TRENDWATCH

Issue 2021/02 www.trendwatch.co.uk 3 February 2021

Notebook: *Important developments that may impact your investments*

Social media and the madness of crowds

JANUARY 6th 2021. A day that will go down in infamy throughout history. Whole volumes of learned research will be written on it. Schoolchildren will do homework on it; PhDs will basis their dissertations on it. But not just on 6 January; also on the chain reactions that were triggered as a result. Chain reactions that are still detonating and resonating as I write these words.

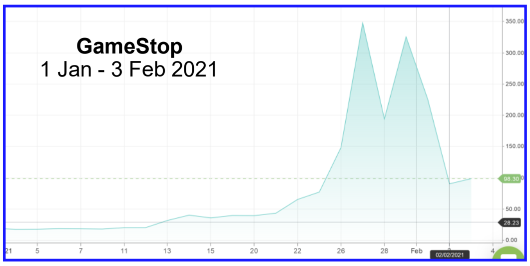
But I'm getting ahead of myself. Let me work my way back to the infamous 6 January via a circuitous route.

❍ ❍ ❍

You may have become aware of some of the most bizarre share trading in America that you will ever see. It's as if Covid-19 has induced a kind of mass madness there that defies all logical explanation.

I refer of course to a failing computer gaming shop chain called *GameStop*.

Literally millions of people, mainly the young and naive, have got it into their heads that they can beat



Wall Street and short-selling hedge funds at their own game.

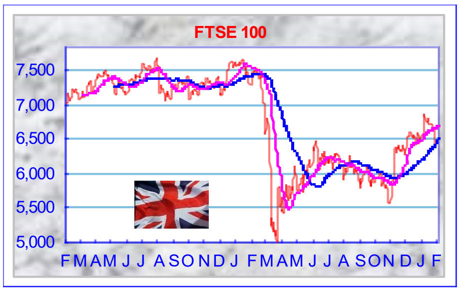
There's a Reddit user group that has amassed some 4.8 million users who have banded together to coordinate an attack on short sellers by wave after wave of buying of GameStop shares. Check out https://www.reddit.com/r/wallstreetbets to get some idea of what's going on [spoiler alert: don't go there if you're upset by profanity]. There, you'll find a stream of baby talk, street talk but mostly some passionate crusader talk from people prepared to chuck their life savings, their pension funds, their college loans, just to stick it to Wall Street and the hedge funds.

And you know what? My heart would really love them to succeed. I've said repeatedly in these pages that market are rigged against small investors so that the hyper-rich Wall Street players can bulldoze any opposition. The regulators are not there to protect you; they're there to protect the big boys. That's why the US regulators are going after the little people, looking for evidence of market manipulation, when everyone knows that the big players have carte blanche to manipulate to their heart's cntent.

As for short sellers, I detest them because of the terrible harm they can do. Yes, sometimes short sellers can expose fraud in the companies they target, and that's a Good Thing. But as often as not, their actions are nothing more than thinly disguised market manipulation, aided and abetted by lies and inuendo propagated on social media.

A couple of years ago, I watched in horror as wave after wave of shorting attacks almost destroyed electric vehicle maker Tesla, which I believe to be one of the greatest and most innovative companies the world has seen. Much of the bile fueling the short-selling spree could be traced to vested interests such as the oil industry, conventional car makers or Russia. Thank heaven Tesla survived the onslaught and is now one of the biggest companies in the world, with a market capitalization of $825 billion.

So part of me rejoices when I see that this band of Reddit crusaders cost short-sellers $26 billion at one point last week, according to financial analytics firm S3 Partners.



My heart pulls me one way but my head tells me the opposite. This bunch of foolhardy, naïve crusaders cannot win. Or rather a few of them will have won: the lucky ones that were in early, rode the first ferocious upwave, then managed to control their greed, resisted the temptation to go back in, and trousered a life changing profit.

But for every one of them, there will be ten others who suffered crippling, life-changing financial losses.

Ultimately, Wall Street and the hedge funds have more financial resources than the crusaders can even dream about

(Continued on page 10)

Stock market sectors ☺ uptrends

Automobiles & parts 61
Chemicals 43
Food & drug retailers 23
FTSE Fledgling ex Inv Co 160
Industrial transportation 101

Stock market sectors ☹ downtrends

Tech. hardware & eq. -57

TRENDWATCH Barometer

London-listed shares

% of total no. of shares monitored	31-Dec	01-Feb	% change on fortnight
OFFICIAL LIST:			
Uptrends	31.78%	19.47%	-12.31%
Indeterminate	63.77%	76.07%	+12.30%
Downtrends	4.45%	4.46%	+0.01%
AIM-LISTED:			
Uptrends	32.60%	31.61%	-0.99%
Indeterminate	59.74%	62.58%	+2.84%
Downtrends	7.66%	5.81%	-1.85%
INVESTMENT TRUSTS:			
Uptrends	42.40%	15.87%	-26.53%
Indeterminate	56.01%	80.64%	+24.63%
Downtrends	1.59%	3.49%	+1.90%
EXCHANGE TRADED FUNDS:			
Uptrends	37.08%	14.61%	-22.47%
Indeterminate	60.67%	82.58%	+21.91%
Downtrends	2.25%	2.81%	+0.56%

SHARE SELECTIONS IN THIS ISSUE

TrendWatch portfolio performance review

Another month, another bid: Last issue's tip AFH up 16.8%

The TrendWatch portfolio: Valuation as at 1 February 2021								
Share (EPIC)	Date bought	Buy price (p) *	Price now (p)	gain/ loss (%)	F/c gross yield (%)	Mkt. gain/ loss (%)	Outperf. (%)	STOP-LOSS **
Active Energy Group (AEG) AIM	11/01/2021	1.35	**1.16**	-14.4	-	-5.3	-9.7	1
Advanced Oncotherapy (AVO) AIM	11/01/2021	45.50	**41.00**	-9.9	-	-5.3	-4.9	38
AFH Financial Group (AFHP) AIM	11/01/2021	390.00	**455.00**	16.7	2.6	-5.3	23.2	390
Aquis Exchange (AQX) AIM	15/10/2020	410.00	**525.00**	28.0	-	10.8	15.5	420
Argentex Group (AGFX) AIM	11/01/2021	131.50	**118.00**	-10.3	2.4	-5.3	-5.3	108
Arrow Global (ARW)	17/09/2020	106.40	**209.00**	96.4	-	7.3	83.1	167
Atalaya Mining (ATYM) AIM	10/12/2020	233.00	**272.00**	16.7	-	-2.1	19.3	220
Avingtrans (AVG)	23/07/2020	266.00	**283.00**	6.4	1.5	5.1	1.2	235
Beeks Financial Cloud Group (BKS)	12/11/2020	97.00	**89.00**	-8.2	0.5	1.7	-9.8	78
Bigblu Broadband (BBB)	12/11/2020	102.00	**105.00**	2.9	-	1.7	1.2	98
Blackbird (BIRD) AIM	17/09/2020	20.50	**18.25**	-11.0	-	7.3	-17.0	18
Brickability (BRCK) AIM	10/12/2020	53.50	**67.25**	25.7	4.2	-2.1	28.4	53
Cake Box Holdings (CBOX) AIM	17/09/2020	167.00	**206.00**	23.4	2.9	7.3	15.0	176
CareTech Holdings (CTH) AIM	02/08/2020	441.00	**488.00**	10.7	2.8	8.0	2.4	419
CentralNic (CNIC) AIM	28/05/2020	88.50	**91.00**	2.8	-	4.9	-1.9	75
Codemasters Group (CDM)	23/07/2002	353.50	**600.00**	69.7	-	5.1	61.4	600
CVS Group (CVSG) AIM	25/06/2020	988.00	**1530.00**	54.9	0.4	6.2	45.8	1224
Eagle Eye Solutions Group (EYE) AIM	02/08/2020	245.00	**424.00**	73.1	-	8.0	60.2	374
Entain (ENT)[1]	17/09/2020	905.60	**1241.00**	37.0	-	7.3	27.7	1180
Franchise Brands (FRAN) AIM	15/10/2020	99.50	**101.50**	2.0	1.4	10.8	-8.0	82
Frenkel Topping Group (FEN) AIM	15/10/2020	48.50	**47.00**	-3.1	3.6	10.8	-12.6	39
Future (FUTR)	25/06/2020	1236.00	**1738.00**	40.6	0.1	6.2	32.4	1620
Gamesys (GYS)	30/04/2020	877.00	**1272.00**	45.0	3.3	10.4	31.3	1065
Hargreaves Services (HSP) AIM	10/12/2020	256.00	**279.00**	9.0	7.4	-2.1	11.4	228
Hilton Food Group (HFG)	30/04/2020	1120.00	**1010.00**	-9.8	2.4	10.4	-18.3	963
Jet2 (JET2)	12/11/2020	1187.00	**1319.00**	11.1	-	1.7	9.2	1144
Joules Group (JOUL) AIM	17/09/2020	103.00	**159.50**	54.9	-	7.3	44.4	137
JTC Group (JTC)	25/06/2020	479.00	**608.00**	26.9	1.3	6.2	19.5	486
K3 Capital Group (K3C) AIM	10/12/2020	205.00	**252.00**	22.9	4.2	-2.1	25.6	211
Kape Technologies (KAPE) AIM	10/12/2020	178.00	**190.00**	6.7	-	-2.1	9.1	158
Macfarlane Group (MACF)	20/08/2020	93.20	**90.40**	-3.0	2.9	8.0	-10.2	76
Marshall Motor Holdings (MMH)	12/11/2020	136.50	**132.00**	-3.3	-	1.7	-4.9	118
Motorpoint (MOTR)	15/10/2020	286.00	**290.00**	1.4	2.0	10.8	-8.5	246
Pan African Resources (PAF) AIM	11/01/2021	25.00	**22.60**	-9.6	1.8		-4.6	19
Plant Health Care (PHC) AIM	10/12/2020	11.85	**14.50**	22.4	-	-2.1	25.0	14
Plus500 (PLUS)	30/04/2020	1250.50	**1343.50**	7.4	4.2	10.4	-2.7	1305
Randal & Quilter Invest. Hldgs, (RQIH)	12/11/2020	181.50	**179.00**	-1.4	5.8	1.7	-3.1	148
Scottish Mortgage Inv. Trust (SMT)	23/07/2020	913.50	**1256.00**	37.5	0.3	5.1	30.8	1023
SDI Group (SDI) AIM	20/08/2020	64.50	**114.50**	77.5	-	8.0	64.3	104
Smart Metering Systems (SMS) AIM	30/04/2020	598.00	**683.00**	14.2	3.8	10.4	3.4	588
Sumo Group (SUMO) AIM	28/05/2020	190.00	**352.00**	85.3	-	4.9	76.7	287
Tracsis (TRCS) AIM	11/01/2021	600.00	**650.00**	8.3	0.4	-5.3	14.4	520
Tremor International (TRMR)	12/11/2020	229.00	**516.00**	125.3	-	1.7	121.5	416

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Performance review (continued from page 2)

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Share (and EPIC code)	Date bought	Buy price (p) *	Price now (p)	gain/ loss (%)	F/c gross yield (%)	Mkt. gain/ loss (%)	Outperf. (%)	STOP-LOSS **
UP Global Sourcing Holdings (UPGS)	23/07/2020	74.70	**124.00**	66.0	4.1	5.1	57.9	**116**
Urban Exposure (UEX)	23/07/2020	56.50	**66.50**	17.7	7.3	5.1	12.0	**58**
Venture Life Group (VLG) AIM	28/05/2020	67.00	**88.00**	31.3	-	4.9	25.2	**83**
[1]Formerly GVC Holdings	Averaged gains (%):			23.8		3.9	19.2	

TrendWatch portfolio's percentage profit: 23.78% Change since last full TW: **-1.42%**

Market's percentage profit (tracker fund)†: 3.88%

TrendWatch has outperformed market by: 19.16%

* Buy price is the price as at close of business on the Thursday following publication of the recommendation.

