160	Bodycote PLC	BOY	FTSE 250	Industrial Engineering	£6.41	15.1	2.2%	22.6	6.4%	75%	10%	0.0	£65
229	Boot (Henry) PLC	BHY	Small Cap	Construction & Materials	£2.40	15.4	2.3%	35.4	1.0%	63%	4%	3.6	£11
77	BP PLC	BP.	FTSE 100	Oil & Gas Producers	£3.61	7.0	6.9%	7.5	-0.5%	63%	10%	4.7	£7,290
69	Braemar Shipping Services PLC	BMS	Small Cap	Industrial Transportation	£4.51	19.1	5.8%	11.4	0.3%	58%	15%	1.2	£8
92	Brammer PLC	BRAM	Small Cap	Support Services	£3.04	16.3	3.5%	18.6	9.5%	79%	8%	4.4	£22
162	Brewin Dolphin Holdings PLC	BRW	FTSE 250	Financial Services	£2.83	17.7	3.5%	25.6	3.3%	63%	14%	0.0	£29
10	British American Tobacco PLC	BATS	FTSE 100	Tobacco	£34.79	17.8	4.3%	21.1	9.7%	88%	17%	3.2	£3,838
212	British Polythene Industries PLC	BPI	Small Cap	General Industrials	£7.05	12.5	2.3%	17.0	0.8%	58%	7%	2.0	£12
75	Britvic PLC	BVIC	FTSE 250	Beverages	£6.70	15.8	3.1%	22.5	9.2%	79%	12%	6.7	£85
24	Brown (N) Group PLC	BWNG	FTSE 250	General Retailers	£3.00	11.7	4.7%	12.3	6.2%	75%	11%	3.8	£76
190	BT Group PLC	BT.A	FTSE 100	Fixed Line Telecommunications	£4.37	15.1	2.8%	22.2	0.9%	67%	10%	5.3	£1,846
116	Bunzl PLC	BNZL	FTSE 100	Support Services	£17.39	24.3	2.0%	32.7	8.8%	100%	11%	4.8	£204
33	Burberry Group PLC	BRBY	FTSE 100	Personal Goods	£14.11	18.4	2.5%	26.9	16.5%	83%	26%	0.2	£304
88	Capita PLC	CPI	FTSE 100	Support Services	£12.36	30.6	2.4%	35.0	11.5%	92%	13%	7.8	£263
186	Carclo PLC	CAR	Small Cap	Chemicals	£1.41	9.2	2.0%	16.1	2.8%	75%	7%	6.2	£6
87	Carillion PLC	CLLN	FTSE 250	Support Services	£3.41	13.4	5.2%	11.7	5.0%	71%	7%	4.5	£145
131	Carr's Group PLC	CARR	Small Cap	Food Producers	£1.55	12.7	2.2%	19.2	7.8%	79%	9%	4.9	£8
216	Centaur Media PLC	CAU	Small Cap	Media	£0.86	505.9	3.5%	20.8	-7.4%	67%	4%	4.4	£4
5	Centrica PLC	CNA	FTSE 100	Gas, Water & Multiutilities	£2.43	43.9	5.6%	10.2	7.0%	79%	12%	4.7	£1,475
172	Charles Taylor PLC	CTR	Small Cap	Support Services	£2.30	13.6	4.1%	12.9	-2.1%	58%	6%	6.8	£6
73	Chemring Group PLC	CHG	Small Cap	Aerospace & Defense	£2.25	45.5	1.8%	8.7	3.9%	67%	10%	3.2	£49
4	Chesnara PLC	CSN	Small Cap	Life Insurance	£3.60	16.3	5.1%	15.2	7.0%	83%	15%	N/K	£29
218	Chime Communications PLC	CHW	Small Cap	Media	£3.62	34.2	2.3%	26.3	-1.4%	71%	9%	9.5	£8
114	Clarkson PLC	CKN	FTSE 250	Industrial Transportation	£23.00	17.7	2.6%	19.8	1.3%	79%	13%	0.0	£22
128	Close Brothers Group PLC	CBG	FTSE 250	Financial Services	£14.91	14.9	3.3%	21.5	3.0%	67%	14%	67.2	£100
47	Cobham PLC	COB	FTSE 250	Aerospace & Defense	£2.82	30.8	3.8%	19.0	9.7%	79%	13%	7.7	£188
