DART CAPITAL

Investment Brief - July 2017

History of Dart Capital	**1**
House View	**1**
Quarterly Commentary	**4**
Fund Spotlight	**7**
Why a Cash ISA is not the risk free investment it once was	**9**

History of Dart Capital

Richard Whitehead
Chief Executive

Welcome to the Summer Investment Brief in what has been another strong period for investment performance and for the business itself. I am often asked about the recent history of the company so I thought it would be helpful to put some facts together with a recent timeline.

July 1987	Dart Capital Incorporated (under its original name)
April 2004	Annual turnover = £880,000
September 2004	Dart Capital AUM = £47 million
October 2004	Richard Whitehead joins the business
February 2006	Chris Bellchambers joins the business
April 2006	Annual turnover exceeds £1 million
June 2006	Dart Capital AUM = £100 million
August 2007	Dart Capital is granted Discretionary Investment Management Permissions from the FCA
November 2007	John Orpen and Richard Murphy join as consultants
February 2008	Richard Whitehead leads a management buy out of the business with a syndicate of investors
September 2008	Matthew Dymock joins the business
September 2009	Dart Capital moves into new offices in the City of London
August 2011	Dart Capital begins successful relationship with AJ Bell
November 2012	Dart Capital AUM = £200 million
April 2013	Annual turnover exceeds £2 million
November 2014	John Orpen appointed Chairman & Richard Murphy appointed as Non-Executive Director
December 2014	Dart Capital Group acquires Waterson Jones
November 2015	Dart Capital Group AUM = £300 million
July 2016	Dart Capital Group AUM = £400 million
April 2017	Annual Group turnover exceeds £3 million
June 2017	Chris Bellchambers and Matthew Dymock appointed as Directors of Dart Capital

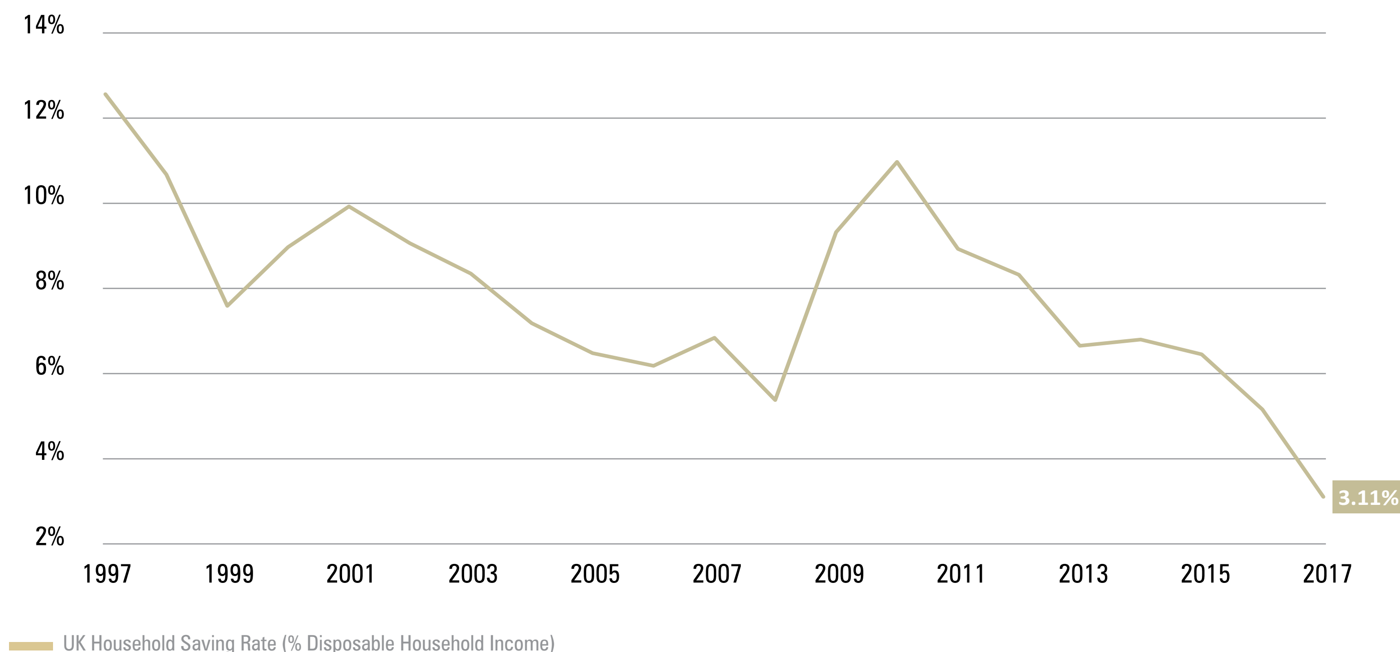
House View

Alexander George, CFA
Associate Director of Research

Going into the second half of the year, we retain a neutral exposure to equities across our managed portfolios. This positioning reflects our view that stocks remain attractively valued relative to bonds but, following strong gains, markets are now pricing in little in the way of a margin of safety. Although the cyclical indicators for the global economy are generally in positive territory, this is partly due to the residual effects of last year's Chinese fiscal stimulus package and we believe that the long-term structural global growth outlook is still clouded by high debt levels across the household and government sectors. Although the Bank of England have joined the chorus of Central Banks looking to raise interest rates, we question how the domestic economy will fare given signs that household spending is already coming under pressure.