** A blue stop-loss limit means that the limit has been raised since the last issue; red means it has been lowered.

† 'Market gain' is the resultant gain/loss if the holding had been invested in a tracker fund. (See 'Technical Notes' on back page).

Markets suffered a bit of a setback last week. Nothing very serious, but enough to cause a loss of 1.4% in the value of our portfolio since the last issue. Not surprising, then, that we could only muster six double-digit gains versus an equal number of corresponding falers.

How's this for timing? One of the biggest bits of news since the last issue was a recommended bid for **AFH Financial Group** by US fund manager *Flexpoint Ford*. The terms of the bid are 463p cash for each AFH share. This is a 40% premium to AFH's share price on the day that Flexpoint and AFH entered into a confidentiality agreement. We only recommended this share in the last issue, so that's a cool 16.8% gain in just a couple of weeks. It was our biggest riser of the bunch.

Other news in brief:

Advanced Oncotherapy (down 9.9%) the developer of next-generation proton therapy systems for cancer treatment, has announced a partnership agreement with DiaMedCare, the globally active asset financing partner in the life sciences and other innovative technology sectors. Under the terms of the partnership agreement, DiaMedCare will acquire Advanced Oncotherapy's LIGHT systems and lease them back to the Company's customers that are commissioning the LIGHT system for oncology treatments. In addition, DiaMedCare will also be able to bridge manufacturing costs until delivery of the LIGHT system to customers. This will eliminate large upfront payments for the system and will make proton therapy more accessible to local, smaller hospitals and clinics. The company also announced an equity fund-raising of nearly £6m before expenses, which will bolster working capital.

4-week **GAINERS**	**% gain**	**Reason**
AFH Financial	+16.8%	See text (above).
JTC	+13.0%	It issued an encouraging pre-close trading update.
Tremor Intl.	+12.7%	A trading statement reported record trading in December, exceeding the company's expectations.
Sumo Group	+12.5%	In a pre-close trading statement, it said that revenue was ahead of analysts' consensus expectations.
Aquis Exchange	+11.7%	An announcement that UK exchanges, including Aquis) would be able to start trading Swiss shares again from early February. Since the UK's exit from the EU released us from an EU ban on the trading of Swiss shares.
Frenkel Topping	+10.6%	It announced that it had decided not to proceed with a bid for NAHL Group.

In a pre-close trading update, **Arrow Global** (up 5.5%) will eliminate large upfront payments for the system and will make proton therapy more accessible to local, smaller hospitals. (up %) said that it was trading ahead of management expectations and expected to resume dividend payments ahead of plan.

Engineering conglomerate **Avingtrans** (up 3.3%) has completed the merger of two of its businesses (Scientific Mahnetics and TecMag) with the Australian medtech and engineering business *Magnetica,* which specialises in next-generation MRI technology. Avingtrans has a 59% majority stake in the combined business and will form the key part of Avingtrans' Medical and Industrial Imaging division. Seperately, Avingtrance announced that its specialised high-integrity doors subsidiary, Booth Industries, has won a £2.9m contract extension from a UK Government agency.

Quickline, a subsidiary of **Bigblu Broadband** (down 7.5%) has joined *CityFibre*'s full fibre network. This will enable Bigblu to deliver ultra-fast full fibre broadband to its customers in Doncaster, Leeds, Huddersfield and Batley & Dewsbury.

4-week **LOSERS**	**% loss**	**Reason**
Blackbird	-18.0%	No price-sensitive news.
Plant Health Care	-17.1%	No adverse news. The price fall occurred despite an upbeat trading statement.
Active Energy	-14.4%	No price-sensitive news.
Entain	-13.7%	See text (below).
Argentex Group	-10.3%	The price fall came despite a positive trading update and the appointment of a new CFO.
Venture Life	-10.2%	No price-sensitive news.

CentralNic Group (down 9.9%), the global seller of internet domain names and related web services, has acquired *SafeBrands*, a leading France-based online brand protection software provider and corporate internet services provider, for up to €3.6m. As well as offering similar services to CentralNic, SafeBrands also offers cutting-edge proprietary monitoring solutions used by global brands to find and take action against fraud and counterfeits. Its multi-language SaaS platform analyses millions of relevant results every day, backed up by an extensive team of IP experts. CentralNic plans to offer these services globally.

In our "Stop Press" item in the last issue, we noted that *MGM*

Performance review (continued from page 3)

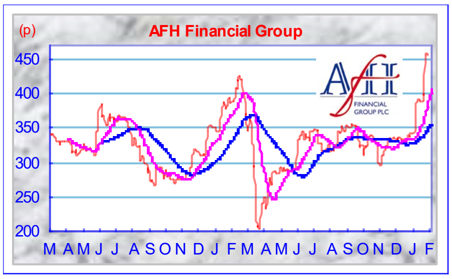
Resurts, the US joint-venture partner of **Entain** (down 13.7%), had submitted an indicative bid to take over Entain. Entain rejected the bid so MGM has withdrawn its offer. Entain responded by saying "*We look forward to continuing to work closely with MGM to drive further success in the US through the BetMGM joint venture*".

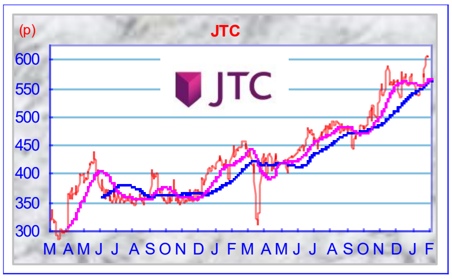
In a trading update ahead of its full-year results, **Franchise Brands** (up 1.5%) said that revenue, adjusted EBITDA, and adjusted EPS for 2020 would be ahead of consensus market expectations, thanks to a strong recovery in trading in the second half of the year.

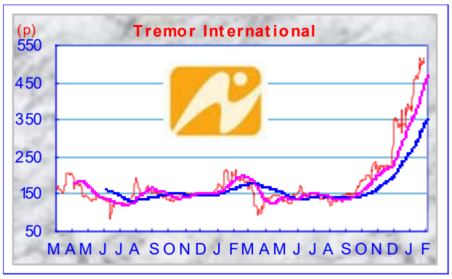
GoCo's shareholders have voted to approve the bid by **Future** (down 4.2%). GoCo's shares will be delisted on 17 February.

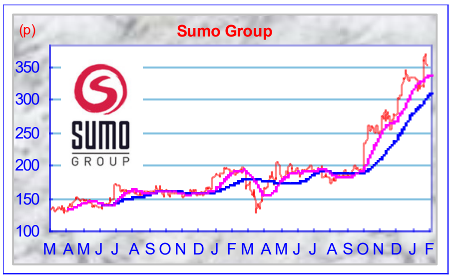
Thanks to what it describes as "a tremendous performance", **Gamesys** (up 1.3%) said it expected to report "*revenue, adjusted EBITDA, and adjusted EPS for the year ended 31 December 2020 to be ahead of consensus market expectations*.

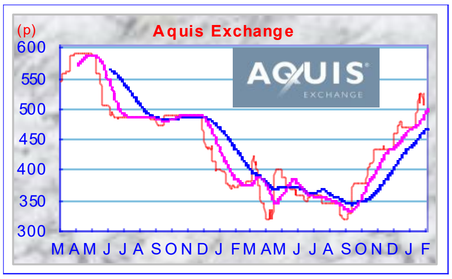
That's it. Not very much significant news in the four weeks after the Christmas and New Year holidays. But several very encouraging trading statements. ❑

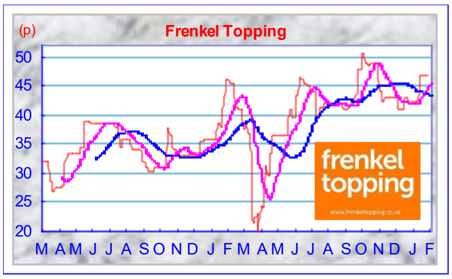












Six of the best – our picks from shares in the early stages of a new uptrend

Unique AI tool could give this PR firm an edge over rivals

SEC NEWGATE S.p.A (SECN)

Business description: **SEC Newgate** is a global strategic communications group (we used to call it "public relations" or PR) with a network of 36 offices in16 countries across 6 continents. In terms of fee income, it's ranked the 30th biggest such business in the world, up from 53rd as recently as 2019.

The Group's activities comprise three main divisions:

◊ **Public relations services** (50% of group revenues in 2018): This comprises brand equity management, corporate & financial communication, issues & crisis management, corporate social responsibility, external and internal relations, media and digital relations.

◊ **Advocacy** (27% of group revenues in 2018): This comprises government relations, public affairs, community relations & consensus building, issue management, political communication.

◊ **Integrated services** (23% of group revenues in 2018): This comprises social media management, event management, association management, and integrated communication.

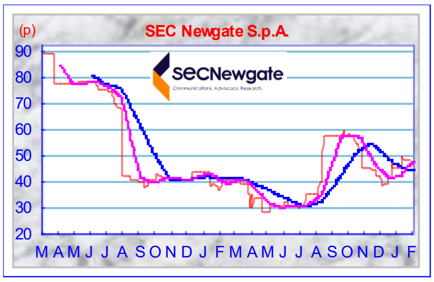
Its clients comprise such household names as Google, Coca Cola, Ikea, Amazon, Tesla, Samsung, Seiko, Nestlé and Hovis.