175	Communisis PLC	CMS	Small Cap	Support Services	£0.48	10.7	4.2%	8.3	-4.5%	58%	4%	833%	£7
51	Compass Group PLC	CPG	FTSE 100	Travel & Leisure	£10.35	21.5	2.6%	32.4	13.7%	96%	13%	3.6	£775
42	Computacenter PLC	CCC	FTSE 250	Software & Computer Services	£7.72	16.5	2.5%	22.3	10.4%	92%	13%	0.2	£60
108	Connect Group PLC	CNCT	Small Cap	Support Services	£1.54	8.4	5.7%	10.2	4.7%	71%	-115%	3.4	£33
227	Consort Medical PLC	CSRT	Small Cap	Health Care Equipment & Services	£9.48	23.9	1.9%	25.0	-0.7%	42%	9%	11.4	£13
100	Cranswick PLC	CWK	FTSE 250	Food Producers	£16.81	20.0	2.0%	24.7	8.7%	88%	11%	0.6	£38
224	CRH PLC	CRH	FTSE 100	Construction & Materials	£19.22	25.6	2.6%	20.7	-4.1%	58%	4%	9.6	£479
85	Croda International PLC	CRDA	FTSE 250	Chemicals	£28.92	23.1	2.3%	34.9	17.8%	83%	17%	1.4	£162
201	Dairy Crest Group PLC	DCG	FTSE 250	Food Producers	£5.86	16.7	3.7%	15.7	-2.6%	54%	7%	5.5	£48
142	Darty PLC	DRTY	Small Cap	General Retailers	£0.73	17.2	3.5%	7.8	-15.1%	38%	10%	5.6	£40
193	DCC PLC	DCC	FTSE 250	Support Services	£48.59	26.4	1.7%	35.9	11.1%	79%	8%	10.8	£136
35	De La Rue PLC	DLAR	Small Cap	Support Services	£4.90	10.7	3.4%	9.6	1.2%	50%	46%	2.9	£48
214	Dechra Pharmaceuticals PLC	DPH	FTSE 250	Pharmaceuticals & Biotechnology	£9.51	39.2	1.6%	56.0	2.9%	88%	9%	2.2	£15
109	Devro PLC	DVO	Small Cap	Food Producers	£2.89	24.4	3.0%	21.0	11.0%	67%	11%	2.7	£30
38	Diageo PLC	DGE	FTSE 100	Beverages	£17.30	17.8	3.3%	21.7	7.3%	88%	13%	4.3	£2,380
80	Dialight PLC	DIA	Small Cap	Electronic & Electrical Equipment	£6.32	17.3	2.4%	28.3	17.0%	83%	12%	0.7	£10
191	Dignity PLC	DTY	FTSE 250	General Retailers	£24.22	18.3	0.8%	41.3	10.3%	88%	8%	14.9	£41
83	Diploma PLC	DPLM	FTSE 250	Support Services	£7.26	22.6	2.3%	36.9	15.6%	92%	14%	0.0	£29
48	Domino's Pizza UK & IRL PLC	DOM	FTSE 250	Travel & Leisure	£8.65	33.5	2.0%	52.4	19.4%	100%	39%	0.6	£35
74	Drax Group PLC	DRX	FTSE 250	Electricity	£2.93	9.2	4.1%	4.5	-5.7%	50%	14%	1.7	£187
204	DS Smith PLC	SMDS	FTSE 250	General Industrials	£3.95	19.5	2.9%	33.1	10.9%	71%	6%	6.3	£126
94	Electrocomponents PLC	ECM	FTSE 250	Support Services	£1.84	11.0	6.4%	11.9	1.0%	54%	12%	2.3	£75
132	Elementis PLC	ELM	FTSE 250	Chemicals	£2.37	10.3	2.2%	22.0	10.8%	71%	11%	0.1	£68
169	Essentra PLC	ESNT	FTSE 250	Support Services	£8.52	23.6	2.1%	37.4	11.4%	79%	11%	1.8	£64
111	Euromoney Institutional Investor PLC	ERM	FTSE 250	Media	£10.11	17.2	2.3%	23.5	5.5%	75%	17%	0.7	£65