We view June's UK General Election result as a further sign that the domestic populous is becoming increasingly intolerant of austerity with clear momentum building towards a return to "tax and spend" fiscal policy. Whilst the prospect of improved public services is certainly alluring, we note that this will have to be offset by higher taxation on households and corporates at a time when household savings rates are already close to record lows. Unlike the US, the UK does not have the benefit of being the world's reserve currency and we wait to see how overseas investors will respond to the UK government running persistently high budget deficits well into the next decade.

Having cut interest rates to 0.25% in the aftermath of last year's EU Referendum, the Bank of England's Monetary Policy Committee (MPC) face a quandary over whether the time has now come to move to away from this emergency setting. Most notably, recent meetings of the committee have seen several members of the Committee voting for a rate increase whilst even the Governor of the Bank, Mark Carney, who until recently was firmly against a tightening of policy, appears to be warming to the political pressure regarding prospective rate rises. With domestic inflation set to remain above the Bank's 2% target for at least the next year, primarily as a direct consequence of sterling weakness following last year's Brexit vote, and employment at record levels, there are certainly arguments for a moderate tightening of policy.



Source: Thomson Reuters Data Stream

However, as we have outlined in our recent monthly commentaries, we do expect household spending growth to slow through the second half of this year as the impact of lower real wages and slower growth in unsecured household credit – the latter of which was until recently running at over 10% per annum - start to take their toll. Furthermore, we note that the structural issues facing the UK economy remain largely in place, in particular we would highlight the elevated level of household debt and a reliance on the housing market for household wealth, the latter of which is fully valued and starting to see prices plateau. As a result of these headwinds to growth, whilst the Bank may well choose to move rates away from their current emergency levels at some point later in the year, we do not believe the economic backdrop will justify an extended period of rate hikes.

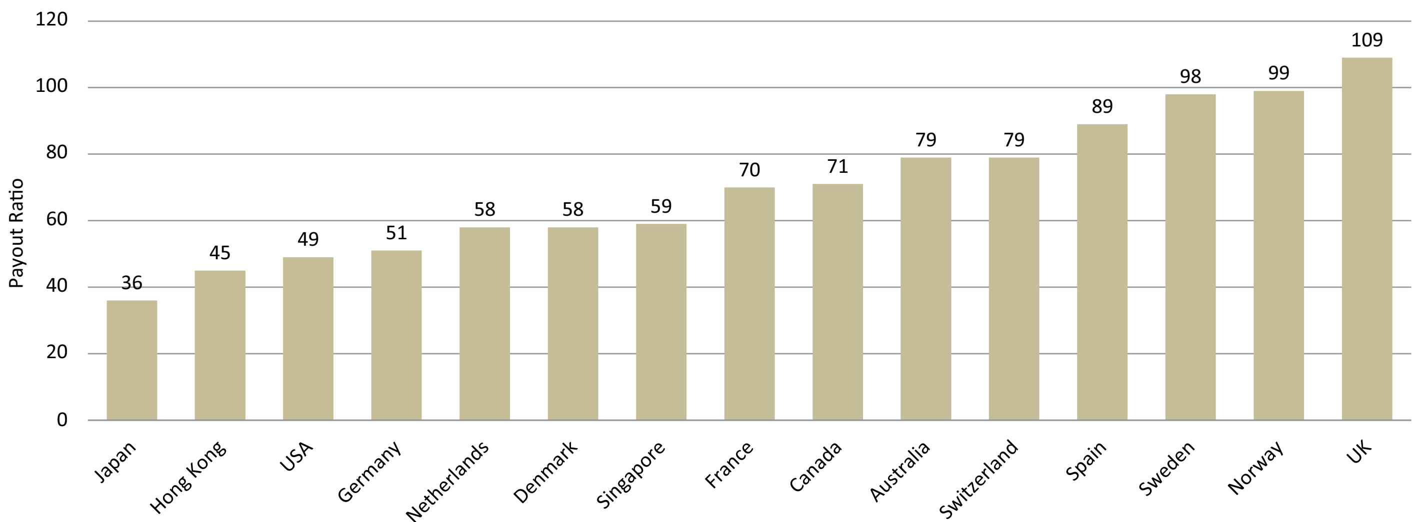
It is increasingly difficult to find value within the bond market, with even the investment grade and high yield portions of the market rallying strongly following their sell-off in the first quarter of last year. Whilst we continue to have significant exposure to the former as we expect default rates to remain low over the medium-term, our high yield exposure remains constrained given stretched valuations and high correlation with equities should there be a retreat in global risk sentiment.

Over the last year we have taken steps to reduce exposure to the more domestically exposed small and mid-cap areas of the UK market. Although we were early in making these moves with smaller companies performing particularly strongly so far this year, we do think that a more cautious approach is warranted given the risks to UK consumer spending and the ongoing uncertainty created by the Brexit transition. As things stand, our domestic equity exposure is heavily tilted towards large-cap stocks, the majority of which generate a significant proportion of their revenue from abroad. For this reason, we remain comfortable holding a broadly even split between UK and international equities across our model portfolios at this time.

We have been significant advocates of European equities over recent years given low relative valuations and profit margins which were far less stretched than in the US market and it has been pleasing to see the region's strong outperformance this year aided by a broad strengthening of Eurozone growth. With regards to the US, investors have responded to weaker than hoped for economic growth by crowding into high growth stocks in the second quarter, particularly benefitting some of the behemoth technology names such as Amazon and Facebook. We have been monitoring opportunities in small and mid-caps given that this area of the market has lagged and could well outperform should the US economy pick up steam later in the year.

