

ShareScoop

AUGUST 2015

The latest news and tips from ShareScope

It's been a very busy year!

Dear All,

In March we successfully launched our new SharePad product. We are delighted with the level of new subscriptions and it has also been rewarding to see the number of ShareScope customers that have added SharePad to their subscription.

I am keen to make sure that ShareScope customers do not feel that they are being forgotten about.



MARTIN STAMP, MD

We have lots of development plans for ShareScope and most of the additional features and data in SharePad (e.g. enhanced prelims, trailing 12 months data, yield curves) will be added soon. I anticipate that ShareScope will still be a core product in five years time which is about as far as anybody can realistically see into the future.

Let me give you some background on why we developed SharePad. SharePad has satisfied three of our most common customer and prospective customer requests.

- a) to provide a product which could be accessed on a tablet
- b) to provide a better service to Mac users
- c) to provide a portable add-on for SS users

In short, more and more people prefer to use web products and, of course, we need to meet that change in preference. The key challenge for us was to give the same level of functionality while navigating with a finger and no right-click.

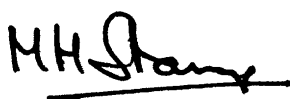
I am very keen on a major Data Mining revamp for ShareScope – expanding the number of criteria available and the ability to combine criteria – but due to other pressures it keeps getting pushed back. We are hoping to have this out later in the Autumn.

SharePad too is by no means finished and we have a long list of enhancements planned. You will have noticed a regular flow of new features and this will continue. Thank you to all SharePad users who completed the feedback survey that we recently sent out.

Developing and releasing features for a web-based app like SharePad is easier and quicker than for traditional desktop software. This is why most new features are developed first in SharePad. However, you can be sure that we are committed to making all our products better on a continual basis.

As ever, we welcome your feedback.

Regards,

A handwritten signature in black ink that reads "MH Stamp". The signature is written in a cursive style and is underlined.

ShareScope: 020 7749 8504 / 0845 045 0111 SharePad: 020 7749 8555

The 0845 number should be cheaper if you are calling from outside London.

ALPESH'S VIEW

The slowdown in China and recent devaluation of the yuan has hit stock markets and commodity prices. We are short the market and expect to be for several months more. We got out of Chinese stocks in February and into US large caps.

Money leaving China and other emerging economies will flow mainly into UK and US equities as the economies are reasonably stable.



ALPESH PATEL

I don't think corporate profitability will be as badly hit as anticipated so I expect equities to rally by year end. I said in January that this will be a negative year for the Dow and I stand by that although I think the FTSE will finish higher.

For subscribers to my **Alpesh Patel Special Edition** of ShareScope, use my **Momentum/Value filter** and **Bullish Momentum rating** for stocks on the up. Use my **Value/Growth filter** and rating for solid long-term bets based on valuation and strong fundamentals.

Get Alpesh's expert views on markets every month by **subscribing** to the Alpesh Patel Special Edition.

MY FAVOURITE FEATURES

When I came across ShareScope I couldn't believe how good it was. I wasn't looking for a job at the time but when ShareScope approached me I could see the huge opportunity to help all ShareScope (and SharePad) users to harness the information and tools at their fingertips and become expert analysts. Believe me, many professional investors and wealth managers don't have tools this good. Of course, not everyone wants to do in-depth stock analysis but hopefully I can help everyone improve their investing in some way. Here I'm going to highlight my favourite features in ShareScope and SharePad.



PHIL OAKLEY

ShareScope - customisable results table

You will all I'm sure be familiar with the Details view in ShareScope - the one with the company results, forecasts and ratios. Most of you probably just use the default setting but creating a customised version can really speed up your analysis. The Details view is built up of different components - List boxes, Results tables and graphs. In particular, I like to create a customised Results table when I analyse a stock. I understand that the default Details view has changed over the years but in the latest there are three Results tables - one each for simplified income statement, balance sheet and cashflow.