Stock Screen - Sorted by Name

Colour coding rules and column descriptions can be found in the appendices

Rank	Name	EPIC	Index	Sector	Share Price	PE Ratio	Dividend Yield	PE10	Growth Rate	Growth Quality	ROCE	Debt Ratio	Earnings Power
173	Experian PLC	EXPN	FTSE 100	Support Services	£11.09	21.5	2.3%	30.6	8.9%	71%	12%	5.7	£390
8	Fenner PLC	FENR	Small Cap	Industrial Engineering	£1.71	6.2	7.0%	8.5	10.9%	79%	8%	4.6	£47
62	Fidessa Group PLC	FDSA	FTSE 250	Software & Computer Services	£18.78	25.2	2.0%	30.7	12.3%	83%	17%	0.0	£29
78	Fisher (James) & Sons PLC	FSJ	FTSE 250	Industrial Transportation	£10.45	12.0	2.1%	22.1	13.0%	100%	8%	2.7	£30
166	FTSE 100				6,248	17.8	3.9%	13.5	1.3%	42%	10%		
180	Fuller Smith & Turner PLC	FSTA	Small Cap	Travel & Leisure	£10.61	21.1	1.0%	28.9	7.8%	92%	6%	6.7	£25
219	G4S PLC	GFS	FTSE 100	Support Services	£2.57	38.7	3.6%	25.4	0.3%	67%	5%	17.9	£119
217	Galliford Try PLC	GFRD	FTSE 250	Household Goods & Home Construction	£17.41	19.8	3.0%	27.7	4.1%	71%	8%	25.4	£43
199	Genus PLC	GNS	FTSE 250	Pharmaceuticals & Biotechnology	£13.77	26.9	1.3%	39.2	10.1%	92%	5%	3.5	£25
30	GlaxoSmithKline PLC	GSK	FTSE 100	Pharmaceuticals & Biotechnology	£13.40	19.0	6.0%	14.6	1.6%	71%	18%	4.6	£4,051
153	Go-Ahead Group (The) PLC	GOG	FTSE 250	Travel & Leisure	£25.31	18.0	3.3%	17.6	2.3%	58%	12%	5.9	£55
68	Goodwin PLC	GDWN	Small Cap	Industrial Engineering	£23.80	11.1	1.8%	17.1	11.4%	71%	18%	1.4	£12
226	Greencore Group PLC	GNC	FTSE 250	Food Producers	£2.97	16.0	1.8%	27.3	1.3%	63%	6%	4.5	£51
159	Greene King PLC	GNK	FTSE 250	Travel & Leisure	£8.21	13.5	3.6%	14.8	3.8%	71%	4%	12.8	£124
130	Greggs PLC	GRG	FTSE 250	Food & Drug Retailers	£11.40	24.2	1.9%	32.3	5.5%	83%	18%	0.0	£39
135	Halma PLC	HLMA	FTSE 250	Electronic & Electrical Equipment	£7.55	28.0	1.0%	39.1	8.7%	92%	14%	12.2	£90
170	Hays PLC	HAS	FTSE 250	Support Services	£1.60	21.7	1.7%	22.6	-3.9%	58%	20%	1.4	£78
122	Headlam Group PLC	HEAD	Small Cap	Household Goods & Home Construction	£4.78	16.8	3.7%	17.3	-2.5%	75%	11%	1.1	£21
207	Henderson Group PLC	HGG	FTSE 250	Financial Services	£2.59	-108.4	3.5%	35.9	4.1%	67%	10%	2.2	£69
127	Hikma Pharmaceuticals PLC	HIK	FTSE 100	Pharmaceuticals & Biotechnology	£22.75	24.0	0.6%	58.9	21.7%	88%	12%	3.4	£106
89	Hill & Smith Holdings PLC	HILS	Small Cap	Industrial Engineering	£7.17	16.7	2.5%	21.3	7.4%	88%	10%	3.5	£29
41	Hiscox Ltd	HSX	FTSE 250	Nonlife Insurance	£9.00	13.0	2.7%	17.3	9.3%	79%	15%	N/K	£167
151	Hogg Robinson Group PLC	HRG	Small Cap	Support Services	£0.64	10.2	3.6%	10.5	1.1%	63%	7%	4.1	£23
167	Home Retail Group PLC	HOME	FTSE 250	General Retailers	£1.52	10.7	2.5%	7.3	-11.5%	42%	6%	0.0	£120
49	Homeserve PLC	HSV	FTSE 250	Support Services	£4.21	23.9	2.9%	20.6	6.7%	79%	18%	1.9	£73
86	HSBC Holdings PLC	HSBA	FTSE 100	Banks	£5.19	11.5	6.1%	10.5	-1.4%	71%	9%	N/A	£9,371
120	Hunting PLC	HTG	FTSE 250	Oil Equipment, Services & Distribution	£5.18	9.4	3.8%	15.0	7.2%	71%	6%	2.4	£59
133	Huntsworth PLC	HNT	Small Cap	Media	£0.37	7.1	4.7%	5.5	1.4%	46%	6%	2.7	£16
138	ICAP PLC	IAP	FTSE 250	Financial Services	£4.54	20.2	4.8%	15.9	2.5%	54%	11%	2.8	£196
7	IG Group Holdings PLC	IGG	FTSE 250	Financial Services	£7.25	20.1	3.9%	23.8	13.5%	88%	26%	0.0	£139
29	IMI PLC	IMI	FTSE 250	Industrial Engineering	£10.38	14.5	3.6%	18.2	6.0%	83%	17%	1.2	£210
43	Imperial Tobacco Group PLC	IMT	FTSE 100	Tobacco	£31.59	6.4	4.1%	17.3	13.7%	75%	10%	5.3	£1,858
183	Informa PLC	INF	FTSE 250	Media	£5.79	19.8	3.3%	24.2	6.2%	71%	6%	5.6	£165
146	Inmarsat PLC	ISAT	FTSE 100	Mobile Telecommunications	£9.81	22.2	3.1%	28.3	10.3%	71%	10%	6.9	£196
165	InterContinental Hotels Group PLC	IHG	FTSE 100	Travel & Leisure	£24.56	27.8	2.0%	30.0	6.0%	71%	19%	4.8	£227
96	Intermediate Capital Group PLC	ICP	FTSE 250	Financial Services	£5.34	9.0	4.8%	10.4	-1.6%	63%	12%	12.7	£164
137	Interserve PLC	IRV	FTSE 250	Support Services	£5.84	15.8	3.9%	18.3	3.9%	75%	8%	8.4	£42
53	Intertek Group PLC	ITRK	FTSE 100	Support Services	£25.36	20.2	1.9%	29.0	16.8%	92%	14%	4.1	£182
164	Investec PLC	INVP	FTSE 250	Financial Services	£5.34	15.8	3.7%	13.4	-0.6%	58%	9%	120.7	£324
3	ITE Group PLC	ITE	Small Cap	Media	£1.50	9.5	4.9%	13.1	9.3%	83%	29%	1.3	£32
