BARRATT & COOKE
STOCKBROKERS SINCE 1880

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July 2018

	1/7/16	5/10/16	1/1/17	5/4/17	1/7/17	5/10/17	1/1/18	5/4/18	1/7/18
FTSE 100	6504	7033	7143	7332	7313	7508	7688	7200	7637
FTSE All Share	3515	3827	3873	3997	4002	4119	4222	3961	4202
Dow Jones (US)	17930	18281	19763	20648	21350	22775	24719	24505	24271
S&P 500 (US)	2099	2160	2239	2353	2423	2552	2674	2663	2718
Nikkei 225 (Japan)	15576	16819	19114	18861	20056	20629	22765	21645	22305
WMA Balanced	1394	1475	1492	1538	1533	1571	1599	1538	1597

Growth Equities	Higher Yield Equities	Mid-Cap Equities	Overseas Equities	Collective Investments
AB Foods	BP	Babcock Int.	ABB	B Gifford Positive Change Fund
Bunzl	HSBC	Coats Group	Colgate-Palmolive	Bankers IT
Compass Group	Lloyds	Diploma	Heineken	Fidelity Special Values IT
Just Eat	National Grid	FDM Group	Johnson & Johnson	Finsbury Growth & Income IT
Prudential	RDS 'B'	James Fisher	Kimberly-Clark	Impax Environmental Mkts IT
Reckitt Benckiser	Rio Tinto	Pennon	Novartis	JP Morgan Japanese IT
Relx		Shaftesbury	Novo Nordisk	Pacific Assets Trust
Smith & Nephew		Spectris	Philip Morris	Perpetual Income & Growth IT
			Umicore	Schroder Oriental Income IT
			Waters Corp.	Trojan Global Income Fund

"Prince Harry, does it for St George" – John Murray (Radio Five Live) by WJB

Much has happened over the last 3 months, indeed the royal wedding seems some time ago but I would like to start by saluting Prince Harry on his marriage to Meghan, the now Duchess of Sussex. She is a remarkable woman who has built a successful career in her own right and as a proud British citizen I give her my full respect and support. I wish them a happy, long and successful adventure together.

However, the title does not relate to Prince Harry (of Monarchy fame) but the true sweetheart of Britain right now – Harry Kane. I started writing this newsletter on Monday 25th June 2018, the day after England thumped Panama 6-1. Many wouldn't get carried away at that stage, but since I told all my pals ahead of the tournament that I thought England would win it (supported by 5 reasons) I am currently feeling bullish, despite the 2 wins coming against minnows and the true 'Prince Harry' netting his 5 goals in relatively uninspiring ways. By the time you read this, no doubt Putin will have blown the Three Lions a kiss goodbye. It is such a shame USA didn't qualify for Russia as one President could have roomed with another!

Hands up if you like change?

I can't hear the chinking of a spoon as you raise a hand from your cereal bowl. Neither do I, I have never been what is known as an early adopter and whilst I do own an iPhone it is the '4' model and I don't do social media. However sometimes change is brought on by differing circumstances or time moving on and can feel very natural.

As you will be aware my father (or CWLB as we refer to him in the office) made these newsletters his own. Indeed, whilst advisors have contributed to themes, the newsletters have been his 'baby' for over 30 years and though Will Mellor and I have written more of the investment policy in the last 8 years (and I have on one occasion penned it in its entirety), my new task to take it on permanently is certainly a daunting challenge. Recently, I have contributed at the editing phase, trying to retain my father's humour and common sense whilst ensuring that we do not end up in some sort of tribunal! Now the roles have reversed and I think CWLB is looking forward to getting hold of the red pen!

One of CWLB's favourite quotes is William Wordsworth's "the child is the father of the man" and he uses this quote affectionately when thinking of his father, John (JALB), my dear grandfather. JALB did so much to provide my father with his chance at Barratt and Cooke, not least through surviving the Second World War against the odds, and though they were in partnership for 30 years there was a time that John handed over much of the responsibility during Big Bang in 1986. Now, with regard to Barratt and Cooke, I guess this quote is more relevant to Sam and I.

As you are aware, CWLB has become our Non-Executive Chairman where he still contributes to the investment decisions but most importantly has the opportunity to provide the Directors with counsel and guidance on running the business. More often than not he is happy for the investment team to get on with the day to day management of portfolios as, in his words, "stockbroking is a young man's game". Therefore, whilst we know readers will miss his words of wisdom, quotes and ditties, it was decided that someone who is here more permanently should pen the substance of these articles.