The income statement looks like this:

INCOME STATEMENT	29/1/11 IFRS	28/1/12 IFRS	26/1/13 IFRS	25/1/14 IFRS	24/1/15 IFRS	Jan 2016 Forecast
Turnover (£m)	3,298	3,441	3,563	3,740	4,000	4,202
Cost of sales (£m)	2,332.6	2,395.8	2,437.0	2,499.9	2,656.4	
Gross profit (£m)	965.10	1,045.30	1,125.80	1,240.10	1,343.40	
Admin expenses (£m)	398.30	443.50	430.70	517.30	531.30	
Norm EBITDA (£m)	695.50	727.50	767.20	853.10	916.20	
Norm EBIT (£m)	576.20	607.80	650.00	735.70	803.80	
Operating profit (£m)	566.80	601.80	695.10	722.80	812.10	
Interest paid (£m)	-23.40	-22.30	-24.00	-24.60	-17.20	
Pre-tax profit (£m)	543.40	579.50	666.50	695.20	794.80	830.37
Tax paid (£m)	150.30	145.30	157.90	142.00	159.90	
Post-tax profit (£m)	393.10	434.20	508.60	553.20	634.90	
EPS (p)	212.30	251.60	311.70	355.60	417.90	
Norm post-tax profit (£m)	402.50	440.20	468.10	569.10	626.70	
Norm EPS (p)	217.26	255.02	286.82	365.57	412.61	
Total profit (£m)	401.10	474.90	508.70	553.20	634.90	
Total EPS (p)	216.50	275.10	311.70	355.60	417.90	
Dividend (p)	78.000	90.000	105.00	129.00	150.00	395.58
Dividend yield (yr end)	3.91	3.41	2.59	2.05	2.10	5.00

When I analyse a stock, I like to create a Results table with just the data I am interested in - whether results data, forecasts or ratios. You'll see an example in many of my articles, like the one below.

Rotork Analysis	31/12/04 IFRS	31/12/05 IFRS	31/12/06 IFRS	31/12/07 IFRS	31/12/08 IFRS	31/12/09 IFRS	31/12/10 IFRS	31/12/11 IFRS	31/12/12 IFRS	31/12/13 IFRS	31/12/14 IFRS	Dec 2015 Forecast	Dec 2016 Forecast	Dec 2017 Forecast
Turnover	146.9	174.8	206.7	235.7	320.2	353.5	380.6	447.8	511.7	578.4	594.7	562.0	544.2	566.0
Norm EBIT (£m)	30.36	36.55	45.06	55.23	74.91	90.94	97.71	111.87	123.61	139.24	142.32			
Op. margin	20.7	20.9	21.8	23.4	23.4	25.7	25.7	24.9	24.2	24.1	23.9			
ROCE	43.9	49.6	60.1	73.9	76.5	78.3	79.7	63.9	51.8	49.2	39.5			
Norm post-tax profit (£m)	20.92	24.64	31.30	39.14	53.44	63.43	69.51	80.27	88.46	99.48	103.29			
FCF (£m)	10.04	23.05	28.27	37.49	45.19	74.46	62.02	61.58	66.17	97.25	83.55			
CROCI	14.7	31.6	37.9	50.3	46.5	64.3	50.7	35.2	27.8	34.6	23.5			
Norm EPS	2.42	2.84	3.61	4.50	6.16	7.32	8.02	9.24	10.16	11.43	11.86	11.72	11.36	11.94
Dividend	1.5050	0.99000	1.8150	2.1700	2.6000	2.8400	3.2500	3.7250	4.3000	4.8050	5.0100	5.2620	5.5010	5.6000

I use the same table for each stock - simply adding or removing items if I need to. I would recommend using a blank Details Setting if you want to do this and adding a new Results table. Alternatively, you could copy the default setting if you want to keep some or all of the other components.

To create a new Results table, right-click in your Details view and select **New Results table**. Right-click inside the new table and select **Add a result to table**.

To delete an item, click on it (to select it), then right-click and select **Delete** item.

You can customise existing Results tables in the same way.