By geography, the majority of SEC's revenues were sourced from Italy (44%) followed by UK (17%), Belgium (17%) and Colombia (11%).

SEC is headquartered in Milan, where it was founded in 1989. It was admitted to AIM in July 2016. It got a big boost in size and reach when it acquired the AIM-listed *Porta Communications* in September 2019.

Bull points:

- The company has now reached the point at which research houses are taking an interest, with WH Ireland and Arden rating it a buy. Arden's target price s 89p, which is 71% above the current price.
- Its interim results, published in September, were excellent, with revenues of the enlarged group more than doubling; pre-tax profit rising from €0.3m to €1.5m and strong cash flow.



- Its geographic and product offering diversity makes it less vulnerable to adverse changes in an area, industry, country or client.
- There is decent earnings visibility. 65% of its revenue comes from retainer fees.
- It has strong earnings growth potential, the main drivers of which are referrals, cross-selling and cost synergies resulting from a single unified brand identity that will be implemented globally by the end of this year.
- Because SEC operates in multiple jurisdictions, its services are attractive to big multinational entities.
- The biggest communications market by far is the US, with 65% of global revenues. SEC entered this market in July last year via a 55%/45% partnership with US executive Mike Holtzman.
- Last July, in Italy, it launched its unique artificial intelligence-based reputation monitoring and assessment tool *TRUE*. This is the only platform allowing continuous assessment and real time measurement of any reputational aspect of a client across all available public data sources (print media, radio, TV, social media, online). The launch was the culmination of €1.5m of investment and nearly three years of development in associa-

Six of the best (SEC Newgate – continued from previous page)

tion with Imperial College London, Università Luigi Bocconi and Expert System (Italy's leading AI player). The English version will be launched later this year.

- It has an excellent reputation, having won many major industry awards.
- Directors have been buying the shares.

Risk factors:

- For a small company, it has a high level of net debt (€7.8m excluding nearly €6m in leasing liabilities). There was strong cash inflow in the last half year to compensate. However a chunk of the borrowings was at high interest, provided by major shareholder Hawk Investment. It needs to get rid of this millstone
- The company is still very small and very illiquid. Less than 20% of the shares are free float (the rest being held by major shareholders, mainly the directors). That means that the bid/offer spread on these shares is likely to be very wide, probably 10%-plus, though this can shrink.

Summary: I suspect that many of us subconsciously downplay the role of companies such as SEC, dismissing them as mere "spin merchants". Colloquially, that is indeed what they do. But their importance should not be underestimated. For example, if organisations receive adverse publicity, whether it be true or lies spread by social media, it can cost the target company millions in lost sales, cancelled orders or a plunging share price. This is the sort of thing that companies such as SEC Newgate are there to combat. Its new *TRUE* product (mentioned above) should help to differentiate SEC from its competitors.

Year:	2015	2016	2017	2018	2019	2020**	2021**
Revenue (€m)	21.2	18.5	21.0	29.0	47.6	61.5	71.0
Pre-tax profit (€m)	1.37	0.182	0.449	1.23	0.099	1.80	3.00
Normalised eps (c)*	139	1.33	3.50	9.12	0.581	497	630
Norm. eps growth rate (%)		-99.0	+163	+161			+26.8
Prospective price/earnings (p/e) ratio:						11.9	9.4
Prospective p/e:earnings growth (PEG) ratio:						0.4	0.8
Forecast dividend yield (%):						-	-

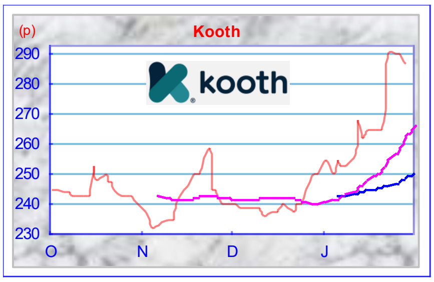
*Normalised earnings per share takes into account any unusual or one-off items **Forecast

As noted under risk factors, you may have to swallow hard and accept a large spread. No one likes that, least of all us. But if Arden's price target is achieved, paying a 10% spread to get a 75% appreciation in the share price would ultimately be a great deal. **BUY** (52p; yield: nil; market capitalisation: £12.6 million; initial stop-loss: 41p; EPIC: SECN; sector: Media & publishing; classification: AIM; website: *https://www.secnewgate.com/*). ❑

Combatting the impact of mental heath issues from Covid-19

KOOTH (KOO)

Business description: **Kooth** is the UK's largest and longest established digital mental health provider to the NHS for children and young people aged 10-25, offering digital mental health services and a broad range of therapeutic tools and interventions to health services. It recently expanded its services to adults, especially to parents and carers, victims of crime, or frontline workers. As well as the NHS, it also provides these services to businesses and charities. It employs some 300 people, a third of whom are professional counsellors.



Kooth's mission is to provide effective personalised digital mental healthcare available to all. Through Kooth's online platform, individuals can sign up and access a range of mental wellbeing services, from self-help tools and online moderated forums to online one-to-one professional counselling.

Kooth sells access to its platform to public and private sector organisations to deliver a 'free at the point of use' service to individuals. Kooth's objective is to provide a welcoming, easy to use service, with no waiting lists, no GP referrals, no access limits, and no cost to the individual.

It has contracts spanning 77% of all NHS Clinical Commissioning Groups across England, a position it has established over more than 15 years of working in close partnership with local NHS Commissioners.

It was founded in 2001 and was acquired in 2015 by the London-based private equity company Root Capital, which has retained a 50.2% holding following Kooth's September IPO.

Bull points:

- Kooth is the only UK-wide digital service accredited by the British Association for Counselling and Psychotherapy,
- To support anonymity, no personally identifiable information is required to access Kooth.
- The Covid-19 pandemic has had a marked effect on mental health across the globe. Measures taken by national governments, including social distancing and mandatory working from home, have been viewed as essential in decreasing the rate of the virus spread. These same measures, however, contribute to a severe negative affect on the population's wellbeing: a lack of social interactions, restricted access to open spaces, confined living conditions with young children and elderly relatives and anxiety associated with working from home, being furloughed or made redundant are all proven to contribute detrimentally to mental wellbeing.
- Hitherto, all of the company's services have been provided within the UK. However, it is now in negotiations with Canada and South Africa to expend its services overseas, in partnership with local healthcare providers there.
- Most of its income is from heath care providers and is recurring, resulting in good earnings visibility.
- Having raised £16m through its IPO placing, it is now debt free, with plenty of headroom to finance the development of the business.
- In its most recent trading update, issued last month, it said that "*Underlying revenue is expected to be ahead of market expectations and in the range of £12.5m to £13.0m, with strong growth of more than 40%*".

Risk factors:

- The company is currently loss-making, with no forecast as yet as to when it will move into the black.

Year:	2017	2018	2019	2020**	2021**
Revenue (£m)	4.90	6.19	8.66	12.8	15.4
Pre-tax profit (£m)	0.19	0.23	1.08	-1.6	-1.2
Normalised eps (p)*	0.01	0.14	0.92	-4.6	-3.5
Norm. eps growth rate (%)					
Prospective price/earnings (p/e) ratio:				-	-
Prospective p/e:earnings growth (PEG) ratio:				-	-
Forecast dividend yield (%):				-	-

*Normalised earnings per share takes into account any unusual or one-off items **Forecast

Summary: I'm not in the habit of recommending a share with no track record as a listed company (it only listed on AIM in September), let alone one that is forecast to be loss-making in the short to medium term. The reason I'm making an exception in this case can be summed up in one word: Covid.

We're being constantly told that Covid-19 lockdowns and school closures are very bad for long-term mental health, especially children's mental health. I'm not a psychiatrist so I have no idea whether the claims are exaggerated or not. At the same time, I have no reason to doubt such claims. If they are indeed correct, then Kooth's services will be front and centre for far into the future. **BUY** (290p; yield: nil; market capitalisation: £95.9 million; initial stop-loss: 232p; EPIC: KOO; sector: Software & IT services; classification: AIM; website: *https://www.koothplc.com*). ❑

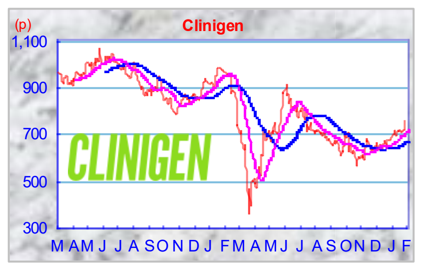
Six of the best *(continued from previous page)*

Clinigen still growing despite Covid-induced hospital disruption

CLINIGEN GROUP (CLIN)

Business description: **Clinigen Group** is now a £1 billion specialty pharma and services group, having listed on London's junior market back in 2012 with a market cap of just £123m.

It now has over 1,100 employees across five continents in 14 countries, with supply and distribution hubs and operational centres of excellence in key long-term growth regions. It works with 22 of the top 25 pharmaceutical companies, and interacts with over 15,000 registered users across 130 countries, shipping around 4m items per year.



It's now the market leader in the supply of drugs for clinical trials and the distribution of unlicensed pharmaceuticals. Most drugs are licensed in their country of use, having been through clinical trials. The term 'unlicensed medicine' is used to describe medicines that are used outside the terms of their UK license or which have no license for use in the UK. These medicines are commonly used in some areas of medicine such as in pediatrics, psychiatry and palliative care, and less frequently in other areas of medicine.

In terms of unlicensed pharmaceuticals, Clinigen sources drugs, especially for hospital pharmacists, where supply isn't necessarily straightforward. It aims is to get these pharmacists to recognise Clinigen as the 'go to' source for these medicines. It has exclusive supply arrangements for more than 100 drugs.

Clinigen doesn't just ferry other companies' drugs around the globe; it also uses that supply chain to sell specialty drugs which it has acquired along the way. In recent years it has spent tens of millions building up its portfolio, which includes a cancer drug formerly owned by Novartis, and the global rights to *Horizon Pharma*'s rare disease therapy, *Imukin*.

By the time it publishes its half-year results, scheduled for 23rd of this month, it will have restructured into just two divisions (it was once 5 divisions). The two are:

- **Products:** This division offers ethical access to post approval and short-supply medicines; and the manufacture and distribution of its own and in-licensed specialist, hospital-only medicines around the world;
- **Services:** This mainly comprises clinical trial services (CTS), which sources commercial medical products for use in clinical studies, including comparator drugs, adjuvant drugs and rescue therapies; together with consultancy, development, management and implementation of managed access programs for biotechnology and pharmaceutical companies.