31	Jardine Lloyd Thompson Group PLC	JLT	FTSE 250	Nonlife Insurance	£10.54	18.1	2.7%	25.5	10.1%	88%	16%	N/K	£114
65	JD Sports Fashion PLC	JD.	FTSE 250	General Retailers	£8.76	21.8	0.8%	34.0	16.4%	88%	24%	0.6	£63
112	Johnson Matthey PLC	JMAT	FTSE 100	Chemicals	£27.05	15.5	2.5%	22.1	8.8%	75%	11%	3.5	£307
60	KCOM Group PLC	KCOM	Small Cap	Fixed Line Telecommunications	£0.94	10.1	5.7%	14.5	6.1%	50%	19%	2.8	£39
147	Keller Group PLC	KLR	FTSE 250	Construction & Materials	£9.82	13.9	2.6%	14.1	1.6%	75%	8%	5.2	£36
134	Kier Group PLC	KIE	FTSE 250	Construction & Materials	£14.99	21.5	3.8%	18.8	2.0%	63%	14%	7.3	£44
156	Kingfisher PLC	KGF	FTSE 100	General Retailers	£3.56	13.9	2.8%	17.5	6.8%	67%	8%	0.5	£616
46	Ladbrokes PLC	LAD	FTSE 250	Travel & Leisure	£1.00	8.2	8.9%	4.2	-4.9%	50%	21%	2.5	£190
215	Laird PLC	LRD	FTSE 250	Technology Hardware & Equipment	£3.81	18.8	3.3%	28.6	0.5%	75%	5%	6.7	£34
194	Lavendon Group PLC	LVD	Small Cap	Support Services	£1.76	12.4	2.6%	9.5	-6.2%	67%	5%	5.8	£19
55	Legal & General Group PLC	LGEN	FTSE 100	Life Insurance	£2.53	14.0	4.4%	21.1	11.1%	67%	17%	N/K	£894
228	London Stock Exchange Group PLC	LSE	FTSE 100	Financial Services	£25.20	30.3	0.9%	40.2	6.5%	67%	8%	7.7	£207
196	Low & Bonar PLC	LWB	Small Cap	Construction & Materials	£0.67	15.4	4.0%	13.5	-0.4%	54%	4%	7.1	£16
125	Man Group PLC	EMG	FTSE 250	Financial Services	£1.61	11.3	3.9%	8.2	-14.0%	50%	10%	0.5	£197
149	Marks & Spencer Group PLC	MKS	FTSE 100	General Retailers	£5.22	15.2	2.2%	14.8	-1.5%	63%	11%	3.7	£548
231	Marshalls PLC	MSLH	FTSE 250	Construction & Materials	£3.35	29.6	1.8%	35.4	-7.4%	46%	5%	3.9	£13
155	Marston's PLC	MARS	FTSE 250	Travel & Leisure	£1.52	10.2	4.4%	10.2	-1.4%	67%	3%	17.6	£78
40	Mears Group PLC	MER	Small Cap	Support Services	£3.98	16.3	2.5%	20.1	12.2%	92%	11%	2.9	£21
158	Meggitt PLC	MGGT	FTSE 100	Aerospace & Defense	£4.77	19.5	2.9%	20.9	9.3%	71%	6%	3.3	£208
168	Melrose Industries PLC	MRO	FTSE 250	Industrial Engineering	£2.67	25.3	3.0%	35.1	14.0%	79%	4%	5.2	£109
27	Menzies (John) PLC	MNZS	Small Cap	Support Services	£4.52	13.2	3.6%	10.1	4.5%	71%	13%	4.6	£32
176	Michael Page International PLC	MPI	FTSE 250	Support Services	£5.07	27.2	2.2%	28.7	0.5%	67%	26%	0.0	£47
206	Millennium & Copthorne Hotels PLC	MLC	FTSE 250	Travel & Leisure	£5.58	16.0	2.4%	14.0	6.1%	54%	4%	6.0	£152
13	Mitie Group PLC	MTO	FTSE 250	Support Services	£2.97	13.4	3.9%	16.0	8.9%	92%	12%	3.6	£78
121	Morgan Advanced Materials PLC	MGAM	FTSE 250	Electronic & Electrical Equipment	£3.35	14.3	3.3%	15.7	4.8%	71%	10%	4.2	£64
123	Morgan Sindall PLC	MGNS	Small Cap	Construction & Materials	£8.21	21.0	3.3%	11.7	-5.5%	46%	14%	1.5	£24
18	Morrison (Wm) Supermarkets PLC	MRW	FTSE 100	Food & Drug Retailers	£1.68	17.8	8.1%	9.7	7.3%	79%	7%	5.4	£468
119	National Grid PLC	NG.	FTSE 100	Gas, Water & Multiutilities	£8.60	15.2	5.0%	15.4	3.7%	75%	5%	12.4	£2,086
79	NCC Group PLC	NCC	Small Cap	Software & Computer Services	£2.31	28.9	1.7%	41.3	19.5%	96%	14%	4.4	£15
91	Next PLC	NXT	FTSE 100	General Retailers	£79.45	19.3	1.9%	32.5	10.9%	83%	42%	1.7	£501
187	Old Mutual PLC	OML	FTSE 100	Life Insurance	£2.00	13.9	4.4%	16.8	0.8%	58%	8%	N/K	£617
200	Oxford Instruments PLC	OXIG	Small Cap	Electronic & Electrical Equipment	£8.40	81.0	1.5%	33.3	22.7%	67%	7%	6.9	£21
145	Paragon Group of Companies (The) PLC	PAG	FTSE 250	Financial Services	£4.12	11.8	2.2%	6.7	-11.5%	63%	13%	102.8	£95
19	PayPoint PLC	PAY	FTSE 250	Support Services	£10.20	17.8	3.8%	25.8	8.1%	88%	34%	0.0	£31
171	Pearson PLC	PSON	FTSE 100	Media	£11.33	23.5	4.5%	21.7	3.7%	71%	5%	4.9	£453
136	Pennon Group PLC	PNN	FTSE 250	Gas, Water & Multiutilities	£7.70	20.6	4.1%	21.7	5.6%	83%	4%	20.5	£145
1	Petrofac Ltd	PFC	FTSE 250	Oil Equipment, Services & Distribution	£8.92	16.5	4.8%	13.1	22.3%	83%	29%	3.5	£316
113	Playtech PLC	PTEC	FTSE 250	Travel & Leisure	£8.57	23.0	2.4%	37.0	19.1%	71%	16%	2.4	£81
208	Porvair PLC	PRV	Small Cap	Industrial Engineering	£3.09	21.2	1.0%	39.1	9.3%	88%	5%	0.6	£4
61	Premier Farnell PLC	PFL	FTSE 250	Support Services	£1.31	9.3	7.9%	9.3	2.6%	42%	13%	5.3	£57
150	Provident Financial PLC	PFG	FTSE 250	Financial Services	£29.50	23.0	3.3%	34.1	10.7%	75%	9%	9.6	£155