I assure you that the ethos of this business will not change and in conjunction with this, the newsletter will continue to be written in clear English without the stockmarket jargon we see from so many other scribes today. I know a handful of clients have asked for slightly more sophisticated research in these pieces (and we might introduce a little in future newsletters) but on balance the majority prefer (and therefore actually read) the style which CWLB has made his own and so I fully intend for it to be readable. My father's talent to crunch an extraordinary amount of business data, newspaper headlines, political comment and of course racing results into a few pages is remarkable and I will endeavour to do my best, in my own style. I must however remember that a man with considerable knowledge, substantial experience and plenty of common sense, coupled with the odd silver hair, has earnt the right to write in a certain way and as I am not quite in my 40th year I need to be careful.

CWLB started writing these newsletters in 1986 at the age of 36 when I was 6. I am now 39 and my oldest daughter is 9 so arguably he should have handed over the quill (as he referred to it in one of his pieces) 3 years ago! Fortunately for us he carried on for 12 more newsletters. As you know, he will be contributing in the future but on this occasion he has simply done this through proof reading, helpful comments and the aforementioned red ink, rather than his own column, but you have most certainly not read his last words.

Brexit – Europe and trade tariffs

You will remember the big red bus from the 'vote leave' Brexit campaign which had this slogan emblazoned on its side:

> "We send the EU £350m a week, let's fund our NHS instead
> Vote Leave – Let's take back control"

This proved to be sensationalism at the time, with those responsible only being held to account by the press after their failure to deliver. Now we hear of Theresa May promising a massive £20bn to boost Jeremy Hunt's kitty, let us hope he spends it wisely, particularly as it is estimated that only £9bn of this can be funded by the reduction in EU bills. I wonder where the additional £11bn is going to come from?

Couple this with other Government departments feeling hard done by and Mrs May could have a significant shortfall on her hands. I really feel that Gavin Williamson (as Defence Secretary) could have used slightly more dignified words than "I made her and I can break her", demonstrating a distinct lack of style. The point is, the Prime minister is now feeling plenty of heat from within her own Government as well as from across the channel and further afield.

The Conservative leader must now work out how to satisfy these demands, how is she going to raise the cash? With the economy continuing to run a fiscal deficit and the Government debt mountain growing, presumably individual taxes (which is likely to bring Labour back into play at the next election) and/or Corporation tax (which is has been steadily reducing since the 2016 Budget) will have to rise.

At least one of Theresa's headaches was removed by Boris Johnson's mystery meeting abroad, meaning that he was unable to vote on Heathrow's 3rd runway (something he was vehemently against). Many people would like to see him lie down in front of that bulldozer to see what it could do! Whilst I am not a disciple of his, following the fall out of; Priti Patel, Damien Green, Amber Rudd and Michael Fallon, I do feel the Tory cabinet would look very lightweight without 'Bojo' and whilst his move might not have been principled it probably allayed longer term embarrassment.

The BREXIT plan remains opaque at best, and although the Irish Border is still a significant stumbling block, it is the trade barriers which are proving to be the major hurdle; indeed organisations based in the UK which manufacture parts for companies such as; Airbus (European consortium), BMW (German), Siemens (also German) are under threat. You may recall reading that Airbus moving to the Continent could cost the UK a massive 6,000 jobs. It could be that much of this trade tariff talk is political posturing and transpires to be idle threats. We do however acknowledge that particularly in businesses where margins are tight, the imposing of duties on imports/exports even at a low level could be fatal.

US

The tariff tantrum is 'catching' as we witness Trump imposing trade restrictions (in effect import tax) on metals and natural resources in order to encourage US business to buy from US sources, to stimulate the economy from within. This has created a mini trade squabble (certainly not a war) with China and Europe imposing greater duty on some of the USA's finest products (Bourbon, Harley Davidsons and even peanut butter!)

With a robust labour market and the positive impact of the $1.5 trillion Trump tax cut package which came into effect in January, the US economy remains strong and on track to achieve the Trump administration's 3% growth target. This has allowed the Federal Reserve to continue to increase interest rates to the current range of 1.75%-2% with consensus suggesting two more rate 'hikes' this year.

Whilst the US economy is in good health, their leadership remains rudderless at best. 'The Donald's' tweets used to shock the world but we now know that he rarely follows them through (thank goodness), although he might end up looking like less of a chump if he slept on the problem before releasing his prejudiced view to the whole world.

In the last few months Trump seems to have become chums with 'little rocket man'* and continues his one man crusade on behalf of the Russian government, where at the Canadian G7 Summit he was keen to introduce his buddy Putin to the table and recreate the G8. As I mention Russia, I feel it is appropriate to distinguish between the Government and the people. Ahead of the Football World Cup fans were told not to travel to Russia due to; racism, homophobia and violence yet, these pre-conceptions have been proved to be very wrong. Indeed every fan, reporter, pundit or footballer I have heard interviewed has mentioned how hospitable the Russians have been. Thank you Russia.