Bull points:

- Clinigen's latest acquisition, CSM, for which it paid £193m, is performing ahead of expectations, leading Clinigen to raise its financial targets.
- It has successfully implemented its 'Brexit' solution and continues to offer an uninterrupted supply of product and service to patients in both the UK and EU.
- Clingen has some involvement with Covid-19 via AIM-listed *Synairgen*. The latter company has developed a product labelled SNG001. It uses interferon beta (IFN-beta), a naturally-occurring protein that plays an important role in orchestrating the body's antiviral response. The product is inhaled directly into the lungs, where it is believed to greatly reduce viral replication, So far, SNG has found that SNG001 increases the chances of a rapid recovery with a marked reduction in breathlessness and coughs. The relevant regulator adopted the product, giving it " Urgent Public Health" status. Now Clinigen has signed a Managed Access Programme with Synairgen to get SNG001 into UK and EU hospitals.
- The consensus of analysts' price targets is 1,059p, which is 41% above the current price. Four out of the 9 brokers' analysts that follow the company rate it a "strong buy"; three rate it a "buy" and two rate it a "hold".

Risk factors:

- In its latest trading update, issued in mid-January, the company confirmed that its operations had been adversely affected by Covid-19, a direct effect of the disruption that the virus has caused to the normal operations of hospitals around the world. The company expects that revenues for the half year would be up by 4% on a constant-currency basis but EBITDA would be down by around 10%. However, it still expects net revenue growth of about 5% for the full year.
- The company identifies a number of risks to its operations. These include risks relating to the political environment, competitive threats, counterfeit products penetrating the supply chain, compliance, reliance on technology, cyber risk, foreign exchange movements, key staff and identification and integration of acquisitions.
- Its net debt has risen sharply in recent years and stood at £352m at the end of 2020. However, this was largely due to a payment of $89.5m in deferred consideration following an acquisition. Clinigen has pledged to bring this down to between 1.0x and 2.0x EBITDA within 12 months.

Year to June:	2016	2017	2018	2019	2020	2021**	2022**
Revenue (£m)	340	302	381	457	504	527	639
Pre-tax profit (£m)	13.5	3.80	27.40	5.20	13.7	85.5	102
Normalised eps (p)*	30.0	30.6	36.0	40.3	40.4	64.0	78.2
Norm. eps growth rate (%)	+1.54	+1.94	+17.7	+12.1	+0.21	+58.5	+22.1
Prospective price/earnings (p/e) ratio:						12.0	0.79
Prospective p/e:earnings growth (PEG) ratio:						0.54	0.75
Forecast dividend yield (%):						1.1	1.2

*Normalised earnings per share takes into account any unusual or one-off items **Forecast

Summary: Like most pharmaceutical companies, Clinigen is difficult to write about in detail. To do so, I would have to discuss a string of drugs with difficult-to-remember names, which are effective against difficult-to-remember illnesses, with varying life spans and varying profitability. It would all become mind-numbing, expect perhaps to doctors, pharmacists or hypochondriacs. If you're really interested, you can visit the company's website and read up on it.

What really matters to us as investors is its profitability, its prospects and whether the shares represent good value.

In terms of profitability, the company admits that Covid-19 has disrupted its operations simply because Covid has disrupted the normal operations of hospitals. With the vaccination programme now in full swing, at least in the UK, there is some reason for optimism that hospitals will see a considerable reduction in pressure by the early summer, which should lead to a resumption of fast growth in revenue, profits and earnings per share. That's certainly what the forecasts say. The share has come back into our uptrend list almost certainly because investors, especially the institutional variety, are anticipating that same outcome.

The shares also look to be remarkably good value, on a PEG of 0.5 for this year.

In short, the company has an excellent track record of growth – it's one of just a small handful of AIM companies that have achieved a £1 billion-plus valuation – yet the shares certainly don't look expensive. **BUY** (751p; yield: 1.2%; market capitalisation: £998 million; initial stop-loss: 600p; EPIC: CLIN; sector: Biotechnology & medical research; classification: AIM; website: *www.clinigengroup.com*). ❑

Rising number of billionaires keeps GYG's paintpot on the boil

GYG (GYG)

Business description: The origins of this superyacht painting business go right back to 1975, when a company called *Pinmar* was founded in Mallorca. The Global Yachting Group (that's what **GYG** stands for) was originally created in 2012 through the merger of the Pinmar with another leading yacht painting business called *Rolling Stock*. This expansion of the group resulted in it being the only

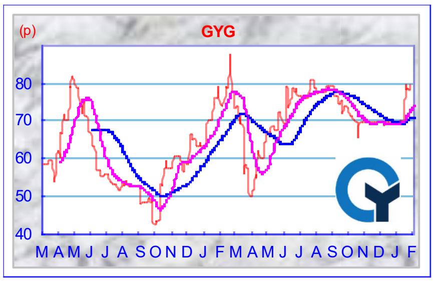
Six of the best (GYG – continued from previous page)

superyacht painting company with global operations. In 2017, the Group also acquired a majority stake in *ACA Marine* as part of its strategic growth plans in the European superyacht finishing market. The company was renamed GYG in July 2017 when it became a public company through an IPO on the AIM market.

It operates in three key markets:

◊ **New build:** the fairing [the creation of true 3-D curves] and painting of new superyachts as part of the construction process. GYG enjoys a privileged position as a preferred paint contractor to several of the largest and most prestigious shipyards in Northern Europe.

◊ **Refit:** Superyachts require a major refit inspection and service every five years to comply with maritime, insurance and industry regulations. Consequently, owners often use the major service periods as an opportunity for re-painting their superyachts due to significant cost savings and schedule synergies by combining such activities. GYG has unrivalled experience in this market, having painted more yachts over 30 metres than any other company. Today it focuses on the 40 metre+ market where the scale and complexities of completing a major Refit project in a short time window are significant.



◊ **Supply:** The sale and delivery of maintenance materials, consummables, spare parts and equipment for the care and operation of superyachts. Based in Mallorca and Barcelona, GYG can handle the logistics of delivering such goods anywhere in the world.

GYG's market share is estimated at between 15% and 20% and rising.

Bull points:

- The new year has started strongly with Q1 revenues running well ahead of Q1'20. The outlook for the year as a whole is said to be very positive.
- The total order book at the end of January stood at €53.8m, which is 21% ahead of the same point in the prior year. The order book for delivery in the current year is very strong indeed at €40.6m, a 24% increase compared to January 2020. The company is currently working on a record six New Build projects.
- GYG has an asset-light model, without the requirement for significant yards or facilities. This is because it operates as a preferred supplier to a number of shipyards around Europe and in the Florida area. Superyacht owners typically contract and undertake services directly from shipyards and GYG is therefore able to have access to vessels without incurring any fixed lease or other associated costs, through its agreements with these shipyards.
- According to its IPO Admission document, globally, the population of billionaires increased from 365 in 1995 to 1,826 in 2015 and was forecast to reach 2,500 by 2020, representing a CAGR of circa 9%.

Risk factors:

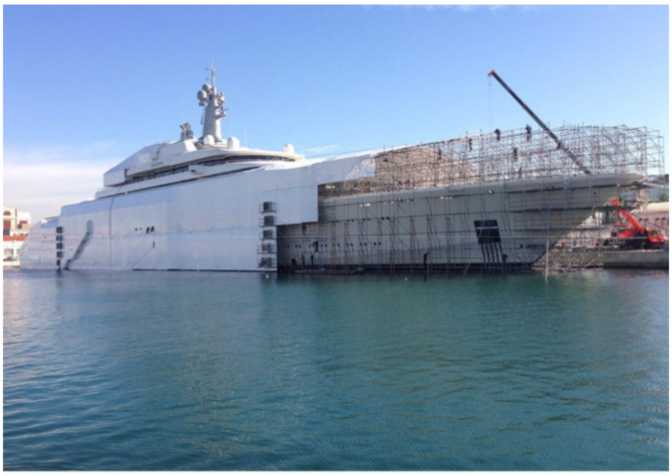
- Group full-year revenue is expected to be €58.5m (previous forecast €62.0m), with some slippage of Q4 projects into the new year as a result of a tightening of COVID restrictions towards the year end. However, The pandemic has had no impact on underlying demand and the disruption of travel restrictions/ quarantine periods has been well managed.

Year:	2015	2016	2017	2018	2019	2020**	2021**
Revenue (£m)	47.1	54.6	62.6	45.0	63.8	63.0	70.0
Pre-tax profit (£m)	1.18	0.072	-0.35	-3.02	0.753	2.40	3.60
Normalised eps (p)*	4.71	3.88	7.26	-4.57	2.51	4.60	7.10
Norm. eps growth rate (%)	-45.8	-17.7	+87.1			+83.1	+54.3
Prospective price/earnings (p/e) ratio						19.2	12.4
Prospective p/e:earnings growth (PEG) ratio						0.35	0.52
Forecast dividend yield (%)						-	-

*Normalised earnings per share takes into account any unusual or one-off items **Forecast

Summary: Never in my wildest dreams did I expect to be recommending a company specialising in the painting of superyachts, the ultimate symbol of conspicuous consumption by the ultra rich. Before researching this company, I knew next to nothing about ordinary yachts, let alone superyachts (although the brother of my niece's husband is a qualified captain of a superyacht based in Cannes owned by a super-rich Egyptian entrepreneur). I have little affinity with the sea, being very much an aviation buff, so presumably I was bird in an earlier life rather than a fish.

But hey – why not GYG? It's in a very niche industry and it's a fairly small company as AIM companies go; though not *that* small. But it happens to be a world leader in its niche. And with Trump's massive tax giveaways helping to accelerate the flow of wealth from the poor to the rich, that niche is growing in scale. It ticks all our boxes in terms of double-digit earnings growth and a low PEG, fortified by a record order book. Let's launch it into our portfolio. It's the nearest we'll ever get to investing in a real superyacht. **BUY** (76.5p; yield: nil; market capitalisation: £35.4 million; initial stop-loss: 61p; EPIC: GYG; sector: Machinery, equipment & components; classification: ; website: *https://www.gygplc.com*). ❑



Scaffolding and tenting typically used by GYG in its repainting contracts.

A sad bonanza awaits Begbies when furlough scheme ends

BEGBIES TRAYNOR GROUP (BEG)

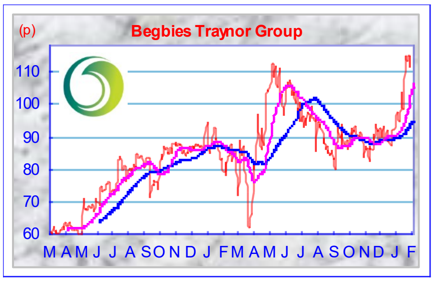
Business description: Amid all the uncertainties surrounding the Covid-19 pandemic, we can be sure of one thing. Tragically, many businesses will never recover and will disappear, especially those with excessive debts and/or poor or negative cash flow.

