

## Equity Suggestions - 1<sup>st</sup> July 2011

|                     |   | <u>Price</u><br><u>1/7/11</u> | <u>Net*</u><br><u>Yield</u> | <u>52 Week</u> |            |
|---------------------|---|-------------------------------|-----------------------------|----------------|------------|
|                     |   |                               |                             | <u>High</u>    | <u>Low</u> |
| AEROSPACE & DEFENCE | Rolls-Royce PLC Ordinary Shares             | 645p                          | 2.2%                        | 664p           | 314p       |
| BANKS               | HSBC Holdings PLC Ordinary Shares           | 618p                          | 4.1%                        | 740p           | 595p       |
|                     | Standard Chartered PLC Ordinary Shares      | 1638p                         | 2.9%                        | 1975p          | 1511p      |
| BEVERAGES           | Diageo PLC Ordinary Shares                  | 1273p                         | 3.1%                        | 1308p          | 1030p      |
| ELECTRICITY         | National Grid PLC Ordinary Shares           | 613p                          | 5.9%                        | 639p           | 480p       |
|                     | Scottish & Southern Energy PLC Ord Shares   | 1393p                         | 5.1%                        | 1415p          | 1102p      |
| FINANCIALS          | Schroders PLC Ordinary Shares               | 1547p                         | 2.4%                        | 1936p          | 1145p      |
| FOOD PRODUCERS      | Tate & Lyle PLC Ordinary Shares             | 616p                          | 3.8%                        | 683p           | 409p       |
|                     | Unilever PLC Ordinary Shares                | 2006p                         | 3.6%                        | 2011p          | 1662p      |
| FOOD RETAILERS      | Tesco PLC Ordinary Shares                   | 402p                          | 3.6%                        | 491p           | 280p       |
|                     | J Sainsbury PLC Ordinary Shares             | 329p                          | 4.6%                        | 397p           | 316p       |
|                     | William Morrison PLC Ordinary Shares        | 298p                          | 3.2%                        | 310p           | 179p       |
| HOUSEHOLD PRODUCTS  | Reckitt Benckiser PLC Ordinary Shares       | 3440p                         | 3.3%                        | 3678p          | 2628p      |
| INDUSTRIALS         | Smiths Group PLC Ordinary Shares            | 1201p                         | 2.9%                        | 1450p          | 1040p      |
| LIFE ASSURANCE      | Aviva PLC Ordinary Shares                   | 439p                          | 5.8%                        | 481p           | 303p       |
| MEDIA               | Reed Elsevier PLC Ordinary Shares           | 566p                          | 3.6%                        | 594p           | 448p       |
| MINING              | BHP Billiton PLC Ordinary Shares            | 2452p                         | 2.6%                        | 2654p          | 1678p      |
|                     | Rio Tinto PLC Ordinary Shares               | 4491p                         | 1.5%                        | 4718p          | 2863p      |
|                     | Xstrata PLC Ordinary Shares                 | 1372p                         | 1.1%                        | 1579p          | 832p       |
| OIL & GAS           | BG Group PLC Ordinary Shares                | 1414p                         | 0.9%                        | 1742p          | 995p       |
|                     | Royal Dutch Shell PLC 'B' Shares            | 2224p                         | 4.7%                        | 2352p          | 1550p      |
| OIL SERVICES        | Petrofac Ltd Ordinary Shares                | 1514p                         | 2.0%                        | 1697p          | 1134p      |
| PHARMACEUTICAL      | AstraZeneca PLC Ordinary Shares             | 3108p                         | 5.1%                        | 3389p          | 2788p      |
|                     | GlaxoSmithKline PLC Ordinary Shares         | 1334p                         | 4.9%                        | 1361p          | 1088p      |
|                     | Shire PLC Ordinary Shares                   | 1945p                         | 0.4%                        | 1987p          | 1329p      |
| PROPERTY (REITs)    | Land Securities PLC Ordinary Shares         | 853p                          | 3.2%                        | 859p           | 543p       |
| SUPPORT SERVICES    | Aggreko PLC Ordinary Shares                 | 1929p                         | 1.0%                        | 1959p          | 1329p      |
| TELECOMMUNICATIONS  | Vodafone Group PLC Ordinary Shares          | 165p                          | 5.4%                        | 185p           | 136p       |
|                     | Inmarsat PLC Ordinary Shares                | 556p                          | 4.6%                        | 769p           | 539p       |
| TRAVEL & LEISURE    | InterContinental Hotels PLC Ordinary Shares | 1275p                         | 2.4%                        | 1440p          | 544p       |
| UTILITIES           | United Utilities PLC Ordinary Shares        | 599p                          | 5.0%                        | 635p           | 368p       |
|                     | Pennon Group PLC Ordinary Shares            | 698p                          | 3.5%                        | 698p           | 543p       |