*it was encouraging to see the meeting of the North and South Korean Presidents, let us hope that they can become civil, if not the best of friends, in the future.

UK – Blood on the high street, Acquisitions and Petrol Prices

A decade ago we saw lots of pubs close as people chose to imbibe at home having purchased much cheaper (and better quality) drinks in the supermarket. We then witnessed banks closing their smaller, more personal branches (as we experienced with Barclays who rented a property from us) to consolidate into centralised hubs in target towns and cities. Now it is the retail stores which are closing.

The carnage of the high street fails to discriminate. In recent weeks we have heard that both Poundworld and House of Fraser (although we are reassured that the Norwich branch is yet to take its final breath) are in significant financial difficulty. These stores represent different ends of the retail spectrum and demonstrate that neither volume businesses nor those that distinguish themselves via brand are safe. It will make for depressing reading but there is a long list of retail companies which have failed to adapt to the changing consumer environment which include; Maplin, Toys R Us, BHS, Carpetright, Mothercare, New Look, Debenhams and plenty of others. Many of these are high street 'stalwarts' which have expensive long-lease property exposure and limited online presence, which has ultimately brought their downfall.

The well-known names on the high street are being replaced by charity shops and coffee houses, or wooden boards just saying 'to let'. At least we still have hairdressers and barbers (and I would highly recommend Hiz Hair in Tombland), technology will have to advance somewhat before you can get a haircut via the internet!

Clients sometimes enquire about technology and whilst we have a reasonable amount of exposure to the sector, which can be very volatile (see the recent Facebook personal data breaches), we do also invest in a number of businesses driven by the reliance on our portable handheld or desktop hardware. Cardboard boxes may sound far removed from 'tech' but this sector really is a play on our new online habits and the exponential growth of e-commerce.

Almost everything we order on the internet comes in a cardboard box and that white van appears at the back door, laden with cardboard, far more often than we would ever like to admit. A product ordered via the internet has, on average, eight times more packaging than a product purchased in a shop. Anecdotally, I recently ordered 8 drinking glasses and they arrived in a big cardboard box, with each glass in its own little cardboard box and between each box was cardboard string to stop any breakages (or more accurately, just one breakage). If anyone has a spare 500ml glass I would be grateful as 7 is such an awkward number!

Whilst you may not need further convincing of the move from high street to online habits, it is interesting to note that Ocado (the online shopping service) has made it into the FTSE 100 whilst the stockmarket darling of 20 years ago, Marks and Spencer, is in danger of being relegated from the FTSE 100 as it is now 97th/100 in terms of market capitalisation, which could mean an exit shortly.

Packaging companies are keen to capitalise on their growth opportunities as evidenced by the upcoming DS Smith rights issue (to fund a large European acquisition) and the failed bid by International Paper (US) for Smurfit Kappa. Although consolidation in a sector generally provides shareholders with a short term gain I am pleased that Smurfit Kappa has fought off the US predator and remains listed in the FTSE. This is not just because it is a good quality business but because I feel it is important that we keep some stellar names on our domestic market (per my comments on Unilever below). In the last couple of years we have seen ARM and SAB Miller succumb to foreign buyers and it looks like Sky will be next. With sterling having depreciated back to US$1.32 we expect further interest in British companies from cash rich overseas predators.

Further acquisition activity has been bubbling under the surface and in late April Sainsbury's announced plans to merge with Asda. Such deals are often called 'mergers' so the target doesn't lose face, but I'll let you decide who is the 'predator' and who is the 'prey'! Walmart (which owns Asda) is valued at $254bn (£192bn) and Sainsbury's is valued at £6.7bn. It was this announcement which led to great embarrassment for Mike Coupe, the Sainsbury Chief Executive, who whilst sitting alone waiting for an ITV breakfast interview, not realising a camera was on, decided to sing himself a little ditty "We're in the money" from the musical Gold Diggers. This was after his own holding in Sainsbury had increased in value by £600,000, so Mike in answer to your question: 'you Mike, you are in the money!'

Perhaps one of the biggest worries for individuals and businesses alike is the price of fuel, where we have seen a significant spike in pump prices. When you lean on your car with nozzle in hand and watch the numbers, the cost now ticks up much faster than the litreage. We continue to retain sizeable exposure to the oil majors, predominately via BP and Royal Dutch Shell which account for 16% of the FTSE 100 and benefit from rising oil prices, not least as their cashflows now fully cover the above average dividends.

However, it is noticeable that both BP and Royal Dutch Shell have recently acquired businesses which operate or have exposure to electric vehicle charging points. This is an area which we have also recently introduced into client portfolios, as it is our belief that the electrification of vehicles is an attractive growth sector for the medium term.