Therefore it follows that Covid-19 will provide rich pickings for the corporate undertakers of the business world: insolvency practitioners. There a few such listed companies. One of them is **Begbies Traynor.** We last recommended it in April last year. At first it performed well. But then, like so many other shares, it plummeted in the general gloom and doom prevailing at that time; so we were stopped out for a 9% loss even though Begbies is, in a sense, like pharmaceutical and biotech businesses: it's likely to be a beneficiary of Covid-19. Now that it's back in uptrend, you have the opportunity to get back in at a price not much higher than when we recommended it in April.

Begbies Traynor is a business recovery and property services consultancy. It provides services from a network of UK locations through two operating divisions: Begbies Traynor and Eddisons.

- Begbies Traynor is an independent business recovery practice that handles corporate appointments, serving the mid-market and smaller companies. It provides insolvency, restructuring

Six of the best (Begbies Traynor Group – continued from previous page)



and consultancy services to businesses, their professional advisors and financial institutions. This division accounts for around 70% of the Group's revenues and profits.

- Eddisons is a national firm of chartered surveyors, delivering transactional and advisory services to owners and occupiers of commercial property, investors and financial institutions. It provides professional services, such as business rescue options, advisory options, forensic accounting and investigations, corporate and commercial finance, personal insolvency solutions and services to banking, legal and accounting sectors.

Bull points:

- In its latest quarterly "Red Flag Alert" research report, published a couple of weeks ago, it reported that:
  - ⇒ The number of businesses in significant distress stands at 630,000 - the highest number its research has ever measured, up 10% on the previous quarter
  - ⇒ Almost all these companies are SMEs with under 250 employees, illustrating the vulnerability of small companies.
  - ⇒ There has been a 27.5% year-on-year increase to 136,000 in the number of businesses in *significant* distress.
  - ⇒ These dire figures are likely to be the tip of the iceberg, as full Covid-19 impact will build through the coming weeks an months, the financials strains being exacerbated by the current lockdown.
- The government bail-out measures, such as the Coronavirus Business Interruption Loan (CBIL) are unlikely to save such companies. The last thing they need is to be weighed down by more debt. In any case, the banks will not even grant the loan if their assessment is that the distressed company will not be able to repay.
- It has a strong balance sheet, having raised a net £7.8m in July 2019 in a share placing. In its interim results published in December, net debt stood at a moderate £2.8m, and it had £30m of undrawn bank facilities. This should be more than enough to fund the increased working capital that will be needed to take on the increased workload coming around the corner.
- Its half-year results, published in December, were "robust". Revenue growth was 11% (9% from acquisitions). Statutory pre-tax profit was down from £1.9m to £0.5m, mainly reflecting increased non-cash acquisition accounting charges. Stripping those out, adjusted profit grew by 25%. Paradoxically, the insolvency market is subdued at present because of the furlough scheme and other government support measures. Once those measures are phased out, insolvencies are expected to rise sharply.
- Last month, it made its biggest insolvency acquisition to date. It has bought CVR Global for a maximum consideration of £20.8. The business operates from seven UK offices in London, Birmingham, Bristol, Southampton, Hove, Medway and Colchester; together with offshore offices in Gibraltar, Jersey, Cyprus and the British Virgin Islands.
- It has made numerous acquisitions over the years, partly to consolidate a fragmented market; partly to make its offerings less counter-cyclical – in other words, it is more able to benefit from the good times rather than the bad. Even so, around 65% of its business is counter-cyclical; meaning that the business is still skewed towards benefiting when times are tough.

Risk factors:

- It typically takes the insolvency division 6 months to get paid for its services, compared to about one month for Eddisons.
- There are a couple of potential conflicts of interest. The firm uses office space owned by Mr Traynor and director Mark Fry. And the company has a put and call option to acquire Mr Fry's interest in a subsidiary for £4m.

Year to April:	2016	2017	2018	2019	2020	2021**	2020**
Revenue (£m)	50.1	49.7	52.4	60.1	70.1	76.6	88.8
Pre-tax profit (£m)	0.448	-0.263	1.42	2.25	0.931	13.8	8.66
Normalised eps (p)*	0.876	1.28	2.00	2.88	2.36	6.21	8.64
Norm. eps growth rate (%)	-35.7	+46.0	+56.5	+44.0	-18.0	+163	+39.2
Prospective price/earnings (p/e) ratio						18.5	13.3
Prospective p/e:earnings growth (PEG) ratio						0.47	0.84
Forecast dividend yield (%)						2.1	2.7

*Normalised earnings per share takes into account any unusual or one-off items **Forecast

Summary: I don't think I really need to elaborate much on this company. When the furlough scheme ends at the end of April — assuming the chancellor doesn't extend it — it will expose an awful lot of zombie companies, companies that are already dead on arrival. Begbies will prosper as a result. Given that context, the investor sell-off of Begbies last summer was not just odd; it was perverse.

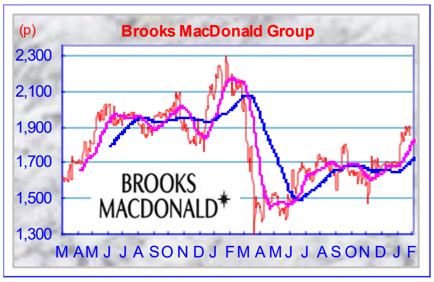
Perhaps the best gloss you can put on the Covid situation is that Begbies is somewhat akin to a recycling company: it extracts valuable assets from failed companies and recycles them to new buyers who will hopefully benefit as a result. Boohoo's purchase of the assets of Debenhams is a good example of that.

BUY (112.5p; yield: 2.8%; market capitalisation: £144.5 million; initial stop-loss: 90p; EPIC: BEG; sector: Investment banking & investment services; classification: AIM; website: *www.begbies-traynorgroup.com*). ❑

Another wealth manager to add to our mini-collection

BROOKS MACDONALD GROUP (BRK)

Business description: **Brooks Macdonald Group**, through its various subsidiaries, provides leading investment management services in the UK and internationally. The Group, which was founded in 1991 and began trading on AIM in 2005, had discretionary Funds under Management of £15.5 billion as at 31 December 2020.



Brooks Macdonald offers a range of investment management services to private high net worth individuals, pension funds, institutions, charities and trusts. The Group also provides financial planning as well as offshore investment management and acts as fund manager to four regulated OEICs providing a range of onshore and offshore risk-managed multi-asset funds and a specialised absolute return fund.

The Group has 12 offices across the UK and the Channel Islands including London, East Anglia, Hampshire, Leamington Spa, Leeds, Manchester, Taunton, Tunbridge Wells, Scotland and Wales.

In June last year, it acquired Lloyds Bank International's Channel Islands wealth management and funds business. This increased funds under management by £900m and added around 1,000 clients.

Bull points:

- Last month, it issued its quarterly announcement of funds under management (FUM) and a half year trading update. In that release, it reported that total fnds under management increased by 13.6% in the fourth quarter to a record £15.5 billion. During the half year, FUM rose by 13.3% compared to June 2020, helped by the completion of the acquisition of Lloyds Channel Islands wealth management business (see above).
- Investment performance was strong in the quarter, with the value of its funds rising by 7.9%, ahead of the benchmark in-

Six of the best (Brooks Macdonald Group – continued from previous page)

Year to June:	2016	2017	2018	2019	2020	2021**	2022**
Revenue (£m)	81.4	88.8	99.9	106	109	120	131
Pre-tax profit (£m)	12.7	5.81	5.39	5.46	6.43	19.9	23.1
Normalised eps (p)*	98.3	41.9	55.8	79.7	85.5	148	168
Norm. eps growth rate (%)	+34.4	-57.3	+33.0	+42.9	+7.23	+73.1	+13.7
Prospective price/earnings (p/e) ratio:						12.6	11.1
Prospective p/e:earnings growth (PEG) ratio:						0.92	0.80
Forecast dividend yield (%):						3.2	3.7

*Normalised earnings per share takes into account any unusual or one-off items **Forecast

dex (MSCI PIMFA Private Investor Balanced Index), which was up 7%. For the half year, its funds increased by nearly 10%.

- Three out of the four brokers who follow the company rate it a “Buy” or “Strong buy”, with a consensus target price of 2196p, 21.3% above the current price.

Risk factors:

- The company suffered a degree of reputational damage as a result of certain legacy matters arising from the former Spearpoint business which it acquired in 2012, so Brooks was not directly to blame. The Jersey Financial Services Commission (JFSC) initiated an investigation into Brooks Macdonald’s compliance with the Code of Practice for Investment Business. The company developed a plan to resolve these matters and accordingly made a total provision of £12.0m in the financial results for the years to 30 June 2017 and 30 June 2018. As at 30 June 2020, the remaining balance of the provision was £0.6 million. the JFSC has concluded its investigation. The statement also acknowledges that the company has engaged openly and co-operatively with the JFSC in respect of the investigation.

Summary: I really don’t like recommending shares like this. It’s much less interesting than, say, a company developing a new Covid vaccine or some fancy widget. It’s somewhat tedious to write and no doubt somewhat boring to read. But the plain truth is that many of these wealth management companies are not only very good at what they do but their shares are also very reasonably priced.

There is no better illustration of that fact than page 3 of this issue. Check it out. Out of the six best performing share in the *TrendWatch* portfolio since the last issue, three of them are peers of Brooks Macdonald; namely *AFH Financial, JTC* and *Frenkel Topping*. Furthermore, the first two occupy the number 1 and 2 slots in our table of top performers.

To some extent, the share price performance depends on equity investment sentiment. But I wouldn’t get too hung up on that. After all, that applies to any share listed on the stockmarket.

BUY (1810p; yield: 3.6%; market capitalisation: £292 million; initial stop-loss: 1448p; EPIC: BRK; sector: Investment banking and investment services; classification: AIM; website: https://www.brooksmacdonald.com). ❑

TAM 2 and TGF – a progress report

BOTH TAM 2 and TGF are performing well.

TGF remains well above previous highs and is not far from its all-time high reached at the start of the year.

For the past couple of weeks, equity investors started to get a bit nervous. But this week has seen a recovery, at least for TAM 2 shares. I’m hoping that we’re about to see a final assault on the all-time high achieved in the summer of 2018.