Although global investors have been quick to close their underweight position to European stocks this year, this can't be said for the Japanese market which remains largely out of favour. Where US companies have been aggressive in returning capital to shareholders through share buybacks and dividends, Japanese companies are very much at the foothills of this journey and, despite increasing payments over recent years, the Japanese market still has the lowest dividend pay-out ratio* of any developed market.

Japan has the Lowest Payout Ratio of the Developed Markets



Source: SG Cross Asset Research/Equity Quant, Datastream and relevant underlying index provider. As at 25 November 2016

** Payout ratio is the percentage of a company's profits that they pay out as dividends to their shareholders.*

We retain a broadly neutral allocation to Asian and Emerging Markets. Within this space our underlying managers generally favour companies which benefit from the structurally growing middle class in these economies, and are tilted away from the state-owned businesses which tend to prioritise the national interest over the interests of shareholders. We do remain wary of the increasingly high corporate debt levels within the Chinese economy, although we expect the Chinese authorities to use all available measures to avoid a sharp slowdown in growth.

Holding diversifying assets remains an important component of our portfolio construction. When allocating to the much-maligned absolute return sector, we favour long/short equity funds that can have a strong track record in delivering returns which are uncorrelated to that of wider equity markets. It should be noted that the funds we buy are a far cry from traditional offshore hedge funds in that they have competitive fee structures, employ far lower levels of leverage and provide investors with daily liquidity.

We continue to retain a holding in gold across our managed portfolios. Although short-term price sentiment towards gold is largely driven by the outlook for US interest rates, we are comfortable that the precious metal continues to provide insurance against profligate money printing by Central Banks. In particular, whilst the US Federal Reserve has started to increase interest rates, and the Bank of England, European Central Bank and Bank of Japan have all mooted similar moves, we still think that the monetary authorities will be forced to cut interest rates aggressively – as well as potentially restart their respective Quantitative Easing programmes - once the next global recession approaches. This would, in our opinion, drive investors into true hard currencies such as gold. Furthermore, the safe haven status of gold should not be discounted given the heightened level of geopolitical risk currently, particularly emanating from the Middle-East and North Korea.

Some of the heat came out of the physical infrastructure sector over the quarter, with the multiple capital raises by listed infrastructure funds satiating some of the investor demand which had previously pushed the premiums within the sector above 20% and beyond. We still believe that investment in physical infrastructure projects, such as hospitals and schools, is attractive given the strong degree of inflation linkage and attractive diversification benefits it can provide for portfolios. Furthermore, with our favoured infrastructure investment trust, HICL, currently yielding around 5%, with these distributions set to grow over time, we believe the valuation case remains intact.

In an environment of elevated equity market valuations and very low prevailing bond yields, retaining portfolio balance is challenging and we have increased exposure to alternatives strategies which can deliver broadly uncorrelated returns. Although investors have been rewarded for taking increasing amounts of risk over recent years, we are wary that Central Banks appear keen to reduce support for asset markets and this is likely to make it a more challenging investing environment over coming years.

Quarterly Commentary

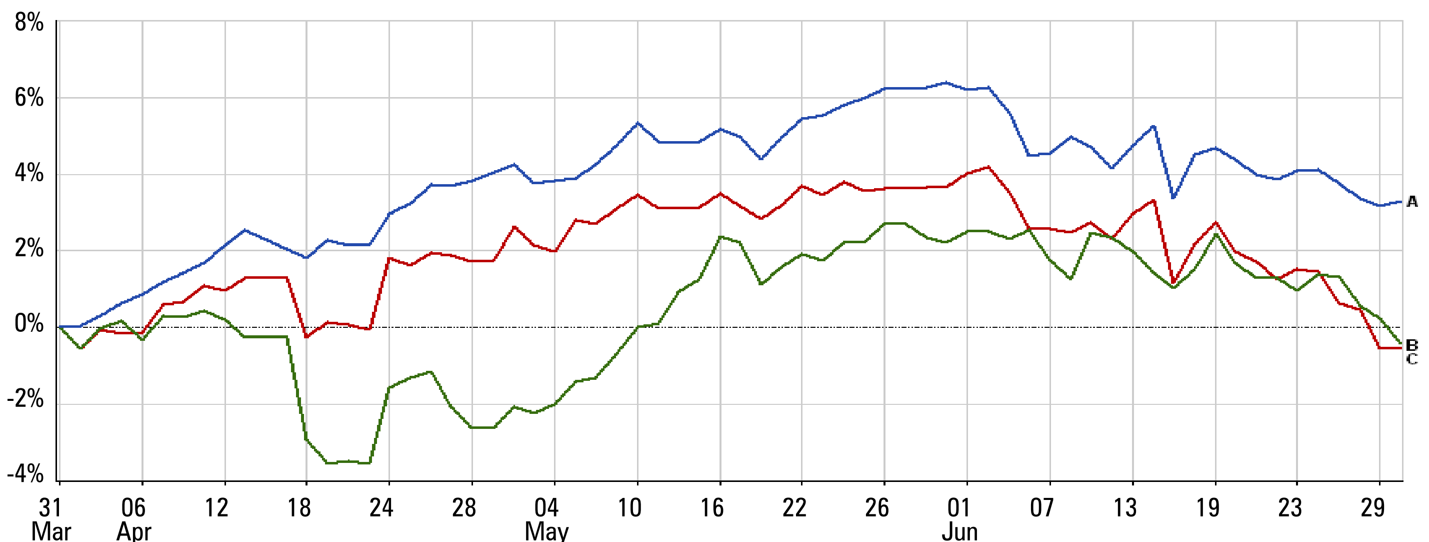
Alexander George, CFA
Associate Director of Research

Global equity markets experienced a reasonable quarter, although signs that Central Banks may look to tighten monetary policy caused a modest retreat in risk assets towards the end of the period.