### SMALLER COMPANIES/SPECIAL SITUATIONS

|                    |                                       |       |      |       |      |
|--------------------|---------------------------------------|-------|------|-------|------|
| BIOTECHNOLOGY      | Genus PLC Ordinary Shares             | 1030p | 1.2% | 1049p | 701p |
| BREWERY            | Greene King PLC Ordinary Shares       | 487p  | 4.5% | 519p  | 386p |
| FOOD               | Domino's Pizza PLC Ordinary Shares    | 404p  | 2.5% | 591p  | 372p |
| FOOD RETAIL        | Greggs PLC Ordinary Shares            | 531p  | 3.4% | 546p  | 416p |
| GENERAL INDUSTRIAL | Cookson Group PLC Ordinary Shares     | 673p  | 1.7% | 738p  | 355p |
| OIL & GAS          | EnQuest PLC Ordinary Shares           | 123p  | -    | 160p  | 94p  |
| IT SERVICES        | Telecity PLC Ordinary Shares          | 554p  | -    | 660p  | 376p |
| PROPERTY (REITs)   | London & Stamford PLC Ordinary Shares | 130p  | 4.8% | 140p  | 110p |

### OVERSEAS STOCKS\*\*

|                     |   | <u>Price</u><br><u>1/7/11</u> | <u>Gross*#</u><br><u>Yield</u> | <u>52 Week</u> |            |
|---------------------|---|-------------------------------|--------------------------------|----------------|------------|
|                     |   |                               |                                | <u>High</u>    | <u>Low</u> |
| CHEMICALS           | BASF SE                                 | 6104p                         | 3.3%                           | 6343p          | 3680p      |
|                     | Syngenta AG Shares                      | 20991p                        | 2.5%                           | 23987p         | 16420p     |
| FOOD PRODUCERS      | Nestlé SA Registered Shares             | 3865p                         | 3.5%                           | 4209p          | 3618p      |
| HEALTHCARE PRODUCTS | Johnson & Johnson Common Stock          | 4145p                         | 3.3%                           | 4198p          | 3543p      |
| OIL                 | ConocoPhillips Common Stock             | 4685p                         | 3.2%                           | 5097p          | 2995p      |
| MEDICAL EQUIPMENT   | Becton Dickinson & Company Common Stock | 5369p                         | 1.9%                           | 5591p          | 4141p      |
| PHARMACEUTICAL      | Roche Holdings AG Genusscheine NPV      | 10407p                        | 4.7%                           | 11472p         | 9201p      |
| TECHNOLOGY          | Microsoft Common Stock                  | 1620p                         | 2.5%                           | 1836p          | 1416p      |

\* These yields are estimated and not guaranteed. \*\* Nominee clients only.

# Dividend income may be subject to local Government withholding tax (currently 35% in Switzerland, 15% in the USA and 26.375% in Germany).

Source: Bloomberg

These are core stocks for a portfolio, but we will be using selective limits where appropriate.

## INVESTMENT TRUST & UNIT TRUST/OEIC SUGGESTIONS

|                     |   | <u>Price</u><br><u>1/7/11</u> | <u>Net*</u><br><u>Yield</u> | <u>52 Week</u> |            | <u>Disc**</u><br><u>to NAV</u> |
|---------------------|---|-------------------------------|-----------------------------|----------------|------------|--------------------------------|
|                     |   |                               |                             | <u>High</u>    | <u>Low</u> |                                |
| REASONABLE YIELD    | Perpetual Income & Growth Inv Trust     | 271p                          | 3.4%                        | 278p           | 212p       | (2.0)                          |
|                     | Edinburgh Investment Trust              | 471p                          | 4.4%                        | 495p           | 370p       | (2.6)                          |
| WORLDWIDE GROWTH    | Bankers Investment Trust                | 416p                          | 3.0%                        | 430p           | 336p       | 13.6                           |
|                     | Caledonia Investments                   | 1713p                         | 2.2%                        | 1934p          | 1523p      | 20.3                           |
|                     | Scottish Mortgage Investment Trust      | 760p                          | 1.6%                        | 765p           | 533p       | 9.0                            |
|                     | Monks Investment Trust                  | 348p                          | 0.9%                        | 380p           | 276p       | 13.3                           |
| SMALL COMPANIES     | Schroder UK Mid Cap Fund                | 270p                          | 2.2%                        | 277p           | 186p       | 15.5                           |
|                     | Invesco Perpetual UK Smaller Co's Trust | 207p                          | 2.1%                        | 211p           | 152p       | 18.4                           |
| EMERGING MARKETS    | Templeton Emerging Markets Inv Trust    | 651p                          | 0.7%                        | 690p           | 510p       | 7.1                            |
|                     | Henderson TR Pacific Inv Trust          | 195p                          | 1.5%                        | 211p           | 158p       | 8.7                            |
|                     | Blackrock Latin America Inv Trust       | 670p                          | 2.5%                        | 868p           | 589p       | 5.9                            |
|                     | Advance Frontier Markets Fund           | 44.8p                         | -                           | 50.5p          | 28.2p      | 14.3                           |
|                     | JP Morgan Indian Investment Trust       | 427p                          | -                           | 505p           | 391p       | 8.8                            |
| MINING FUND         | Blackrock World Mining Inv Trust        | 757p                          | 0.8%                        | 830p           | 459p       | 17.3                           |
| TECHNOLOGY          | Polar Capital Technology Trust          | 358p                          | -                           | 395p           | 246p       | 1.2                            |
| INFRASTRUCTURE FUND | HICL Infrastructure Fund#               | 115p                          | 5.2%                        | 122p           | 109p       | (3.9)                          |
| PRIVATE EQUITY      | 3i Group PLC Ordinary Shares            | 281p                          | 1.3%                        | 345p           | 251p       | -                              |
| ENVIRONMENTAL       | Impax Environmental PLC Ord Shares      | 117p                          | 0.6%                        | 131p           | 106p       | 14.9                           |