Four TAM 2 shares have more than doubled in value. These are:

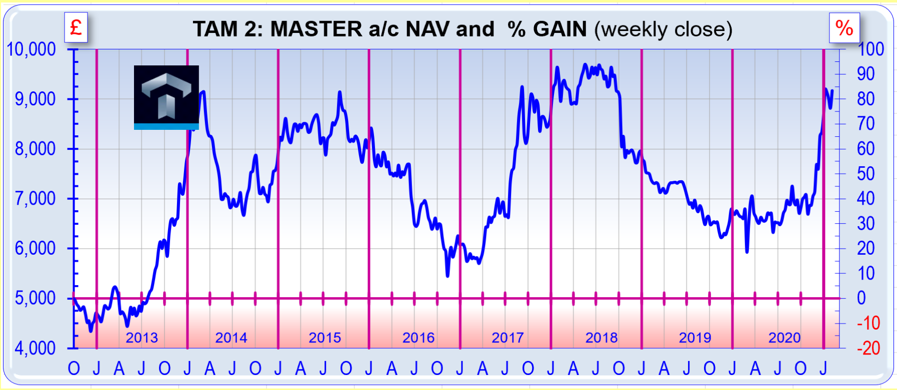
- ◊ **Arrow Global:** +101%
- ◊ **Eagle Eye:** +103%
- ◊ **Frontier Dev:** +116%

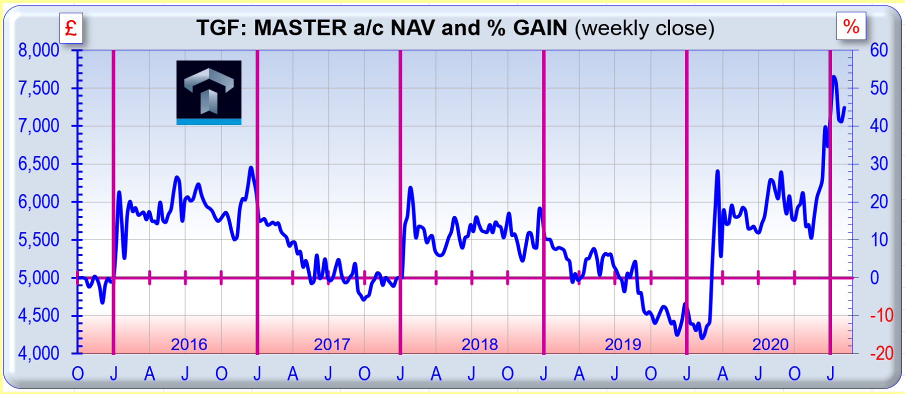
...and easily eclipsing them all…

- ◊ **Tremor Intl:** +240%

Currently, the TAM 2 master account gain since inception is 83.3% (excluding charges). The corresponding figure for TGF is 4.8% – but of course TAM 2 has been going forseveral years longer than TGF.

Onwards and upwards!





If you’re not yet a Trendwatch investor and you’re looking for exceptional investment returns, please visit
www.trendwatchAM.com

The charts accurately reflect the performance of the TAM 2 master account from its inception on 1/10/2012, and TGF from its inception on 1/10/2015..

However, even investors who invested at inception will see an appreciably different performance from the master account, for two reasons.

First, the master account does not include client charges.

Second, the trade sizes on the master account are fixed, whereas the trade sizes on client accounts will grow as the NAV of these accounts grow. This is achieved through a real-time adjustment of the multipliers on client accounts each time a trade is placed on the master account. The effect of this will be that, other things being equal, a profitable client account will show a bigger NAV gain than the master account gain.

Clients investing after the inception date may see a very different performance profile, as with any other investment.

Remember too that these are historic figures. While they give an indication of the skill of the investment managers, past performance is not a guide to future performance.

Notebook (continued from page 1)

❍ ❍ ❍

When I was kid, I always viewed America as a wonderfully benign force for good. After all, its industrial might helped the allies win two World Wars; and then after World War 2, it helped Europe's recovery by an extraordinary act of generosity: US taxpayers contributed $13.2 billion – $135 billion in today's money – to the Marshall Plan. After the war, America remained a powerful bulwark in the Cold War. When East Germany (with puppetmeister Russia pulling the strings) blockaded West Berlin, America coordinated the Berlin Airlift, which supplied everything that West Berlin needed, millions of tons of coal, food, medicines, toilet paper, you name it, between June 1948 and May 1949, until Russia calculated that the whole episode represented a PR disaster for communism.

Of course, as a kid, I was also naive. I didn't know that the US was *very* late into both World Wars (1917 in the 1914-18 war and late 1941 in the 1939-45 war). Also I didn't know about the terrible racism that prevailed before the Civil Rights movement gained traction in the 1960s.

Nevertheless, I and millions of others had a positive view of America.

But as I grew up, something changed. America seemed to lose its way. It's difficult to pinpoint when it all began to unravel. Maybe it was the assassinations of John and Robert Kennedy, Martin Luther King, Malcolm X... indeed, most of the leading figures in the Civil Rights movement at that time. Was it the advent of the conspiracy theory? Most people regard speculation surrounding the Kennedy assassination as the first conspiracy theory to have snared a significant proportion of the US population. Was it the Vietnam War, which triggered huge opposition against US government policy, especially among the young? Was it Watergate and Nixon's resignation? Was it the advent of the TV age that brought all these developments into people's living rooms?

Whatever it was, scroll forward to today. Scroll past all the crazy conspiracies that a tens of millions of ostensibly well educated people apparently believe: "The moon landing was a hoax"; "The world is run by shape-shifting lizards from the Alpha Draconis star system" (David Icke); "Alien abduction"; "Crashed flying saucers at Area 51 at Roswell New Mexico"; "9/11 was carried out by the US government"; "The American deep state is a secret cabal of Satan-worshipping, cannibalistic paedophiles running a global child sex-trafficking ring operating out of the Comet Ping Pong pizzeria in Washington, D.C.".. and on and on. Scroll right on to Covid-19. What conspiracy theories do people believe today about the plague?

⇒ *Covid-19 is just a form of flu*. Nope. It isn't a flu virus.

⇒ *Covid-19 is no worse than flu*. It's much, *much* worse. Flu causes roughly 12,000—60,000 deaths a year in America. By the end of this month, Covid-19 will have taken 500,000 lives in America, with countless other survivors suffering serious long-term health complications.

⇒ *Masks are ineffective*. At least 170 studies have shown that masks *are* effective, especially at protecting others from asymptomatic carriers. Masks are far from perfect, but the studies serve to reiterate the bleeding obvious – that they greatly reduce the volume of spit droplets, and greatly reduce the velocity of those that escape.

⇒ *Bill Gates (Microsoft's founder) and others are getting rich from developing vaccines*, whereas Covid-19 is easily treated by the cheap anti-malarial drug hydroxychloroquine. Studies have shown that hydroxychloroquine has no effect whatsoever against Covid-19.

⇒ *The vaccine contains microscopic tracking microchips* (no doubt powered by microscopic Duracell batteries!). Don't ask. There is no rational response.

⇒ *The rising case count is caused by the rising number of tests*. That's a red herring. The rising case count is evidenced by the rising percentage of *positive tests*, not to mention rising hospitalisations and deaths.

⇒ *A vaccine is unnecessary. If you let the virus spread through the population, herd immunity will take care of the problem*. That's true – at the cost of millions of deaths and overwhelmed hospitals. No nation on earth is anywhere near herd immunity.

⇒ *Vaccines will kill millions*. Each vaccine has been through phase 3 trials involving tens of thousands of people. While all vaccines carry a minimal risk, there is no evidence whatever of serious safety issues with Covid vaccines.

⇒ *5G mobile technology causes/spreads Covid-19 or weakens the body's immune system* [sigh].

⇒ *Covid-19 is a bioweapon developed by China/USA* [delete whichever is not applicable], and accidently/deliberately released into the wild.

⇒ Covid-19 vaccines contain ground-up human fetuses. No. No babers were murdered in the making of these vaccines.

⇒ *Covid-19 is a hoax, propagated by governments to deprive citizens of their freedom*. To what end?

Ask these people where they get their information from and they tell you it comes from the internet, especially social media. Tell them it's just a pack of lies and ask them why they don't get their information from reliable sources such as the BBC, CNN or reputable newspapers and they sigh with exasperation: "It's all fake news; they're all part of the conspiracy". Soon everything in the world that is true will become fake news, and everything that is true will become suffocated in one humungous conspiracy.

I'm delighted to say that I recently had my first jab. I had to make a really, really hard decision: Either take the vaccine and accept the minimal risk, or don't take it and run the very real risk of death or life-changing health complications, not to mention putting family and friends at similar risk. Oh boy, that was a really tough one. I jest. It was the easiest decision I've ever had to make in my life.

But I digress.

❍ ❍ ❍

For months before the US presidential election, Donald Trump had made it clear to his fan base that the only way his party could lose the election would be if the election was fraudulent. Because Trump is a psychopathic narcissist (according to experts who understand such things), I have little doubt that he really believed this.

When it slowly became apparent to the world that Biden was drawing ahead, it could only mean one thing to Trump: electoral fraud. Thousands of Republican ballots destroyed. Thousands of forged Democrat votes replacing them. Thousands of dead people voting. Voting machines tampered with. Trump's Twitter finger was running red hot.

But there was no fraud. Despite recount after recount, audit after audit, scores of lawsuits, the result was certified state by state.

Trump was not the only one who couldn't accept the result. Thousands of his supporters, many of them extreme right wing militia groups and white supremacists, helped create and solidify the conspiracy theory that that the Democrats had somehow rigged the election, even though there wasn't a shred of evidence.

The result was almost inevitable. Trump, utterly unable to accept that he was a loser, incited his supporters to march on the Capitol on the day that Congress was meeting to formally endorse the election result. Five people died. The Democrats impeached Trump for the second time. The hearing starts next week. Republicans refuse to accept that Trump bears any re-

Technical Notes

TREND DEFINITION

The analytical criteria that we use to identify uptrends and downtrends are tightly defined. Our criteria are designed to filter out data series which are technically in uptrend or downtrend, but which are in reality only drifting sideways.

Here is a full list of the criteria we require for a data series to be formally identified as an ***uptrend***:

- The actual value must lead the 25-day moving average;
- the 25-day moving average must lead the 65-day moving average;
- the 25-day moving average must have been rising for at least 5 days;
- the 65-day moving average must have been rising for at least 1 day;
- to filter out passive uptrends, the data must show a rise of at least 2.5% on the month.

The analytical criteria for a ***downtrend*** are exactly the converse of the above criteria.

Any data series not conforming to either set of criteria we describe as having an *indeterminate* trend They are not listed. Note that it is quite normal for a data series to alternate between determinate and indeterminate trends from time to time, but not for it to jump directly from an uptrend to downtrend, or vice versa without an interval of several days.