Stock Screen - Sorted by Name

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Rank	Name	EPIC	Index	Sector	Share Price	PE Ratio	Dividend Yield	PE10	Growth Rate	Growth Quality	ROCE	Debt Ratio	Earnings Power
39	Prudential PLC	PRU	FTSE 100	Life Insurance	£14.18	15.8	2.6%	24.6	11.5%	83%	18%	N/K	£1,807
144	PZ Cussons PLC	PZC	FTSE 250	Personal Goods	£3.17	18.3	2.5%	22.1	6.6%	75%	10%	3.0	£71
223	QinetiQ Group PLC	QQ.	FTSE 250	Aerospace & Defense	£2.33	12.5	2.3%	19.2	0.7%	63%	6%	0.0	£80
179	Randgold Resources Ltd	RRS	FTSE 100	Mining	£39.59	24.6	1.0%	31.9	30.5%	79%	7%	0.0	£177
140	Rathbone Brothers PLC	RAT	FTSE 250	Financial Services	£21.75	20.1	2.4%	30.7	3.7%	79%	16%	41.5	£34
36	Reckitt Benckiser Group PLC	RB.	FTSE 100	Household Goods & Home Construction	£57.57	25.0	2.4%	29.8	11.1%	88%	21%	1.5	£1,689
213	Regus PLC	RGU	FTSE 250	Support Services	£2.86	40.2	1.4%	39.5	8.2%	79%	9%	3.9	£54
192	RELX PLC	REL	FTSE 100	Media	£10.45	23.1	2.5%	28.1	5.2%	67%	10%	4.9	£409
99	Renishaw PLC	RSW	FTSE 250	Electronic & Electrical Equipment	£21.65	12.9	2.1%	30.8	18.2%	79%	14%	0.0	£64
52	Restaurant Group (The) PLC	RTN	FTSE 250	Travel & Leisure	£6.66	22.3	2.3%	31.4	10.0%	100%	19%	0.9	£50
203	Rexam PLC	REX	FTSE 250	General Industrials	£5.39	13.8	3.3%	17.6	1.0%	63%	6%	5.2	£274
189	Ricardo PLC	RCDO	Small Cap	Support Services	£8.55	22.7	1.8%	29.7	4.8%	71%	14%	0.0	£16
64	Rio Tinto PLC	RIO	FTSE 100	Mining	£23.88	9.1	5.6%	6.9	7.0%	54%	11%	2.2	£7,462
103	RM PLC	RM.	Small Cap	Software & Computer Services	£1.77	11.0	2.3%	10.6	-3.6%	58%	19%	0.0	£13
210	Robert Walters PLC	RWA	Small Cap	Support Services	£4.48	31.3	1.3%	36.7	1.8%	75%	14%	2.8	£8
59	Rolls-Royce Group PLC	RR.	FTSE 100	Aerospace & Defense	£7.43	11.4	3.1%	15.4	9.0%	83%	9%	3.2	£1,008
12	Rotork PLC	ROR	FTSE 250	Industrial Engineering	£2.09	17.6	2.4%	26.0	14.3%	100%	30%	0.2	£88
67	Royal Dutch Shell PLC	RDSB	FTSE 100	Oil & Gas Producers	£17.07	9.1	6.9%	7.8	3.0%	63%	9%	2.1	£14,029
106	RPC Group PLC	RPC	FTSE 250	General Industrials	£6.57	14.1	2.4%	23.2	13.6%	83%	9%	7.0	£73
95	RPS Group PLC	RPS	Small Cap	Support Services	£2.34	14.3	3.6%	16.3	7.2%	83%	8%	3.1	£30
115	RSA Insurance Group PLC	RSA	FTSE 100	Nonlife Insurance	£5.14	-25.4	0.4%	10.3	-8.1%	42%	13%	1.1	£218
126	S & U PLC	SUS	Small Cap	Financial Services	£24.27	15.7	2.7%	30.9	10.1%	83%	10%	4.6	£12
154	SABMiller PLC	SAB	FTSE 100	Beverages	£30.54	21.5	2.4%	28.5	9.5%	83%	7%	4.1	£2,067
141	Sage Group (The) PLC	SGE	FTSE 100	Software & Computer Services	£5.16	24.2	2.3%	30.1	7.2%	83%	11%	2.5	£237
54	Sainsbury (J) PLC	SBRY	FTSE 100	Food & Drug Retailers	£2.43	9.6	3.4%	10.1	5.7%	75%	5%	5.2	£533
202	Schroders PLC	SDR	FTSE 100	Financial Services	£28.38	18.1	2.7%	29.6	10.9%	75%	5%	49.0	£343
93	Senior PLC	SNR	FTSE 250	Aerospace & Defense	£2.86	15.8	2.0%	20.1	13.2%	79%	12%	1.4	£83
143	Serco Group PLC	SRP	FTSE 250	Support Services	£1.13	-1.0	2.2%	17.4	-4.9%	75%	8%	-77.9	-£11
195	Severn Trent PLC	SVT	FTSE 100	Gas, Water & Multiutilities	£20.77	35.7	4.1%	22.9	3.0%	71%	3%	23.6	£209
211	Shanks Group PLC	SKS	Small Cap	Support Services	£0.94	28.1	3.7%	14.1	-1.4%	50%	3%	19.2	£23
15	Sky PLC	SKY	FTSE 100	Media	£10.43	33.3	3.1%	26.5	10.8%	96%	21%	2.4	£1,106
110	Smith & Nephew PLC	SN.	FTSE 100	Health Care Equipment & Services	£11.63	24.6	1.6%	30.1	10.5%	83%	16%	2.7	£401
97	Smiths Group PLC	SMIN	FTSE 100	General Industrials	£11.29	14.0	3.6%	15.5	5.5%	67%	11%	2.9	£343