FTSE 100 Volatility

When CWLB wrote his 5th April 2018 newsletter the FTSE 100 stood at 7,200 having been as high as 7,779 in January and as low as 6,889 in March. Today we are back at 7637 having reached 7,877 during May. So it is fair to say that some volatility has returned to the index, although we tend to look at the volatility of individual stocks rather than the FTSE 100 when trying to identify investment opportunities. Of course we focus on our preferred sectors (such as packaging and healthcare) and remain underweight to those which we feel are more vulnerable (such as retail and building stocks) although are cognisant that there is a price for everything – if a company looks oversold because it is out of favour this can represent a reasonable entry point on value grounds.

One of the most interesting aspects of the recent volatility has been that holdings which in the past might have been considered 'safe and boring' have been 'ducking and diving' more than Pepe (the Portuguese footballer who can't stay on his feet). As shown in the chart below, typically 'steady' stocks such as Reckitt Benckiser and National Grid have displayed considerably more volatility during the period than the cyclical stocks such as financial and construction companies which we would expect to fluctuate more.

Considered 'stable'	Price	52 wk high	52 wk low	% high to low
Reckitt Benckiser	6228	8000	4973	-38%
National Grid	840	988	733	-26%
United Utilities	767	940	649	-31%
Considered 'volatile'				
Land Securities	955	1035	900	-13%
Taylor Wimpey	178	201	165	-18%
BAE Systems	624	660	534	-19%
Prudential	1741	1992	1713	-14%
Lloyds	62.1	72.8	60.5	-17%
HSBC	710	799	651	-19%

We have in recent newsletters written about the rotation out of so called 'bond proxies' (equities with relatively high dividend yields and stable growth profiles which have been purchased as a replacement for bonds in the current low interest rate environment) but this data really demonstrates the risks of 'paying up' for holdings, either for perceived safety or high income. Mark Carney and the Monetary Policy Committee only have to whisper the idea of interest rates rising and such holdings can wobble. As you will know, we have become cautious on income stocks where many clients (specifically charities which distribute their income) might have held several utility companies five years ago but will now only have two or three such holdings. This may mean there is a little bit of pressure on maintaining very high levels of income compared to historic levels, but we believe it to be a prudent management of risk and capital protection.

Unilever – and overseas holdings

It seems strange that we can have Russian mining stocks listed in the FTSE yet Unilever, an 'old school staple' of the London market, feels the need to put its head office overseas, allegedly having been pushed out by BREXIT. The 3rd largest stock on our exchange which probably provides every household in the UK with at least one product as their brands include: Pot Noodle, PG Tips, Persil, Dove, Marmite (at home we have all bar the Pot Noodle which is unsurprising as I am married to a qualified nutritionist), is to move its head office to Rotterdam. Perhaps if there was a clearer BREXIT plan there would be less need for such decisions.

The shares will still trade in London but it is highly likely that they will not qualify for inclusion in the FTSE index series, so perhaps it is just a matter of time before we lose another core holding. Though this would be a shame it is not terminal, as in recent years our investment policy has continued to evolve with significantly enhanced exposure to companies listed in overseas jurisdictions*.

*I am afraid this is a *'total nightmare'* for clients who still chose to be certificated as we are unable to hold foreign stocks for you. Nominee portfolios will typically have 15%-25% (and growing) invested directly in overseas listed companies, which is where much of our performance has come from in recent years. I know many like to hold their certificates but it really is becoming hugely restrictive in this increasingly globalised world.

Investment Policy

In brief, as much of this overlaps what has been written above; core themes at the moment include:

1) Increasing overseas direct equity exposure to mitigate some Brexit/currency risks whilst we are increasingly finding overseas equities of very high calibre for which there is no valid UK listed alternative.
2) Being careful of yield traps where we are not 'chasing' very high income equities or bonds as their price is low for good reason.
3) Retaining our view that Index-Linked (which will provide a degree of inflation protection) will give better returns over the medium term than conventional holdings within fixed interest markets.
4) Patience*.

*Portfolios are constructed around core FTSE 100 holdings which we expect to hold for a very long time such as BP, Rio Tinto, Unilever, Diageo etc. (in addition to major overseas listed stocks). Whilst we remain very patient with these holdings because they are, in our opinion, top quality on a range of fundamentals, we are prepared to change our view. For example we previously sold Vodafone (subsequently bought back at lower levels), Tesco and Marks & Spencer which were all deemed 'core holdings' when they were purchased all those years ago, but the world moves on. More recently we have seen the likes of GlaxoSmithKline and Whitbread move down from core to 'portfolio weight' but we do not feel the need to constantly tweak investments when they can serve clients for 10 years, a generation or longer!