The UK economy endured an eventful three months with political upheaval and a change in tack from the Bank of England taking the spotlight. As noted in our May commentary, we did expect the General Election to be closer than many had anticipated, with the unpopularity of the Conservative campaign providing a stark contrast with the more populist message from Labour leader Jeremy Corbyn. Whilst the Conservative party are now only in power due to the cooperation of Northern Ireland's DUP, following the initial upheaval in the immediate aftermath of the result markets have now settled aided by initial indications that the Tory party will now pursue a softer, more market friendly Brexit as they require the support of their cohort of EU friendly MPs.

Revised data from the Office of National Statistics (ONS) confirmed that the UK economy grew 0.2% over the first quarter, with strong business investment and a pickup in exports unable to make-up for weaker household spending. Whilst the unemployment rate is only 4.6%, wage growth has been lower than policy makers would like with the high proportion of self-employed workers and technological advancements both partly to blame. Domestic inflation has bounced back strongly over the last year, with the Consumer Price Index (CPI) increasing 2.9% over the 12 months to the end of May as the impact of weaker sterling and higher fuel prices combine to drive prices higher. In a departure from their previous willingness to look through bouts of above target inflation, the Bank of England has become increasingly cautious with three members of the eight-strong Monetary Policy Committee (MPC) voting for a rate increase in the Committee's most recent meeting. Indications that the BOE are considering a rate rise, along with the prospect of a potentially softer Brexit outcome, helped the Pound to a gain of 3.8% against the Dollar over the period.

We note that the public have become increasingly vocal, both domestically and in other western economies, on the redistributional effects of pursuing (effectively) zero interest rate and Quantitative Easing (QE) policies, and there is growing political pressure on Central Banks to strongly consider a rate increase. In spite of signs of a slowing domestic economy, smaller company stocks outperformed strongly over the first half of the quarter before falling back at the prospect of higher interest rates. As shown in the chart below, the Numis Smaller Companies ex-Investment Companies index gained 3.3% whilst the MSCI United Kingdom Large-Cap fell 0.4% over the period. In spite of some large moves intra-quarter, Gilt yields ended the quarter close to where they started with the 10-year Gilt yielding only 1.26% at the end of June.



A - Numis Smaller Companies + AIM Excluding Investment Companies in GB (3.29%)

B - MSCI United Kingdom Large Cap in GB (-0.41%)

C - MSCI United Kingdom Mid Cap in GB (-0.54%)

31/03/2017 - 30/06/2017 Data from FE 2017

Quarterly Commentary

The US economy grew at an annualised rate of 1.4% over the first quarter, which failed to live up to the optimistic growth expectations coming into the year. Although weaker than expected household spending was the primary driver of the disappointing data, seasonal factors, in particular the mild winter, also detracted from the figures. Survey data has indicated that the economy likely strengthened over the second quarter although the very strong business confidence data has yet to manifest itself in far stronger hiring and investment by corporates. Having gone into the year optimistic regarding President Trump's ability to implement his business friendly policy agenda, many commentators have become concerned that the almost daily controversies which affect Trump could well inhibit his ability to pass legislation through Congress and the Senate. Although it has been delayed, we do expect tax reform to pass at some point over the next 12 months due to its degree of cross-party support, although we believe this positive catalyst is already largely priced into US stock valuations.

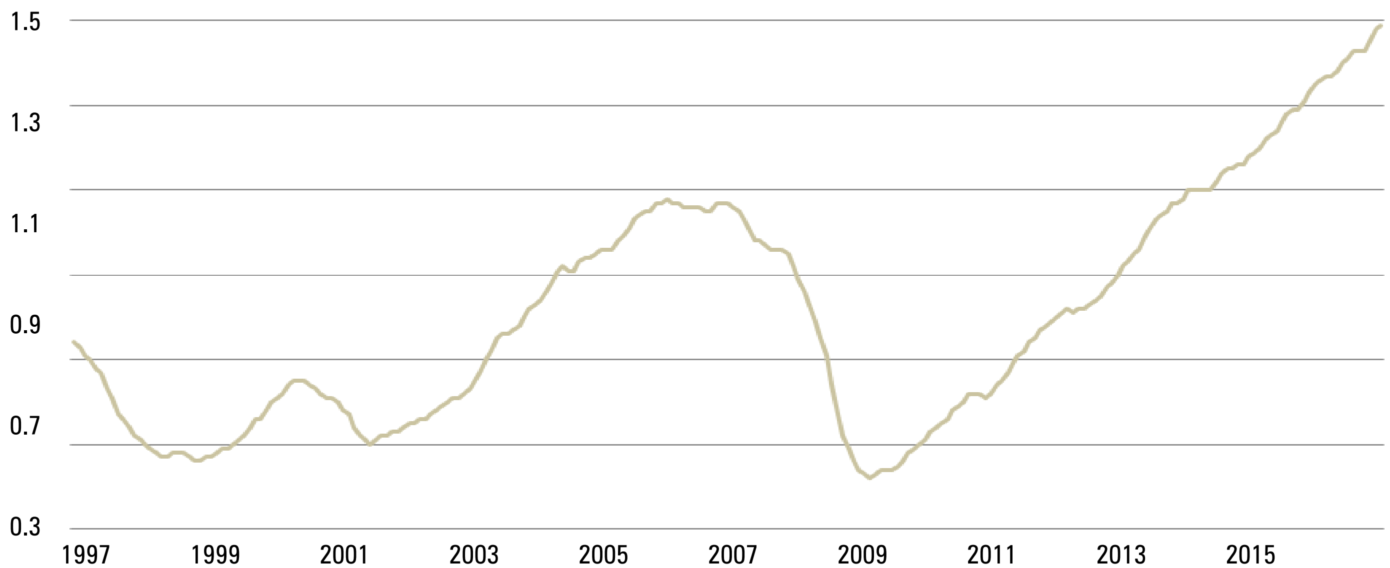
In spite of inflation which has fallen below 2% over recent months as the pass through effect of the rebounding oil price has reduced, the US Federal Reserve's monetary policy committee (known as the FOMC) proceeded to raise interest rates for the third time in six months in June, bringing the Fed Funds rate to 1.25% whilst they also announced plans to gradually reduce the size of the Fed's balance sheet. US corporates released their first quarter earnings through the period, with S&P 500 profits as a whole 16% higher than their level a year earlier, bolstered by strong earnings growth for the technology and energy sectors. However, it should be noted that these figures were somewhat flattered by how weak first quarter earnings were last year during what was the trough in commodity prices, and we do expect corporate profit growth to slow over coming quarters. The S&P 500 gained 2.6% over the period in US Dollar terms, although this return was negative for sterling investors given the extent to which the US Dollar weakened over the period.