81	Spectris PLC	SXS	FTSE 250	Electronic & Electrical Equipment	£18.24	15.8	2.5%	22.3	11.0%	79%	13%	1.3	£122
163	Speedy Hire PLC	SDY	Small Cap	Support Services	£0.48	4.3	1.5%	7.1	-15.8%	67%	4%	6.5	£16
56	Spirax-Sarco Engineering PLC	SPX	FTSE 250	Industrial Engineering	£31.54	22.7	2.1%	29.3	10.0%	96%	17%	0.9	£96
44	SSE PLC	SSE	FTSE 100	Electricity	£14.71	13.8	6.0%	15.5	5.3%	83%	8%	5.2	£1,179
182	St Ives PLC	SIV	Small Cap	Support Services	£1.80	16.7	4.0%	13.4	-8.0%	54%	7%	3.7	£15
118	St James's Place PLC	STJ	FTSE 100	Life Insurance	£9.15	25.5	2.5%	46.5	16.0%	83%	15%	N/K	£123
20	Stagecoach Group PLC	SGC	FTSE 250	Travel & Leisure	£3.63	14.4	2.9%	17.2	8.1%	92%	14%	5.4	£145
11	Standard Chartered PLC	STAN	FTSE 100	Banks	£7.65	8.0	7.1%	7.2	7.1%	71%	12%	N/A	£2,845
102	Standard Life PLC	SL.	FTSE 100	Life Insurance	£4.16	18.5	4.2%	21.8	5.2%	75%	11%	N/K	£475
139	SThree PLC	STHR	Small Cap	Support Services	£3.50	22.5	4.0%	23.1	0.9%	58%	24%	1.4	£17
105	Tate & Lyle PLC	TATE	FTSE 250	Food Producers	£5.42	14.7	5.2%	11.9	2.0%	63%	10%	3.4	£227
90	Ted Baker PLC	TED	FTSE 250	Personal Goods	£30.66	36.7	1.3%	64.0	13.5%	92%	25%	1.0	£25
21	Telecom plus PLC	TEP	FTSE 250	Fixed Line Telecommunications	£11.14	27.7	3.6%	39.7	17.4%	88%	36%	2.6	£26
71	Tesco PLC	TSCO	FTSE 100	Food & Drug Retailers	£1.91	17.4	0.6%	7.3	1.8%	67%	8%	5.6	£2,270
221	Tribal Group PLC	TRB	Small Cap	Support Services	£1.34	13.0	1.3%	12.9	-6.4%	54%	6%	2.1	£10
72	Tullett Prebon PLC	TLPR	FTSE 250	Financial Services	£3.77	9.8	4.5%	8.9	2.7%	54%	14%	2.4	£92
45	Tullow Oil PLC	TLW	FTSE 250	Oil & Gas Producers	£2.23	2.4	1.8%	6.3	13.6%	54%	9%	4.3	£506
117	UBM PLC	UBM	FTSE 250	Media	£4.93	9.9	4.6%	13.2	0.3%	58%	12%	5.5	£113
220	UDG Healthcare PLC	UDG	FTSE 250	Health Care Equipment & Services	£5.05	23.9	1.6%	29.5	5.9%	71%	7%	6.9	£44
34	UK Mail Group PLC	UKM	Small Cap	Industrial Transportation	£3.86	12.6	5.6%	16.8	5.4%	67%	18%	0.7	£14
66	Ultra Electronics Holdings PLC	ULE	FTSE 250	Aerospace & Defense	£17.57	37.2	2.5%	22.9	11.7%	71%	18%	2.7	£64
107	Unilever PLC	ULVR	FTSE 100	Personal Goods	£26.23	23.4	3.4%	22.5	5.0%	71%	15%	2.7	£3,584
205	United Utilities Group PLC	UU.	FTSE 100	Gas, Water & Multiutilities	£8.55	19.9	4.4%	17.4	-2.2%	63%	3%	20.3	£327
26	Vedanta Resources PLC	VED	FTSE 250	Mining	£5.47	0.4	7.4%	2.4	15.8%	67%	3%	13.0	£863
23	Victrex PLC	VCT	FTSE 250	Chemicals	£17.96	18.7	2.5%	28.6	13.0%	92%	23%	0.0	£70
98	Vitec Group (The) PLC	VTC	Small Cap	Industrial Engineering	£6.15	9.0	3.9%	12.4	5.1%	63%	11%	3.3	£25
32	Vodafone Group PLC	VOD	FTSE 100	Mobile Telecommunications	£2.27	10.2	4.9%	12.4	4.0%	92%	7%	2.0	£9,979
209	Vp PLC	VP.	Small Cap	Support Services	£7.50	19.1	2.2%	31.5	5.2%	79%	7%	6.5	£11
17	Weir Group PLC	WEIR	FTSE 100	Industrial Engineering	£14.04	10.9	3.1%	15.2	18.2%	83%	11%	3.7	£280
124	WH Smith PLC	SMWH	FTSE 250	General Retailers	£15.00	19.3	2.3%	31.0	10.8%	71%	34%	0.1	£81
129	Whitbread PLC	WTB	FTSE 100	Travel & Leisure	£47.97	23.1	1.7%	38.9	13.8%	100%	10%	2.0	£290
57	William Hill PLC	WMH	FTSE 250	Travel & Leisure	£3.60	14.0	3.4%	14.9	1.4%	88%	10%	3.9	£183
82	Wood Group (John) PLC	WG.	FTSE 250	Oil Equipment, Services & Distribution	£6.39	12.7	2.7%	9.3	11.6%	71%	9%	2.3	£142
104	WPP Group PLC	WPP	FTSE 100	Media	£13.51	17.6	2.8%	22.2	13.0%	88%	7%	4.7	£1,017
177	Xaar PLC	XAR	Small Cap	Electronic & Electrical Equipment	£5.10	19.8	1.8%	35.1	20.9%	63%	14%	0.0	£16
222	Zotefoams PLC	ZTF	Small Cap	Chemicals	£3.20	29.2	1.7%	35.9	5.1%	67%	9%	0.5	£4