We do of course have other holdings which act as 'satellites around the core' which are purchased on a shorter term view where we believe there are opportunities to make a relatively quick profit (perhaps within 18 months); Johnson Matthey, Carnival and Micro Focus spring to mind as recent examples.

Portfolio management and Administration

Tax – the dividend income tax threshold has been reduced from £5,000 to £2,000 which means ISA's are becoming more important and relevant to even those individuals with relatively modest income. Of course your advisor will ensure that ISA subscription is suitable on an individual client basis but ISAs do provide an excellent tax shelter for future tax planning which can also be hugely beneficial when considering generational planning etc. You may be aware that you are able to subscribe up to £20,000 to ISA for the 2018/19 tax year, and this can be done using cash or stock held outside ISA.

Corporate actions – The time frame between the official announcement the 'ex date' (the date at which you have to hold the stock to be entitled to participate in the corporate action) and the record date (when the corporate action closes) is becoming increasingly tight. It looks like two weeks (at most) is becoming the norm. It is a significant benefit to be within our discretionary service so we can simply act on your behalf in a timely manner whilst it is a distinct disadvantage being in the aforementioned certificates where paperwork is cumbersome.

Recent / upcoming corporate actions include:

Overseas bids:

Shire – has accepted a bid from Takeda Pharmaceuticals (Japan)
IWG – has three private equity firms (Starwood, TDR and Terra Firm) considering making an offer
Sky – to be acquired by either Comcast, 21st Century Fox or Disney

Whilst here in the UK:

Sainsbury's – has announced plans to merge with Asda (owned by US giant Walmart)
UBM – has been taken over by Informa
Whitbread – to demerge Costa Coffee into a separately listed company within 24 months
DS Smith rights issue – 3 for 11 at 350p

Conclusion

I have managed to get the whole way through this newsletter without mentioning Love Island. I watched the first three episodes but then thankfully the Football World Cup started. ITV has recovered a little on the back of the Love Island viewing figures where it has been widely publicised that more people applied for the television show than entered the Oxbridge process. Sadly with neither the six pack nor the brain required there was little point in me entering either…maybe next year!

I have also failed to write about Bitcoin (I know CWLB said he would never mention it again) but following a significant fraud, which was meant to be impossible, the price has fallen from in excess of US$18,000 to approximately US$6,000. Enough said.

In newsletters past CWLB has commented on my various sporting achievements (or more correctly participations!) but on this occasion it is my great privilege to congratulate the Barratt & Cooke Half Marathon team on their victory ahead of 15 other Norwich professional teams. Pictured overleaf (from left to right) are Sam Barratt, Edward Sidgwick and Simon Cowley. It was in fact a 4 man team but coming 4th "yours truly" was a 'non-counter', defeated by my brother, so I didn't make the cut! This was a fantastic Barratt & Cooke team effort with the Compliance, Advisory and IT teams all represented – well done lads and thank you for 'carrying me'!

Finally

I mentioned at the start that CWLB is often heard telling clients who are keen to speak to him that "stockbroking is a young man's game". However it is very difficult to come to a decision as to when to hand over the reins in a public way. JALB was at his desk until the grand old age of 85 and CWLB will no doubt be offering us his counsel in a Non-Executive capacity for some time (let's be honest he is a reasonably 'executive' non – executive!).

Both Sam and I are full of admiration for him stepping back when he is still right at 'the top of his game', but before it becomes too much. I would liken his decision as similar to that of the great AP McCoy's retirement who finished when he was 'THE CHAMP', rather than hanging on for too long. AP could have ridden plenty more winners and likewise CWLB could have continued to give exceptional advice but now is the right time to take on a different role.

My father is not only relinquishing his executive capacity when he is 'the best of the best' but he is practicing what he preaches. In his own personal financial affairs he chooses to surround himself with younger professionals and feels it is right for his clients to do likewise. The process has of course been a gradual one, the catalyst for which was his year as High Sheriff of Norfolk in 2010/11 which was when he handed over the majority of his clients.

CWLB has been the driving force behind Barratt & Cooke for a very long time and he is quite rightly very proud of a business which has always put the client first. It is a great privilege for Sam, Will Mellor, Miles Piercy and I, along with the whole of the team, to continue to work with him, albeit with CWLB in a slightly less hands on capacity. Sam and I will continue to do our best to look after his legacy (as he did JALB's), certainly for this generation and perhaps many more. After all, "the child is the father of the man".