Having been seen as a potential flashpoint going into the year, markets reacted positively to the victory for centrist candidate Emmanuel Macron in May's French elections. Although certainly an encouraging sign, it remains to be seen how Macron deals with reforming the French labour market given the power held by the country's labour unions. With this significant event out of the way, investors have been able to focus on the positive backdrop facing the Eurozone economy with household spending and business investment both growing at their fastest levels for six years whilst, according to official figures, the region grew at an impressive 0.5% over the first quarter. Having previously been keen to emphasise a continuation of negative interest rate policy and QE, the Chairman of the European Central Bank (ECB) indicated late in the quarter that he is confident that the ECB's policies will drive inflationary pressures towards the Bank's 2% target over time and that the deflationary concerns facing the currency bloc are now less of a concern. The comments helped drive further strengthening of the Euro, with the currency ending the quarter 6.7% stronger against the US Dollar. Despite the positive economic data, the strength of the common-currency did cause some equity market weakness late in the quarter with the MSCI Europe ex-UK index ending the period up only 0.8% in local currency terms.

A - Euros in US (6.68%)

31/03/2017 - 30/06/2017 Data from FE 2017

The Japanese economy grew at an annualised pace of 1% over the first quarter. The data showed reasonably strong household spending and business investment and there have been signs that household confidence has been bolstered by an increasingly tight labour market with the number of jobs-to-applicants at its highest level for over 20 years, as shown in the below chart. The economy continues to deal with very low inflationary pressures with the consumer price index only increasing 0.4% year-on-year in May. MSCI Japan gained 5.6% in Yen terms over the period.



Source: Thomson Reuters

Commodity markets were broadly weak over the second quarter, with idiosyncratic issues affecting several major constituents of the commodities complex. The oil price came under pressure and ended the period down 9.3% at c.$48 a barrel – as measured by brent crude oil. The price weakness was driven by supply data which repeatedly confirmed the oversupply within the US market as shale oil production has continued its rebound, fuelled by technological progress which has helped lower drilling costs. The attempts by the Chinese authorities to curb the significant levels of leverage within the financial system caused a sell-off in many industrial metals with iron ore, the key component in steel production, falling 35.5% in US Dollar terms over the period. Having risen through April and May, gold fell out of favour in June as investors focussed on the prospect of higher global interest rates, and the precious metal ended the period down 0.6% in US Dollar terms.

Chinese growth beat expectations over the first quarter according to official figures, growing 6.9% when compared to a year ago, with particular strength coming from the retail sector. Survey data from both the manufacturing and services sectors indicated that this reasonable growth rate is likely to be maintained through the second quarter. MSCI China A gained 2.4% in local currency terms. Emerging market assets more broadly have performed strongly so far this year, aided by the moderate weakening of the US Dollar and doubts over whether Trump's aggressive rhetoric regarding trade barriers would come to fruition. MSCI Emerging Markets gained 5.5% in US Dollar terms.

Fund Spotlight - Hermes US SMID

Launch Date:	26/09/2012
Market Capitalisation:	$876.6 million
Asset Class:	US Small & Mid-Cap Companies
Lead Manager:	Mark Sherlock

Although shares in smaller companies have outperformed their larger counterparts over the very long-term, investing in this area of the market does come with greater risk as the fortunes of small-caps tend to be more highly tied to the fate of the economy, typically suffering larger drawdowns during economic recessions. When investing in US smaller companies, we have been long-term holders of the Hermes US Small- and Mid-Cap (SMID) fund, with the strategy providing a core exposure to the asset class through a team with a resilient process and a strong long-term track record.