\* These yields are estimated and not guaranteed

\*\* Taken from the FT 1<sup>st</sup> July 2011/( ) = premium

# Yields paid gross

Source: Bloomberg

### FIXED INTEREST STOCKS

| <u>Base Rates</u> | <u>UK</u> | <u>US</u> | <u>Europe</u> |
|-------------------|-----------|-----------|---------------|
|                   | 0.5%      | 0.25%     | 1.25%         |

### Government Stocks

#### Conventional

|                     | <u>Price</u> | <u>Gross Interest Yield</u> | <u>Gross Redemption Yield</u> | <u>Dividend Dates</u> | <u>Redemption Date</u> |
|---------------------|--------------|-----------------------------|-------------------------------|-----------------------|------------------------|
| 2.25% Treasury 2014 | 102.8        | 2.2%                        | 1.2%                          | Mar/Sep               | 7 Mar 2014             |

| <u>Index Linked</u>                | <u>Price</u> | <u>Gross Interest Yield</u> | <u>Equivalent Gross Redemption Yield*</u> | <u>Dividend Dates</u> | <u>Redemption Date</u> |
|------------------------------------|--------------|-----------------------------|---|-----------------------|------------------------|
|                                    |              |                             | <u>Tax Rate</u>                           |                       |                        |
| 2.5% Treasury Index Linked 2016    | 331p         | 2.1%                        | 1.9%                                      | Jul/Jan               | 26 Jul 2016            |
| 1.25% Treasury Index Linked 2017** | 134p         | 1.1%                        | 2.4%                                      | May/Nov               | 22 Nov 2017            |

\* Assuming that future RPI inflation averages 3% to redemption

\*\* Price adjusted for inflation (please note the published price may be significantly different as it does not include accrued inflation)

### Euro Sterling Bonds

(only for clients in Nominees and ISAs)

|   | <u>Price</u> | <u>Gross Interest Yield</u> | <u>Gross Redemption Yield</u> | <u>Dividend Dates</u> |
|---|--------------|-----------------------------|-------------------------------|-----------------------|
| Lloyds Banking Group 5.5% 2016 (min £2,000)   | 102.4        | 5.4%                        | 4.9%                          | Mar/Sep               |
| Intercontinental Hotels 6% 2016 (min £50,000) | 106.5        | 5.6%                        | 4.9%                          | Dec                   |
| Close Brothers 6.5% 2017 (min £50,000)        | 104.4        | 6.2%                        | 5.5%                          | Feb/Aug               |

### High Yield Preference Shares

|   | <u>Price</u> | <u>Net Yield</u> | <u>Equivalent Gross Yield @ 20% Tax</u> | <u>Dividend Dates</u> |
|---|--------------|------------------|---|-----------------------|
| General Accident 8 <sup>7</sup> / <sub>8</sub> % Cumulative Preference Shares       | 110.5        | 8.0%             | 10%                                     | Jan/Jul               |
| Standard Chartered 8 <sup>1</sup> / <sub>4</sub> % Non-Cumulative Pref Shares       | 115.5        | 7.1%             | 8.9%                                    | Apr/Oct               |
| Ecclesiastical Insurance Office 8 <sup>5</sup> / <sub>8</sub> % Non-Cum Pref Shares | 111.2        | 7.8%             | 9.8%                                    | Jun/Dec               |

Note: Depending upon availability, similar Fixed Interest Stocks can be selected.

Source: Bloomberg prices

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