WJB
1/7/18


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Chartered Accountants
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Business Challenge
Winners

July 2018
Equity Suggestions

FTSE 100 COMPANIES		Price 1/7/18	Yield	52 Week High	52 Week Low
BANKS	HSBC Holdings PLC Ordinary Shares	711p	5.6%	799p	651p
	Lloyds Banking Group PLC Ordinary Shares	63p	4.9%	73p	61p
BEVERAGES	Diageo PLC Ordinary Shares	2722p	2.3%	2818p	2234p
FOOD PRODUCERS	Unilever PLC Ordinary Shares	4192p	3.1%	4558p	3678p
	Associated British Foods PLC Ordinary Shrs	2738p	1.5%	3387p	2386p
FORESTY & PAPER	Smurfit Kappa Group PLC Ordinary Shares	3066p	2.5%	3254p	1692p
HEALTHCRAE	Smith & Nephew PLC Ordinary Shares	1398p	1.9%	1442p	1173p
HOUSEHOLD PRODUCTS	Reckitt Benckiser PLC Ordinary Shares	6239p	2.6%	8000p	4973p
INDUSTRIALS	Halma PLC Ordinary Shares	1370p	1.1%	1470p	1064p
LIFE INSURANCE	Prudential PLC Ordinary Shares	1735p	2.7%	1993p	1712p
MEDIA	RELX PLC Ordinary Shares	1623p	2.4%	1784p	1399p
MINING	BHP Billiton PLC Ordinary Shares	1706p	4.3%	1804p	1171p
	Rio Tinto PLC Ordinary Shares	4201p	5.2%	4541p	3223p
OIL & GAS	BP PLC Ordinary Shares	578p	5.3%	593p	437p
	Royal Dutch Shell B PLC Ordinary Shares	2714p	5.3%	2845p	2039p
NONLIFE INSURANCE	Admiral Group PLC Ordinary Shares	1908p	6.0%	2184p	1766p
PHARMACEUTICAL	AstraZeneca PLC Ordinary Shares	5253p	3.9%	5523p	4260p
SUPPORT SERVICES	Bunzl PLC Ordinary Shares	2295p	2.0%	2364p	1918p
	Experian PLC Ordinary Shares	1875p	1.8%	1923p	1428p
	Intertek PLC Ordinary Shares	5716p	1.3%	5870p	4137p
	Rentokil Initial PLC Ordinary Shares	351p	1.1%	356p	257p
TRAVEL & LEISURE	Compass Group PLC Ordinary Shares	1618p	2.1%	1673p	1396p
	Just Eat PLC Ordinary Shares	779p	-	906p	596p
UTILITIES	National Grid PLC Ordinary Shares	838p	5.4%	982p	733p
FTSE 250/Small Cap/AIM COMPANIES					
CONSTRUCTION	Forterra PLC Ordinary Shares	307p	3.1%	340p	246p
INDUSTRIALS	Coats Group PLC Ordinary Shares	78p	1.4%	90p	72p
	Diploma PLC Ordinary Shares	1311p	1.8%	1326p	1003p
	Hill & Smith Holdings PLC Ordinary Shares	1479p	2.0%	1525p	1130p
	James Fisher PLC Ordinary Shares	1748p	1.7%	1868p	1340p
	Rotork PLC Ordinary Shares	335p	1.6%	360p	221p
	Spectris PLC Ordinary Shares	2610p	2.2%	2957p	2220p
REAL ESTATE	Ediston Property PLC Ordinary Shares	112p	5.1%	115p	103p
	Shaftesbury PLC Ordinary Shares	936p	1.8%	1055p	916p
SUPPORT SERVICES	Babcock International PLC Ordinary Shares	818p	3.7%	912p	604p
	FDM Group (Holdings) PLC Ordinary Shares	979p	2.7%	1139p	740p
TECHNOLOGY	GB Group PLC Ordinary	597p	0.4%	612p	323p
	RWS Holdings PLC Ordinary Shares	421p	1.6%	569p	331p
UTILITIES	Pennon Group PLC Ordinary Shares	794p	4.8%	855p	577p
OVERSEAS COMPANIES#					
BEVERAGES	Heineken NV Registered Shares	7607p	1.7%	8121p	7270p
CHEMICALS	Umicore SA Common Stock	4347p	1.0%	4510p	2652p
FOOD PRODUCERS	Nestlé SA Registered Shares	5866p	3.0%	6759p	5434p
HEALTHCARE PRODUCTS	Johnson & Johnson Common Stock	9191p	3.0%	10880p	8840p
	Waters Corporation Common Stock	14663p	-	15669p	13149p
INDUSTRIALS	ABB Ltd. Common Stock	1656p	3.6%	2044p	1559p
	Schindler Holding CHF Registered Shares	16294p	1.9%	17796p	14680p
PERSONAL GOODS	Colgate-Palmolive Common Stock	4909p	2.6%	5714p	4561p
	Estée Lauder Companies Common Stock	10808p	1.1%	11896p	7287p
	Kimberly-Clark Common Stock	7979p	3.8%	9957p	7065p
MEDIA	Wolters-Kluwer NV Shares	4268p	1.8%	4279p	3219p
PHARMACEUTICALS	Novartis CHF Registered Shares	5742p	3.7%	6611p	5495p
	Novo Nordisk DKK Series B	3513p	2.6%	4153p	3169p
TECHNOLOGY	Amadeus IT Group SA Common Stock	5978p	1.4%	6349p	4581p
	Automatic Data Processing Common Stock	10160p	2.0%	10522p	7717p
	Ingenico Group SA Common Stock	6809p	2.1%	8306p	5571p
TOBACCO	Philip Morris PLC Ordinary Shares	6116p	5.7%	9330p	5730p
NON EQUITY					
COMMODITIES	Gold Bullion Securities	8947p	-	9792p	8743p