Appendix 1: Metrics, maximums and minimums

Financial metrics on the stock screen

Rank: The company's rank on the screen, with 1 being the highest rank. The rank is calculated by sorting all of the companies on the screen by each key factor (Growth, Quality, PE10, PD10, ROCE), creating a rank for each factor and then adding those individual ranks together.

PE: The price to earnings ratio. This is included just for information and doesn't form part of the ranking calculation.

Yield: The historic dividend yield. This is included for information only and doesn't form part of the ranking calculation. Instead, each company's rank is based on PD10, the ratio between the current share price and the average dividend paid over the past 10 years.

PE10: The ratio between the current share price and the company's average adjusted earnings per share over the past 10 years. This is used in the rank calculation. (MAXIMUM = 30)

Growth: The company's Growth Rate. This is used in the rank calculation. It is the average growth of revenues, earnings and dividends where growth in each is measured as the annualised growth of a 3-year rolling average over the past 7 years. (MINIMUM = 2%)

Quality: The company's Growth Quality. This is used in the rank calculation. It is the percentage of times that a profit has been made, and that revenues, earnings and dividends have increased, measured over the past decade. (MINIMUM 50%)

ROCE: The company's median "net" Return on Capital Employed over the last decade. (MINIMUM 7%). Calculated as:

Adjusted profit after tax / (fixed assets + working capital), for non-financial companies

Adjusted profit after tax / shareholder's equity, for financial companies (banks and insurance companies)

Debt: Debt Ratio – The ratio between a company's total borrowings (total interest bearing debt) and its Current Earnings Power (CEP). Provides a rough guide to a company's ability to carry its debts in good times and bad. This is "N/A" (not applicable) for banks (where I use a series of ratios defined by banking regulators: Common Equity Tier 1 Ratio for leverage and the Liquidity Coverage Ratio and Net Stable Funding Ratio for liquidity). For insurance companies the Debt Ratio is "N/K" (not known) as I do not have data on borrowings for insurance companies. (MAXIMUM = 4 for cyclical sector companies, 5 for defensive sector companies)

Earnings Power: Current Earnings Power (£m). Calculated as 5-year average normalised profit after tax. Used in the Debt Ratio and Pension Ratio.

Financial metrics used to analyse companies but which are not on the stock screen

Pension Ratio: The ratio between the company's defined benefit pension obligations and its Earnings Power. (MAXIMUM = 10)

Sum of Debt and Pension Ratio: (MAXIMUM = 10)

FCF/Div: 10-yr total free cash flow to 10-year total dividend ratio. Preferred value is above 1, but this is not a hard rule.

Capex/earnings: 10-yr total capital expenditure to 10-yr total adjusted earnings (post-tax profit) ratio. No hard rule but below 0.5 is defined as LOW, 0.5 to 1 is MEDIUM, above 1 is HIGH.

Acquisition Ratio: The ratio between cash spent on acquisitions and earnings. (MAXIMUM 10-YR AVG = 1)

Insurance company metrics

Premium to Surplus Ratio: A measure of how cautious an insurance company's underwriting business is. Calculated as the ratio between Net Written Premium and Tangible Net Asset Value. (MAXIMUM 5-YR AVG = 2)

Combined Ratio: Shows whether or not an insurance company is making a profit on its underwriting business. Calculated as the sum of Loss Ratio and Expense Ratio. (MAXIMUM 5-YR AVG = 95%)

Bank metrics

Common Equity Tier 1 Ratio (CET1): A measure of bank leverage. Calculated as the percentage of "high quality" capital relative to risk-adjusted assets. (MINIMUM 5-YR AVG = 10%)

Appendix 2: Strategy overview and stock screen colour-coding

Portfolio management

Deliberate diversification - To reduce the risks that come with each individual company 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 is a dynamic entity much like a garden. If left unmanaged (as with a pure buy-and-hold portfolio) there is a risk that over time it 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 so that it always contains a majority of 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.

Monthly buy and sell decisions

Buy decisions - The first step in each buy decision is to look through the Stock Screen for the highest ranked stock which is not already in the portfolio and which meets all the initial criteria (e.g. Debt Ratio under 5, ROCE above 7%).

The second step is to enter the company's financial results from the past decade into the investment analysis spreadsheet (available on the website) so that some additional quantitative checks can be carried out (such as calculating the Pension Ratio, Free Cash Flow to Dividend Ratio or Premium to Surplus Ratio).

If all the financial results look okay then the next step is to review the operational history of the company over the past decade. This involves reading the opening sections of each annual report, as well as more recent interim and quarterly results, in order to build up a picture of what the company does and what problems it has faced or is facing. This analysis is used to answer the YES/NO questions in the investment worksheet (available on the website), which are then used in combination with the financial results to make a final buy or no-buy decision.