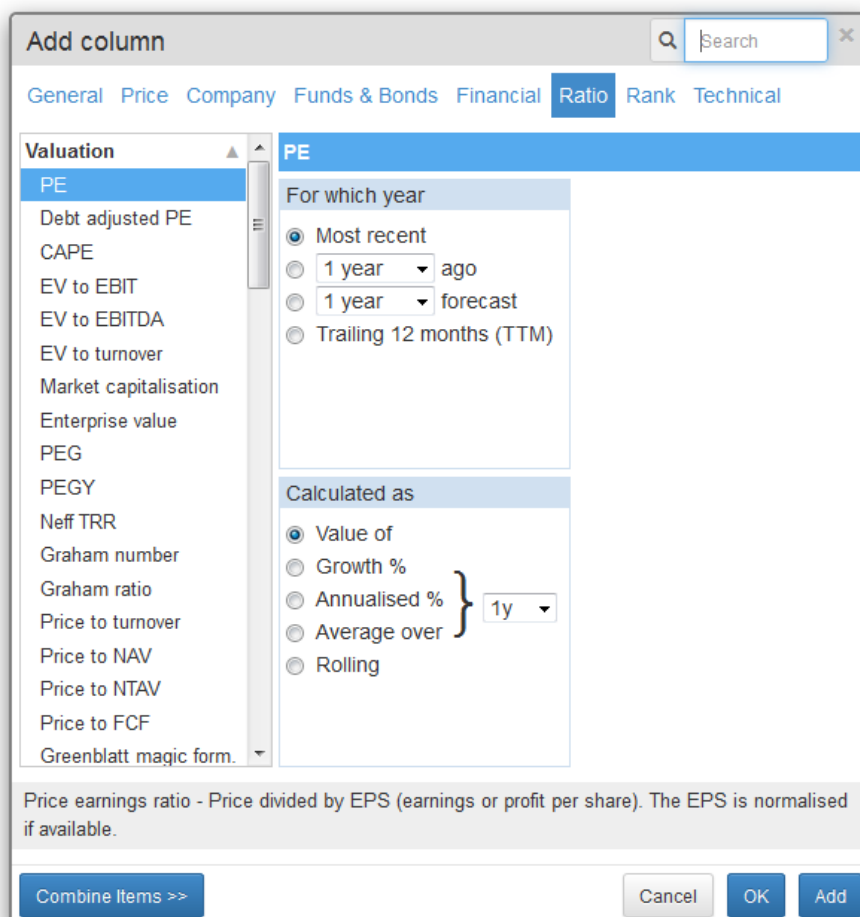
For help doing any of this, please call the Support team on 020 7749 8504 or [read this tutorial](#).

You can't currently create customised Results tables in SharePad but we will be adding it soon.

SharePad - Combine Items

One of my favourite tools in SharePad is the "Combine Items" function. This allows me to do some really nice number-crunching with the wealth of financial information that SharePad gives its users.

In the List view (left-hand side), if you click on the **Add column** button you will be presented with a box like the one below. Notice the **Combine items** button in the bottom left-hand corner.



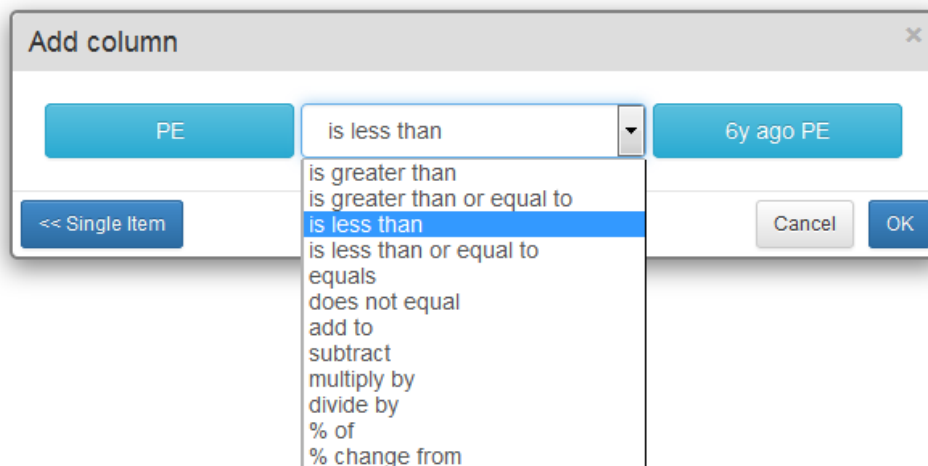
You can also use this feature when adding criteria to a filter in SharePad.

Here's an example of how it works:

Shares that are cheaper now than in 2009

2009 saw the trough of the stock market after the financial crisis. I can look for shares where the forecast PE is less than it was back then. This might tell me that a share could be worth looking at as it has not been part of the stock market rally since then.