Dividends on overseas holdings will be subject to withholding tax at the local rate.

Investment Trust & Unit Trust/OEIC Suggestions

		Price 1/7/18	Yield	52 Week High	52 Week Low	Discount to NAV*
UK	Diverse Income Trust	103p	3.1%	111p	96p	(1.7%)
	Fidelity Special Values I/T	273p	1.7%	281p	235p	(2.1%)
	Finsbury Growth & Income Trust	812p	1.8%	823p	709p	(1.2%)
	Perpetual Inc & Growth I/T	359p	3.9%	398p	329p	11.7%
	Schroder UK Mid Cap I/T	560p	2.4%	584p	489p	12.9%
GLOBAL	Bankers I/T	847p	2.2%	926p	778p	1.1%
	Baillie Gifford Positive Change Fund	161p	0.3%	166p	120p	-
	Baillie Gifford US Growth Trust	124p	-	128p	100p	(4.1%)
	Caledonia Investment Trust	2810p	2.1%	2915p	2515p	19.7%
	Fundsmith Equity Fund	359p	0.5%	363p	311p	-
	Henderson Intl. Income Trust	161p	3.2%	172p	154p	(1.1%)
	JP Morgan American I/T	422p	1.3%	428p	369p	3.5%
	JP Morgan Japanese I/T	468p	1.1%	473p	365p	6.7%
	Jupiter European Opportunities Tst	783p	0.8%	799p	670p	0.3%
	Monks Investment Trust	840p	0.2%	863p	672p	(4.5%)
	Personal Assets Trust	39750p	1.4%	41240p	38700p	(1.5%)
	RIT Capital Partners	2065p	1.6%	2090p	1828p	(6.9%)
	Trojan Global Income Fund	103p	3.1%	107p	94p	-
EMERGING MARKETS	JP Morgan Emerging Markets I/T	843p	1.3%	935p	788p	12.9%
	Pacific Assets Trust	262p	1.0%	272p	234p	3.8%
	Schroder Oriental Income Trust	241p	3.8%	271p	238p	1.8%
FRONTIER MARKETS	BlackRock Frontiers I/T	145p	3.7%	170p	141p	(3.7%)
HEALTHCARE	Worldwide Healthcare Trust	2655p	0.7%	2730p	2320p	(0.6%)
PRIVATE EQUITY	Pantheon International I/T	2030p	-	2050p	1720p	15.0%
TECHNOLOGY	Polar Capital Technology Trust	1256p	-	1334p	950p	1.3%
ENVIRONMENTAL	Impax Environmental Markets I/T	266p	0.9%	275p	232p	3.9%