The percentage figures which appear in the title box of each section represent the percentage of securities in uptrend or downtrend relative to all securities that we monitor in that section. These figures correspond with the latest uptrend and downtrend percentages shown in the various *TrendWatch* barometers. ❑

PRICE CHART KEY:

——— 65-day moving average.

——— 25-day moving average.

Notebook (continued from previous page)

sponsibility, even though incitement to insurrection must surely be exactly the eventuality the founding fathers had in mind when they drafted the American Constitution. I can therefore state with 95% confidence that Trump will be the first president in history to be both impeached and acquitted twice.

❍ ❍ ❍

Three very different stories here: GameStop, Covid-19 and the storming of the Capitol. But one common thread: the events were and are driven by social media — and more specifically, by conspiracy theories, some of which are so crass as to defy rational analysis.

I have grown to detest social media. Not the 95% of it that we all use to keep in touch with friends and family, promote goods and services and any number of other legitimate purposes; but the 5% controlled by evil influencers, trolls, fringe extremists and other dregs of society who exploit the gullible, cause tens of thousands of Covid-related deaths and brought the US within a hair's breadth of overthrowing democracy itself. It's crystal clear to me that we can't go on like this. Even the social meda companies themselves realise that. At long, long, last, Twitter finally stemmed the avalanche of Trump lies by banning him from their platform.

In my view, regulation can't come soon enough. ❑

☺ OFFICIAL LIST SHARES IN UPTREND (excl. inv. cos. & wts.) 19.5%

* B&M Europ'n Val. 7	Aptitude Software 20	Evraz Group 166	Just Group 53	Old Mutual 59	Softcat 31
* BATM Adv'd C. 1	Ashmore Group 51	Forterra 83	KAZ Minerals 79	Pearson 53	Spectris 53
* Carclo 5	Ashtead 171	Fuller Smith & T. 58	Keller Group 47	Playtech 44	Spire Healthcare 102
* Danakali 7	Boot (Henry) 29	Funding Circle 35	Kenmare Res. 114	Porvair 36	St James Place 58
* Devro Intl. 9	Braemar Shipping 15	Gem Diamonds 107	KRM22 14	Quarto Group 23	Standard Life Ab. 52
* Diploma 7	Braime (T&J) 'A' 156	Genus 103	Lamprell 90	Rathbone Bros. 20	SThree 19
* Gamesys 8	Cadogan Pet. 47	Greggs 58	Lookers 90	Reach 81	Stobart Group 27
* GSTechnologies 5	Carr's Group 39	Gresham Tech. 69	Marks & Spencer 58	RHI Magnesita 83	STV Group 16
* Moneysupermkt. 6	Centaur Media 63	Hargreaves Lans. 16	Marston's 70	River & Mercantile 22	Topps Tiles 44
* PZ Cussons 3	Centrica 30	Harworth Group 50	McColl's Retail 22	Robert Walters 54	Treatt 139
* Renishaw 10	Chemring 54	Hawkwing 15	Mitchells & Butl. 58	Royal Mail 102	Triad Group 51
* Ricardo 8	Cineworld 42	Headlam 60	Mitie Group 52	Sainsbury (J) 83	U and I Group 32
* Ross Group 5	City of Lon. Inv. 16	Inchcape 80	MS International 56	Savills 84	Victoria 160
* Safestore 3	Dechra Pharma. 30	Indivior 11	Next 161	Senior 57	Watches of Swit. 161
AA PLC 26	Emmerson 23	Johnson Matthey 28	Norcros 75	Seplat Pet. Dev. 31	Wetherspoon (JD) 58
Anglo-Eastern 60	Eurocell 74	JTC 91	Ocado Group 15	Smart (J) & Co. 16	Wincanton 110

☹ OFFICIAL LIST SHARES IN DOWNTREND (excl. inv. cos. & wts.) 4.5%

* Britvic -7	Allied Minds -26	Fresnillo -19	Hilton Food -11	Plus500 -36	Spirent -58
* Ted Baker -8	Dialight -66	Grainger -74	Macau Prop. Op. -23	Resolute Mining -93	Zegona Comm. -90
* Telecom Plus -3	Dunelm -57	Gulf Marine -106	Marshalls -13	Rightmove -19	
* Toople -4	Experian -47	Hemogenyx Ph. -48	Photo-Me Intl. -14	Smiths News -20	

☺ AIM-LISTED SHARES IN UPTREND (excl. inv. cos. and warrants) 31.6%

* 7digital 9	Adams 15	Audioboom 55	Cropper (James) 52	Galileo Res. 41	Inspecs Group 49
* Adept Tech. 8	ADVFN 22	Bango 18	DeepMatter 25	Gama Aviation 23	Inspiration Health. 80
* Diurnal 1	AEX Gold 12	Begbies Traynor 25	Deepverge 18	Gaming Realms 27	Instem Life Sci. 20
* Drumz 5	AFH Financial 26	Belvoir Lettings 27	Deltex Medical 20	Gateley 59	IQE 52
* ECSC Group 10	AfriTin Mining 53	Best of the Best 12	Deltic Energy 120	Gemfields Group 52	IQGeo Group 50
* Faron Pharma. 8	All Asia Ass. C 212	Bidstack 33	Destiny Pharma 126	GetBusy 27	Itaconix 115
* Gfinity 8	Allergy Therapeut. 22	Blancco Tech. 22	Dewhurst 132	Getech Group 21	Jade Road Inv. 20
* GYG 10	Alpha Fin.Mkts. 157	Borders & Sthn. 23	Dewhurst 'A' 39	Global Petroleum 18	Jadestone En. 29
* IronRidge Res. 9	Alpha FX 137	BowLeven 49	Dillistone 27	GoldStone Res. 16	Jangada Mines 71
* Kibo Energy 2	Altitude Grp. 38	Brave Bison 17	Directa Plus 24	Gooch & Housego 61	John Lewis of H. 154
* Location Scienc. 2	Altus Strategies 26	Brickability 56	Distrib. Fin. Cap. 53	Grafenia 16	Journeo 341
* MobilityOne 2	Alumasc 96	Brooks MacDon. 23	dotDigital 41	Gran Tierra En. 33	K3 Business T. 123
* Nanoco Group 7	Amino Tech. 18	C4X Discovery 34	DP Poland 27	Griffin Mining 123	Kazera Global 50
* Northern Bear 6	Angle 17	Cadence Miner. 47	Draper Esprit 160	Gusbourne 23	Keystone Law 23
* Petroneft Res. 10	Angling Direct 105	Cambria Auto. 74	Echo Energy 29	H&T Group 14	Kooth 17
* Primorus Inv. 5	Anglo Asian M. 21	Cambridge Cog. 175	Eddie Stobart L. 56	Hargreaves Serv. 49	Kromek Group 26
* Quadrise Fuels 7	Angus Energy 20	Cenkos Securities 59	Eden Research 72	Heath (Samuel) 111	Landore Res. 39
* RBG Holdings 2	Anpario 123	CEPS 25	Edenville Energy 18	Helios Underwr. 80	Leeds Group 50
* REACT Group 10	Appreciate 20	City Pub Group 57	eEnergy Group 20	IDE Group 20	Lexington Gold 105
* Rurelec 5	Aquis Exchange 99	Clear Leisure 13	Egdon Res. 14	Ideagen 40	Limitless Earth 442
* SEC Newgate 1	Arbuthnot 44	Clinigen 16	Eleco 15	IDOX 71	Litigation Cap.M. 19
* Sopheon 10	Argo Group 17	Colefax 153	EMIS Group 24	IGas Energy 31	Livermore Inv. 28
* Tertiary Minerals 2	Argos Resources 33	Conduity Capital 83	Empresaria 156	Ilika 33	Loungers 107
* Windar Photonics 8	Ascent Res. 101	Corero Net.S. 13	Equatorial Palm 15	Image Scan 19	M & C Saatchi 37
Abbey 162	AssetCo 160	CPPGroup 18	Escape Hunt 83	Immedia Group 25	Maestrano 41
Abcam 69	Atalaya Mining. 52	Creo Medical 35	Europa Oil & G. 17	Impellam 19	Maintel 63
Access Intellig. 208	Attraqt Group 12	Croma Security 15	Falanx Group 20	Independent O&G 21	Malvern Intl. 11

Technical notes

OUR SHARE SELECTION PROCESS

Our strategy for selecting the 6 shares recommended in each issue is systematic, easy to understand, transparent – and very effective.

Our starting point is the uptrend list. Note that each share in our uptrend and downtrend lists carries a numeric suffix. This number represents the number of days that the 65-day moving average has been in uptrend or downtrend. For uptrend lists, this number is always positive. For downtrend lists, it is always negative.

All new uptrends (or downtrends) - those that have occurred in the past 10 business days - are collected together at the beginning of the lists, prefixed by an asterisk. However, we evaluate all shares that have been in uptrend (or downtrend) for up to 20 business days, because that is the number of business days since the last issue of *TrendWatch*.

New uptrends are the ones of most interest to investors because it is desirable to get into the trend early.

Having identified the new uptrends, our next step is to perform limited fundamental analysis on them. The idea is to produce a shortlist of companies whose shares appear to have potential to appreciate in value.

Finally, we do in-depth fundamental research on the shares in the shortlist. The six shares that, in our view, are the best of the bunch become our six formal share recommendations.