To create this column or criterion, first select the first item in the normal way. In this case, PE. Then click on the **Combine items** button and this will allow you to select the second item (PE 6y ago) and the calculation that you would like to perform. It should look something like this:



In this case, SharePad displays a tick in the column next to each share that meets the condition.

QuickFilter			
<input checked="" type="checkbox"/> PE < 6y ago PE			
No.	TIDM	Name	PE < 6y ago PE
1	TLW	Tullow Oil PLC	✓
2	BLT	BHP Billiton PLC	✓
3	SIA	SOCO International PLC	✓
4	PMO	Premier Oil PLC	✓
5	VED	Vedanta Resources PLC	✓

Here are two more example of how I have used this feature:

Putting a valuation yardstick on a list of shares

You might want to gauge the valuation of your portfolio. For example, you could compare the current share prices with what they would be if they traded at their 10 year average PE.

To get this price you can ask SharePad to multiply the current or forecast EPS number by the 10 year average PE.

In this case, SharePad displays the value.

FTSE 100 sorted by Name (100 items)				
No.	TIDM	Name	Price	fc Norm EPS * PE 10y avg
1	III	3i Group PLC	510.5p	
2	ADN	Aberdeen Asset Management PLC	330.6p	546.88
3	ADM	Admiral Group PLC	£15.22	1633.4
4	AAL	Anglo American PLC	709.4p	652.13
5	ANTO	Antofagasta PLC	552p	340.28
6	ARM	ARM Holdings PLC	894.5p	1741
7	AHT	Ashtead Group PLC	911.5p	3811.4
8	ABF	Associated British Foods PLC	£32.22	1784.5
9	AZN	AstraZeneca PLC	£42.40	3722.3
10	AV.	Aviva PLC	496.4p	536.12

Working out “stay in business Capex”

I spend a lot of time checking out the quality of a company’s profits and trying to work out how much it has to spend to maintain its existing assets in good condition. Depreciation of fixed assets which is deducted when calculating profits may or may not be a sensible number to do this.

One of the things I do is compare the depreciation charge with the average ten years’ capital expenditure. I use this figure because spending over ten years should even out the lumps and bumps of spending on new assets and existing assets and be a conservative estimate of ongoing spending needed on fixed assets.

Here’s an analysis of the UK telecoms sector on this measure:

If depreciation is the same as, or above, average Capex then it suggests that profits haven’t been overstated.

Filtered LSE Shares sorted by Name (11 matches)					
QuickFilter					
<input checked="" type="checkbox"/> Sector includes Fixed Line Telecommunications					
No.	TIDM	Name	Deprec. & amort.	Capex 10y avg	Deprec. & amort. % of Capex 10y avg
1	ADT	AdEPT Telecom PLC	2.2	1.6	137%
2	AN.	Alternative Networks PLC	5.5	0.8	671%
3	BT.A	BT Group PLC	2538.0	2782.4	91.2%
4	CWC	Cable & Wireless Communication...	258.6	273.7	94.5%
5	CFHL	CityFibre Infrastructure Holdings ...	1.5	1.5	98.3%
6	COLT	COLT Group SA	215.7	211.6	102%
7	KCOM	KCOM Group PLC	17.1	27.4	62.4%
8	MANX	Manx Telecom PLC	9.5	7.9	119%
9	SYQ	SyQic PLC	0.2	0.3	67.2%
10	TALK	TalkTalk Telecom Group PLC	126.0	107.5	117%
11	TEP	Telecom plus PLC	13.0	5.1	258%

New video tutorials

It always surprises us when customers ask for fundamental items which are already in the product. Even items as basic as PE or PEG. We’ve created two short videos on the range of financial data you can add to your display or include in your filters. You can watch these videos - one for ShareScope and one for SharePad - on the [Support](#) pages of our website.

We are here to help

Remember, if you are not sure how to do something in ShareScope or SharePad simply pick up the phone. We have a dedicated team based here in London between 9am and 6pm. We encourage you to call as often as you like and no matter what the query. Don’t know how to replicate a filter in one of Phil Oakley’s articles? Give us a call. Not sure ShareScope or SharePad includes a particular item of data or feature? Pick up the phone. Out of hours you can email us and we aim to respond the following day.