The fund has been on the Buy List since May 2013 and is currently held across our higher-risk portfolios. The lead manager on the fund is Mark Sherlock, who ascended from co-manager to lead manager of the strategy in October 2013 following the departure of the fund's previous manager, Robert Anstey. Our decision to retain the fund despite the departure of the lead manager gives an insight into our qualitative, hands-on process in that we were able to meet with Mark and gain confidence that the philosophy and process behind the management of the fund would remain in place. Mark is supported by the co-manager on the strategy, Michael Russell, and three senior analysts.

The team's investable universe is the Russell 2500, an index comprised of the 2500 largest listed US companies outside of the S&P 500. Having such a large universe of stocks to choose from allows Mark and the team to apply fairly rigorous criteria through which they look to identify financially stable companies that they believe have a long term competitive advantage in their specific industries. In order to do this, the team screen the universe using the S&P quality ratings which show a long term measure of the growth and sustainability of a company's profits and dividends through assessing key financial ratios.

The second key score that the team screen for is the Pitroski score which shows the financial strength of a company. These screens will typically reduce the investable universe from c.2500 stocks to c.250, after which the team carry out more detailed analysis including financial statement assessment and meeting company management, culminating in an in depth company report detailing the business model as well as a 10 year discounted cash flow forecast to establish intrinsic value. When constructing the portfolio, Mark looks to hold between 45 and 70 stocks and he tries to avoid any large sector bets with the aim that around 80% of the fund's relative performance be driven by stock selection.

The team's emphasis on identifying companies that can deliver sustainable long-term returns tends to lead them away from sectors that are more speculative where there is a preponderance of immature, risky companies. For instance, the fund has little exposure to biotechnology stocks as the majority of the smaller companies within this sector are yet to generate positive cash flow and are reliant on one or two products eventually receiving regulatory approval. However, this does not stop the team investing in the healthcare sector entirely and the fund has had a long-term holding in West Pharmaceutical Services, a business which manufactures and sells the packaging components and delivery systems for injectable drugs and healthcare products. The company has a strong market position and, as they produce packaging for both branded and generic drug manufacturers, West are well positioned for the shift within the industry towards lower-cost generic drugs. Furthermore, as their packaging and delivery solutions are a very small, yet vital, component of the overall drug cost, the company has a high degree of pricing power.

Source: Thomson Reuters Datastream

The chart below shows the total return from West Pharmaceutical Services compared to that of the S&P 500 Health Care Sector since the team's initial purchase of the stock in August 2014.

The team particularly like to invest in companies which are off the radar of Wall Street analysts, with these overlooked companies often located in middle America and covered by fewer analysts than their more fashionable peers. An example of such a business is Wintrust Financial, a financial holding company that operates 15 chartered community banks in northern Illinois and southern Wisconsin, which is a top 10 holding within the fund. The bank has a strong operating franchise with a sticky depositor base and Mark believes that the stock's valuation does not fully reflect any increase in the company's profitability should the Federal Reserve continue to raise interest rates.

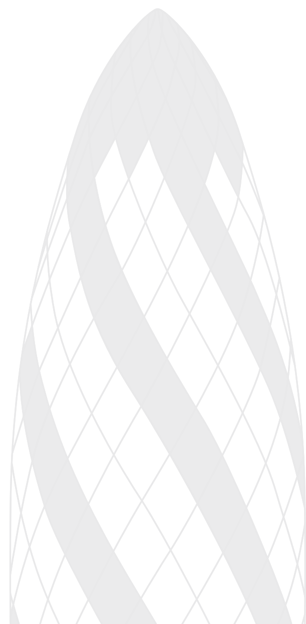
Whilst the long-term performance of the fund has been strong, it has lagged moderately so far this year. Most notably, the fund suffered on a relative basis from a lack of exposure to the biotechnology sector in the first quarter, while several of the fund's more cyclical holdings also underperformed as investors grew concerned over the weaker than expected pace of US economic expansion. The below chart shows the performance of the fund relative to its respective benchmarks since it was added to Risk Strategy 4 and 5 client portfolios in May 2013.

A - Hermes - US SMID Equity F Acc GBP in GB (92.74%)

B - IA North American Smaller Companies TR in GB (85.42%)

C - Russell 2500 TR in GB (84.25%)