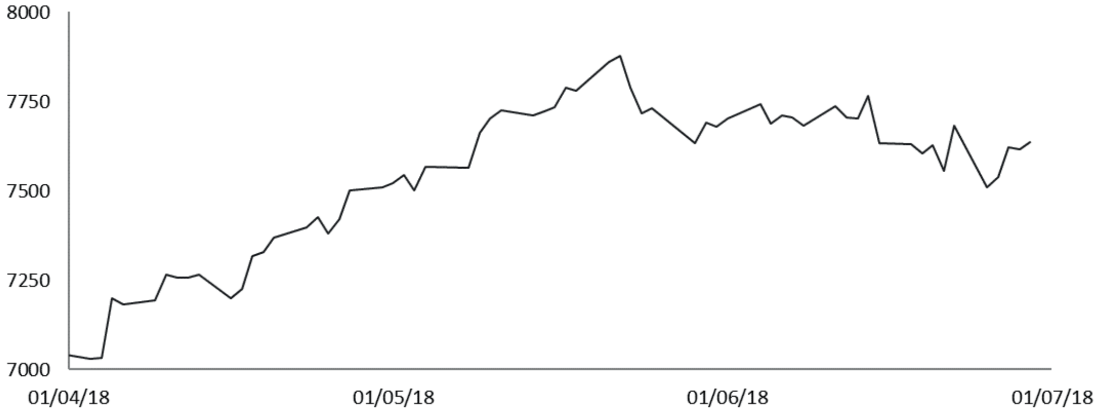
* () = premium

Fixed Interest Suggestions

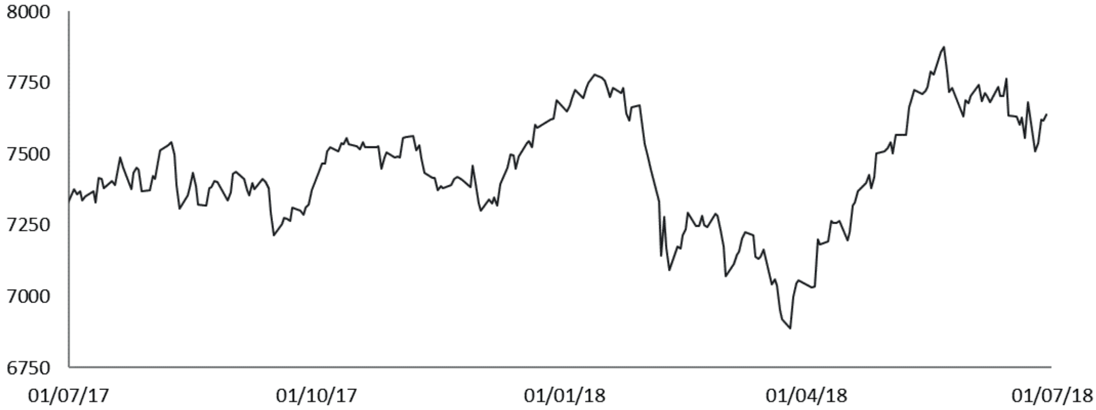
	Price 1/7/18	Gross Interest Yield	Gross Redemption Yield	Payment Dates	Redemption Date
CONVENTIONAL GILT					
Treasury 0.5% 2022	98.4	0.5%	0.9%	Jan/Jul	22 Jul 2022
INDEX-LINKED GILT					
Treasury 0.125% Index Linked 2024	129.4#	0.1%	1.1%*	Mar/Sep	22 Mar 2024
INDEX-LINKED CORPORATE BOND					
Severn Trent 1.3% Index Linked 2022	123.4	1.2%	2.7%*	Jan/Jul	11 Jul 2022
BOND FUNDS					
Fidelity Moneybuilder Income Fund	121.4	3.2%	-		
iShares £ Corp Bond 0-5 yr ETF	105.3	2.0%	-		

* Equivalent Gross Redemption Yield for Index Linked Gilts/Bonds assuming that future RPI inflation averages 3.0% to redemption.
# Price adjusted for inflation (where the published price may be significantly different as it does not include accrued inflation).
All yields are estimated and not guaranteed.

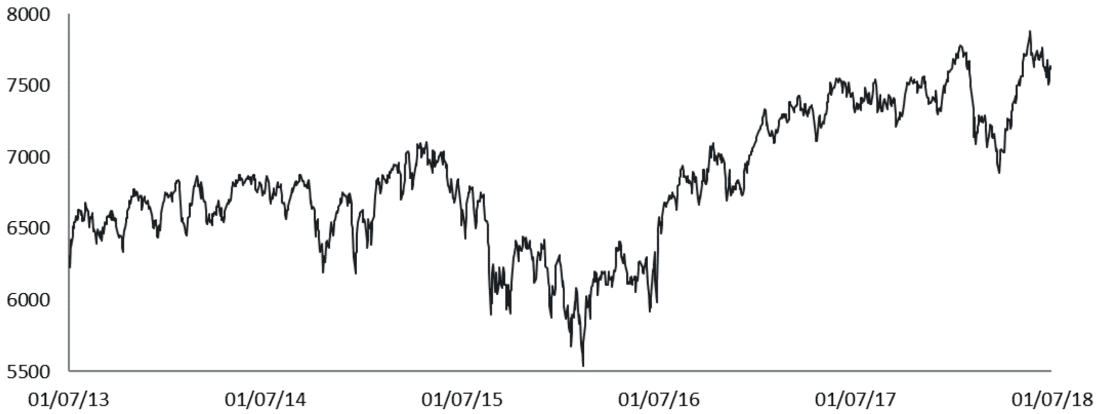
FTSE 100 – Previous Quarter



FTSE 100 – 1 Year



FTSE 100 – 5 Year



Source: Proquote