ShareScope Support

Tel: 020 7749 8504

Email: support@sharescope.co.uk

SharePad Support

Tel: 020 7749 8555

Email: support@sharepad.co.uk

Final call - Investment Awards

There are just a few days left and we’d love to receive your vote in the annual Investors Chronicle and Shares awards. You only need to vote in the categories you want to so it shouldn’t take more than a couple of minutes at the most.

In the Investors Chronicle/FT awards, vote for “ShareScope/SharePad” in the **Best Investment Software and Data Tools** category. The IC/FT will enter you into a draw to win £1,000. [Vote here.](#)

In the Shares awards, vote for “ShareScope/SharePad” in the **Best Investment Software Program**, **Best Investor Education** and **Best Customer Service** categories. You will be entered into a prize draw to win an iPad. [Vote here.](#)

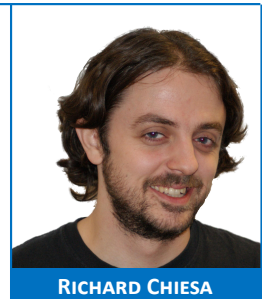
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FEATURE RICH

Enhanced information for funds, investment trusts, ETFs and bonds

Many of you will have noticed that the Details view in ShareScope is predominantly for shares.



RICHARD CHIESA

In the latest version of ShareScope (7.2.5 or above) we have enhanced the information for funds, investment trusts and ETFs. This data is already in SharePad.

This data can be displayed through new **Summary views** which you can add to the Details view. See the example below.

01 Details - List: Unit Trusts - All sectors - Fund Summary

Summary for SLI UK Smaller Companies Inst Inc

PERFORMANCE

Rolling 12m	2010 to 2011	2011 to 2012	2012 to 2013	2013 to 2014	2014 to 2015
Fund (TR)				2.3%	19.7%
Sector (TR)	13.9%	13.0%	30.5%	13.4%	12.4%

Rolling 12m	1Y	3Y	5Y	7Y	10Y
Fund (TR)	19.7%				
Sector (TR)	12.4%	66.2%	113.9%	133.9%	149.7%
Fund (TR) Ann.	19.7%				
Sector (TR) Ann.	12.4%	18.5%	16.4%	12.9%	9.6%

TOP FUNDS IN THIS SECTOR

1Y 5Y 10Y

Rank	Name	Charges	TR
1	Investec UK Smaller Companies S Acc Net	0.09%	338.79%
2	Schroder UK Dynamic Smaller Companies Z Accumulation	0.89%	324.85%
3	Baillie Gifford British Smaller Companies C Acc	0.03%	312.55%

KEY INFORMATION

IA Sector	UK Smaller Companies		
Manager	Nimmo, Harry		
Legal Structure	Open Ended Investment Company		
ISIN	GB00B8K1GG67	12 month yield	1.885
Domiciled	United Kingdom	Distribution type	Inc
MEX Code	IC8C	Distribution frequency	Annually
Pricing Frequency	Daily	Ongoing charges	0.89%
Net Assets	1,188.4m	Fee Structure	Clean
		No. holdings	57

ACTIVITY BREAKDOWN

Top 10 Holdings Top 10 Countries Asset Allocation

Name	Holdings
Ted Baker PLC	5.0%
Workspace Group PLC	4.5%
Abcam PLC	3.6%
EMIS Group PLC	3.4%
Rightmove PLC	3.1%
Moneysupermarket.com Group PLC	3.0%
Paragon Group of Companies (The) PLC	2.9%
Big Yellow Group PLC	2.9%
PayPoint PLC	2.7%
Telecom plus PLC	2.7%

Similar displays are available for investment trusts, ETFs and bonds. The Summary view will automatically change to reflect the fund, investment trust, ETF or bond you are looking at. If you are interested in this data, we recommend that you create a new Details setting which includes one of these new Summary views.

A new **Smart Setting** feature will link this Details setting to the relevant lists. So if you switch from a list of shares to the ETFs list, in the Details view ShareScope will use the relevant setting.

For more detailed help on how to do this, watch the [Fund & bond summary video](#) or call the [Support team](#).

ShareScope version 7.2.5 is currently being released so some of you may already have it. To find out, click on the **Help** menu and then select **About ShareScope**.

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