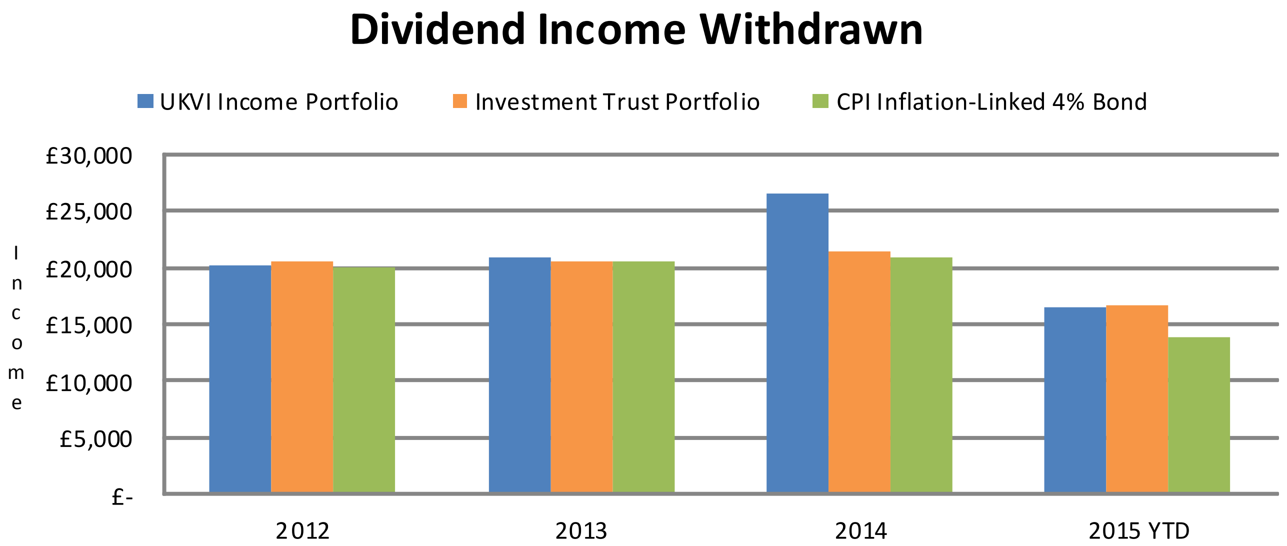
Sell decisions - Sell decisions are based primarily on a company's stock screen rank, with the lowest ranked companies most likely to be sold. However, there is a degree of subjectivity involved and it isn't a purely mechanical process. For example, companies which are surrounded by a reasonable amount 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.

Stock screen colour coding

- **Ranking Factors (PE10, Growth, Quality, ROCE) and Yield:**
    - ❑ **Green** = Better than FTSE 100
    - ❑ **Light Red** = Worse than FTSE 100
    - ❑ **Dark Red** = Above maximum or below minimum
- **Debt Ratio:**
    - ❑ **Green** = Below 4 (acceptable for all companies)
    - ❑ **Light Red** = Between 4 and 5 (only acceptable for defensive sector companies)
    - ❑ **Dark Red** = Above 5 (too high for all companies)
- **Rank:**
    - ❑ **Green** = Above average rank; **Amber** = Average rank; **Dark Red** = Below average rank

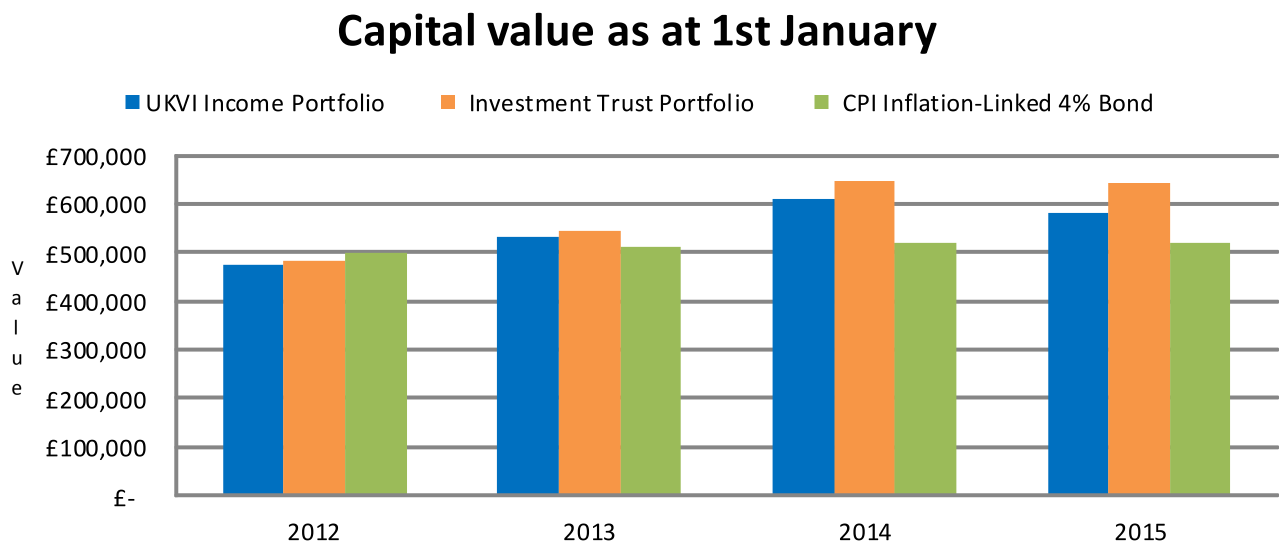
Appendix 3: UKVI Income Portfolio

This portfolio holds exactly the same shares as the main UKVI Portfolio and represents the portfolio of an investor who is in the income drawdown phase. It started with £500,000 in March 2011 and pays out all dividends as income. The goal of the portfolio is to show that equities in the drawdown phase can produce inflation-beating dividend and capital growth over the medium to long-term. The UKVI Income Portfolio is benchmarked against an Investment Trust Portfolio and a 4% Inflation-Linked Bond.



The income in 2014 is exceptionally large for the UKVI Income Portfolio because of a huge one-off special dividend from Vodafone after the company sold its stake in Verizon.

Annual Dividend Income Withdrawn	UKVI Income Portfolio	Investment Trust Portfolio	4% Inflation-Linked Bond
2012	£20,250	£20,525	£20,000
2013	£20,856	£20,575	£20,504
2014	£26,512	£21,408	£20,797
2015 Year to date	£16,507	£16,577	£13,897
Cumulative income	£84,125	£79,085	£75,198



This chart of capital value is included to show how capital growth should approximately track dividend growth over the years. The 4% Inflation-Linked Bond has a capital value which increases in line with CPI inflation from £500k on 01/01/12. The UKVI Income Portfolio and the Investment Trust Portfolio should both produce capital gains which at least match the Inflation-Linked Bond over the long-term.