31/04/2013 - 30/06/2017 Data from FE 2017



Why a Cash ISA is not the risk free investment it once was

Kirsty Stone
Senior Paraplanner

Clare Hough
Senior Paraplanner

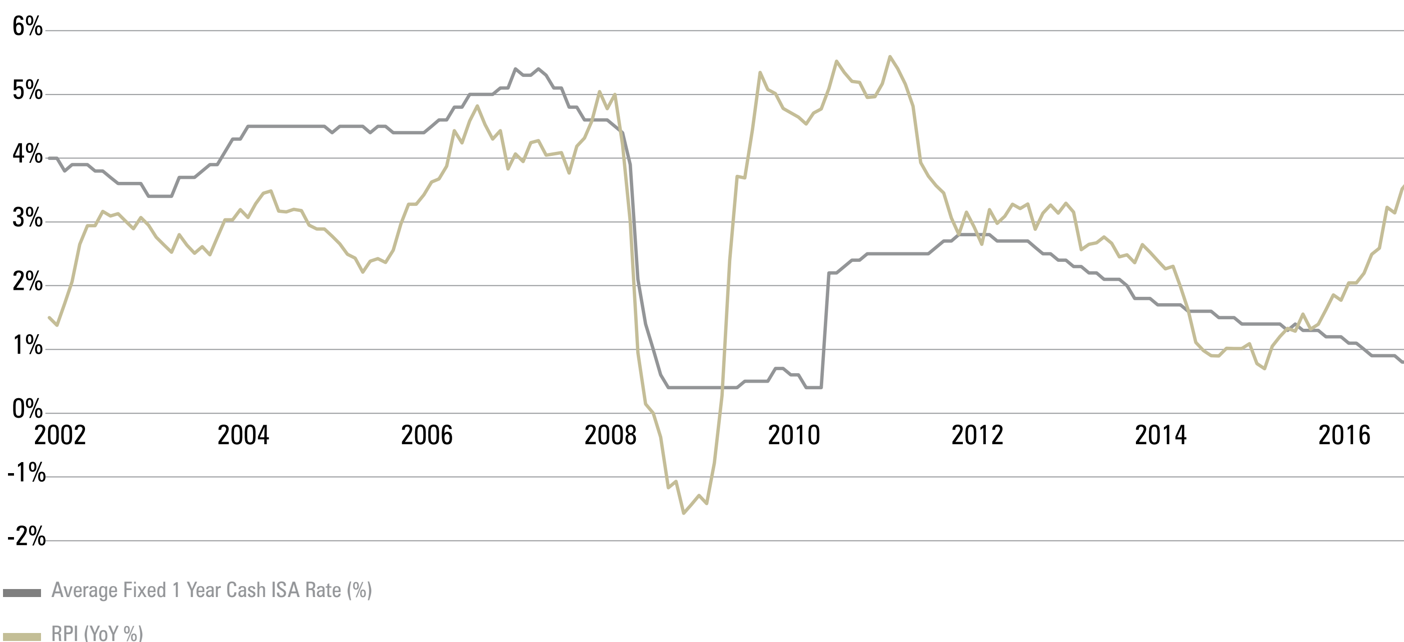
With interest rates remaining at a seemingly unshakeable low and the prospect of higher levels of inflation around the corner, now is an opportune time to consider how hard your cash and investments are working for you. One simple way of ensuring this is to review your current Cash Individual Savings Accounts (ISAs).

As a quick recap, an ISA allows you to save money without being liable to any tax on the growth, interest or returns. This all sounds too good to be true, which is why there is an annual cap on how much can be contributed into such an account each year; for 2017/18 this is £20,000 for anyone over the age of 18. This allowance can't be carried forward into the next year if unused and therefore, it is important to ensure that such a valuable allowance is maximised each year. You are however able to transfer the balance of any historic Cash ISAs to a Stocks and Shares ISA without losing its tax free status and having no impact on the allowance for the current tax year.

Typically, ISAs can be held in cash or invested in stocks and shares. As a general rule, cash is a safer option should you have any known short term requirements, as well as being able to act as a buffer for any emergency requirements. One of our fundamental financial planning principles remains ensuring that each of our clients have sufficient cash on deposit for such a purpose. However, by holding "emergency funds" within a Cash ISA you may be missing out on the valuable opportunity for invested assets to grow tax free. For the majority of our clients we recommend that this allowance is invested in the hope for greater returns in the long run. We also encourage our clients to review any legacy Cash ISA investments and consider whether they remain appropriate.

Investing in a Cash ISA now carries the very real risk of your savings being eroded by levels of inflation with which it cannot keep pace. As can be seen from the table below, RPI has been steadily increasing since October 2015. In contrast, the average interest rate for a 1 year Fixed Rate Cash ISA, as provided by the Bank of England, has continued to fall to record lows. Whilst there are ongoing discussions about the potential increase to interest rates, such a rise is unlikely to be significant enough to bring current Cash ISA rates in line with the increasing cost of living. Despite these low offerings, Cash ISA subscriptions for 2015-16 remained broadly static, totalling c80% of all ISAs subscribed to in the UK[1].

Average Fixed 1 Year Cash ISA Rate (%) v RPI (%)

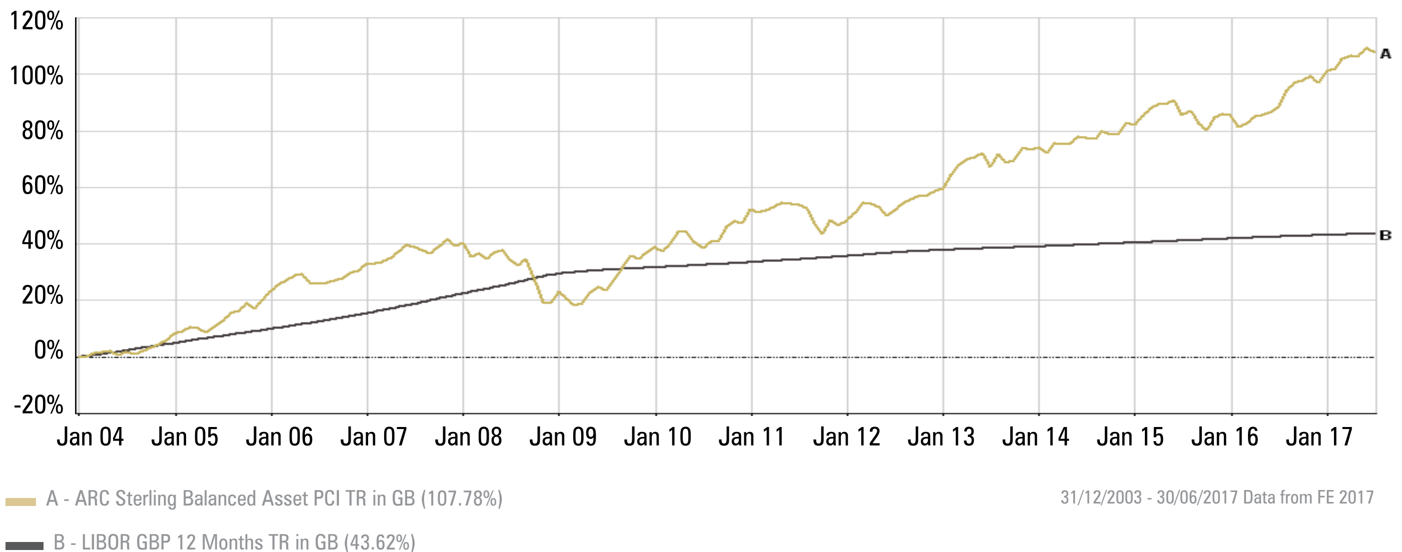


Source: Thomson Reuters, Bank of England

[1]HMRC Individual Savings Account (ISA) Statistics, April 2017

Of course, should you look to transfer your Cash ISA to a Stocks and Shares ISA you will be undertaking a greater level of risk, which the cash is not currently exposed to. Any such investment should be considered to be for the medium to long term. However, where there is sufficient cash available in current accounts or other accessible savings to act as an emergency buffer, it may be time to look at investing the funds currently held within the Cash ISA.

The chart below compares the benchmark against which our model portfolios are measured, ARC, and average interest rates, LIBOR, over the same period. This highlights the potential growth which could have been achieved since January 2014 were funds invested rather than remaining in cash, receiving an often nominal interest rate. As can be seen, the markets have outperformed interest rates over the long term, although consideration must be given to the significant downturn experience in 2008.



In our experience, the majority of our clients continue to retain sufficient cash to ensure they are protected against any periods of loss in their invested assets. Whilst we advocate the importance of such a stance, we would argue that, in most cases, such cash being held in an ISA is a wasted opportunity to maximise one of the few tax advantageous investment vehicles on offer.

If you would like to discuss whether transferring any Cash ISAs into your existing portfolios is appropriate, please don't hesitate to contact your Investment Manager.

Junior ISAs

Grown-ups don't get to have all the fund when it comes to tax savings! You can also open Junior ISAs for your children or grandchildren. As with the original ISA, the Government sets the limits and they change over time; the 20171/18 allowance is £4,128 per child. Any child under 18 who lives in the UK is eligible for an ISA but you can't have a Junior ISA as well as a Child Trust Fund (CTF).

CTFs were established by the Government to encourage saving and were available for children born between 1 September 2002 and 2 January 2011 for whom parents were eligible for Child Benefit. The Government gave a CTF voucher to eligible children, which could only be used to open an CTF. Junior ISAs replaced CTFs in 2011 and, although parents can still invest into the plans, there is no more government support. As a result of this closure, fund houses have concentrated their business on Junior ISAs meaning the choice of investments in and providers of CTFs has shrunk. As it is possible to transfer a CTF into a Junior ISA, now could be the time to review any existing CTFs your children may hold.

There are two types of Junior ISA, cash and stocks and shares, and your child won't be taxed on interest, growth or dividends.

Although with a normal child's savings account, the interest is also paid tax-free (if you fill in the right paperwork), there is a catch. If a parent gives money to a child that subsequently earns more than £100 per annum in interest, tax is paid at the parent's marginal rate. A Junior ISA is therefore an efficient way to earn tax free interest and once the account has been set up, anyone (family or friend) can contribute to it.

Parents or guardians with parental responsibility can open a Junior ISA and manage the account but the money belongs to your child. Your child can take control of the account when they are 16 however, they cannot withdraw any funds until they turn 18, when the account becomes an "adult" ISA.

If your child is age 16 or 17, there are also additional tax savings to be made as they are able to open an "adult" Cash ISA as well as their Junior ISA effectively giving them an allowance of £24,128 for 2017/18.

If you are interested in setting up a Junior Stocks & Shares ISA or would like us to review any existing CTFs, your Investment Manager will be happy to discuss this with you.

INVESTMENT MANAGERS

Richard Whitehead
richard.whitehead@dartcapital.com

Chris Bellchambers
chris.bellchambers@dartcapital.com

Andrew Savage
andrew.savage@dartcapital.com

ASSOCIATE DIRECTOR OF RESEARCH

Alexander George, CFA
alexander.george@dartcapital.com

Dart Capital
4 Eastcheap London EC3M 1AE

Tel: 020 7283 1117 Fax: 020 7283 0891

Dart Capital Limited is registered in England and Wales. Company number: 2146006

Dart Capital Limited is authorised and regulated by the Financial Conduct Authority. FCA registered number: 137569

This document does not constitute advice or a personal recommendation or take into account the particular investment objectives, financial situations or needs of individuals.

This research has been prepared with all reasonable care and is not knowingly misleading in whole or in part. The information herein is obtained from sources which we consider to be reliable but its accuracy and completeness cannot be guaranteed.

The opinions and conclusions given are those of Dart Capital Limited and are subject to change without notice.

The value of securities and the income from them may fluctuate. No responsibility is taken for any losses, including, without limitation, any consequential loss, which may be incurred by anyone acting on information in this document.

It should be remembered that past performance is not necessarily a guide to future performance.

The opinions or advice given as to taxation and related matters are based upon our understanding of current UK law and Inland Revenue practice. Legislation is not final and is subject to change.