As described in the previous Technical Note (*Trend Definition*), the 65-day moving average is our prime moving average. Remember that, for a share to get into the list, all other criteria as set out in the above Technical Note have to be satisfied. If they are not, the share will disappear from the list. If all criteria are subsequently satisfied and the 65 -day MA was not affected, the share will reappear in the list as a mature (non-asterisked) trend. If the setback was such that the 65-day MA suffered a reversal, the recovery will see the share reappearing in the list as a new (asterisked) trend. ❑

☺ AIM-LISTED SHARES IN UPTREND (excl. inv. cos. and wts.) continued

Marechale Capital 14	PCI-PAL 60	Rosslyn Data T. 33	Star Phoenix 238	Touchstar 37	Webis Holdings 48
MaxCyte 188	Pennant Intl. 49	Sanderson Des. 157	Steppe Cement 90	Touchstone Exp. 174	Wemeja 341
Michelmersh 56	Petards 59	Science Group 49	Sumo Group 87	Tower Resources 16	WH Ireland 65
Mobile Tornado 15	Phoenix Copper 20	Science in Sport 17	Surface Transf. 27	Transense Tech. 29	Woodbois 24
Mortgage Advice 160	PipeHawk 96	SEEEN 360	Sylvania Platin. 158	Tremor Intl. 96	Wynnstay Group 28
MyHealthChecked 46	Pires Invest. 23	Seeing Mach. 159	Synectics 17	Tribal Group 123	Xeros Tech. 49
Naked Wines 52	Pittards 50	Sensyne Health 115	Tasty 52	Tristel 41	Xpediator 56
Netcall 164	Portmeirion Group 61	Sigma Capital 15	Tatton Asset M. 27	TruFin 149	Xtract Res. 27
Next Fifteen 118	President Energy 25	Silence Therap. 27	Telit Comm. 62	ULS Technology 42	Young & Co 'NV' 52
Nostra Terra O&G 75	Proton Power S. 13	SimiGon 28	Ten Lifestyle 29	Union Jack Oil 15	Yu Group 55
One Media iP 12	Quartix Holdings 59	SkinBioTherap. 23	Tiger Royalties 20	UniVision Eng. 11	Zephyr Energy 21
Online Blockchain 47	Renalytix AI 26	Somero Enterp. 62	Titon Holdings 98	Volvere 21	Zinnwald Lithium 37
Oriole Res. 159	Renold 57	Spaceandpeople 40	Total Produce 108	Warpaint London 35	Zoo Digital 47
Osirium Tech. 11	RiverFort Glob. 165	Staffline Group 51	Totally 39	Watkin Jones 57	

☹ AIM-LISTED SHARES IN DOWNTREND 5.8%

* Asiamet Res. -10	* Newmark Secur. -5	Beeks Fin. Cloud -16	Empire Metals -49	Mysale Group -13	Urban Exposure -16
* Bezant Res. -7	* OnTheMarket -3	BION -28	Galantas Gold -67	NAHL Group -27	Vast Resources -101
* Eurasia Mining -5	* Stanley Gibbons -4	Brighton Pier -32	Indus Gas -38	Oracle Power -96	Verditek -20
* First Property -7	* Van Elle -7	Caledonia Min. -71	Kingswood H. -19	Real Good Food -84	Watchstone -40
* Ingenta -2	Arcontech -17	Catalyst Media -76	Live Company -49	Scotgold Res. -34	Yourgene Health -69
* InnovaDerma -8	Arden Partners -33	Celtic -135	MelodyVR -20	SolGold -16	
* Ixico -7	Ariana Res. -43	City of Lond. Gp. -27	Metal Tiger -13	Sosandar -13	
* MyCelx Tech. -9	Bahamas Petrol. -23	Corcel -20	Minoan Group -17	Universe -112	

☺ EXCHANGE TRADED FUNDS (ETFs / ETCs) IN UPTREND 14.6%

* ETFS Live Cattle 7	ETFS Crude Oil 39	ETFS Soybean Oil 157
DB X-trackers Emerging Asia 170	ETFS Energy 32	ETFS Soybeans 146
DB X-trackers FTSE/XINHUA CHINA 25 69	ETFS Gasoline 57	ETFS Wheat 92
ETFS Agriculture (£) 108	ETFS Grains (£) 102	iShares FTSE BRIC 50 77
ETFS Agriculture 131	ETFS Grains 114	iShares FTSE/Xinhua China 25 30
ETFS All Commodities (£) 149	ETFS Heating Oil 47	iShares S&P SmallCap 600 $ 99
ETFS All Commods. DJ-AIGCI 151	ETFS Livestock 142	iShares S&P SmallCap 600 £ 84
ETFS Corn 112	ETFS Nickel 164	ROBO Glob. Robotics & Automat. ETF 175
ETFS Cotton 56	ETFS Petroleum 43	

☹ EXCHANGE TRADED FUNDS (ETFs / ETCs) IN DOWNTREND 2.8%

ETFS Phys. Precious Metals Basket (£) -17	iShares Euro Government 30yr Term -14	L&G Gold Mining UCITS ETF -70
ETFS Short Crude -104	iShares UK Govt.Inf.-Linked All Mats. -17	

☺ INVESTMENT COMPANIES IN UPTREND (excl. warrants) 15.9%

* Chelverton Growth Trust 5	Chrysalis Investmen Co. 30	Miton Global Opportunities 158	SVM UK Emerging Fund 84
* Civitas Social Housing REIT 4	CIP Merchant Capital 19	New Century AIM VCT 2 25	Town Centre Securities 57
* Proven VCT 8	Fidelity China Special Sit. 174	New Century AIM VCT 84	Tritax Big Box Reit 170
AEW UK REIT 25	GLI Finance 57	North Atlantic Sm. Cos. 57	Tritax EuroBox REIT 50
Amati AIM VCT 171	Gresham House IT 108	Oryx Intl. Growth Fund 168	TwentyFour Select Mthly.Inc. 42
Baillie Gifford China Growth 173	Gulf Investment Fund 155	Picton Property Income Trust 57	Unicorn AIM 156
Baker Steel Resources Trust 51	Hargreave Hale AIM VCT 1 160	Polar Cap.Glob.H'lthc. G.& I. 26	Urban Logistics 14
Baronsmead VCT 2 53	HG Capital Trust 160	Premier Milton Glob.Renew. 158	Utilico 52
Baronsmead VCT 3 38	Impax Env. Mkts. 161	Proven Growth & Inc. VCT 29	Value & Income Trust 57
BlackRock Income & Growth 15	INVESCO Asia Trust 164	PRS REIT 15	Warehouse REIT 49
Blue Planet Euro. Fin. 14	Jupiter Emerg. & Frontier Inc. 57	Real Est.Credit I. 52	Weiss Korea Opportunity 169
Bluefield Solar Income Fund 13	Jupiter Green IT 123	Schroder UK Public Private 23	
BMO Real Estate Invest. 34	LXI REIT 71	Scottish Mortgage & Trust 207	

☹ INVESTMENT COMPANIES IN DOWNTREND (excl. warrants) 3.5%

* Baillie Gif. Shiin Nip. -1	* Dunedin Enterprise Trust -3	Amedeo Air Four Plus -17	Myanmar Investments International -190
* Caledonia Inv. -4	Albion VCT -17	Burford Capital -16	Oxford Technology VCT -287
* Drum Income Plus REIT -9	Alina Holdings -44	KKV Secured Loan Fund -121	

Technical notes

BENCHMARKING

Accurate monitoring of our investment performance is of critical importance, both for you and for us. It is not enough to simply monitor the profit (or loss) on our selections. You are entitled to know how we have done *relative to the market as a whole.* It is no use us boasting of a 20% profit if the market as a whole has risen 30%.

We therefore monitor each of our recommendations against a **benchmark index.** Ours is the *FT All-share Index (exc. investment companies).*

Whenever we recommend a share, we record the value of this index as at the date the share was bought. When we do a valuation or when we sell a share, we record the latest value of the index. We then add the percentage change in the index to the cost of buying the share. This tells us how much our investment would have grown had we invested in a market tracker fund rather than in the actual share – the **market gain/loss**.

To determine how much we have outperformed (or under-performed) the market, it is tempting to subtract the tracker gain from the actual gain – but this is mathematically flawed. The industry-standard formula for outperformance / underperformance is:

((100 + actual gain) / (100+ tracker gain) x 100 – 100

If we sell a share at a profit, but the tracker index for that share shows an even bigger rise, we record it as a loss against the market. If we sell a share at a loss in a rising market, we record it as an even bigger loss against the market.

You can find how well each share has performed against the market by looking in the "Outperf." colum in the portfolio valuation table on page 2. ❑

Share sales

GOOD NEWS! Despite the setback on equity markets last week, we managed to get through the four weeks since the last issue with no stop-outs at all.

That gives me the space to write about the state of the markets right now.

The first thing to say is something pretty obvious that I'm sure most of you know already. No bull market ever goes straight up with no setbacks along the way. A periodic retracement now and again is actually a good thing. It shakes out weak holders; and lower prices attract new buyers for the next upward leg.

But, I hear some of you ask, are markets not overstretched? Are we not in a bubble?

Yes, but only on Wall Street. Many analysts, perhaps even most of them, agree that, by any rational analysis, equities on Wall Street are badly overstretched on historical measures.

But there are strong counter arguments. Take, for example, the view of Tom Lee from Fundstrat, one of Wall Street's top-ranked institutional analysts. He doesn't see how Wall Street can possibly be in bubble territory. How can he say that when the S&P 500 has surged nearly 70% in the last three years, and a 16% rally last year alone — in the middle of an economy-destroying global pandemic?

Well, as he points out, of the $3.1 trillion inflow into retail investment funds since 2008, only 6%, or $183 billion, has flowed into equities. The other 94% has gone into bonds. *That's* where the real mother of all bubbles lurks in plain sight.

One day, the bond bubble will explode like a nuclear weapon, causing carnage in its wake. But there's no reason to suppose that will happen any time soon. And I've seen no evidence that the much smaller equities market is imminently in danger of going the same way.

Yes, the global economy is in big trouble. But as you should know, there is no direct correlation between the stockmarket and the economy. As long as investors are assured that governments will continue to support the economy with cheap money, those investors will continue to invest in successful companies. They'll just be very selective about the companies in which they invest. As are we.

That said, you can clearly see from our uptrend and downtrend lists, as encapsulated in our page 1 *Barometer*, last week's market action certainly made its mark. But look more closely at the *Barometer* and there's quite a surprise.

Look first out what happened to Official List shares. It's much as we would expect: not much change in the percentage of shares in downtrend but a marked drop in the percentage of uptrends.

But now look at AIM shares. Hardly any change in uptrends or downtrends.

The net result is that AIM shares have suddenly become a lot stronger relative to the Official List. Only 19.5% of Official List shares are in uptrend compared to 31.6% for AIM shares.

We're not quite sure what to make of this but the one thing we can say is that it's unusual for AIM shares to outperform Official List shares by such a margin. ❑

TrendWatch Portfolio performance summary

Stop-loss sales during 2020

Share	Date bought	Date sold	Buy price (p)	Sell price (p)	Gain/ loss (%)	Mkt. gain/ loss (%)	Out-perf. (%) *
Sales previously reported in Jan - Dec 2020 (80 shares)					0.54	-12.16	14.46
Sales since last issue:							
NONE							

The TrendWatch Top Twenty – our all-time best-performing recommendations

Rank	Share	Date bought	Date sold	% gain	Rank	Share	Date bought	Date sold	% gain
1	ARM Holdings	04/02/99	24/03/00	937.5	11	Psion	21/01/99	31/03/00	394.0
2	Amstrad	25/11/98	31/03/00	879.5	12	Beazley Group	04/02/09	19/12/18	386.0
3	Keywords Studios	06/02/14	11/10/18	861.4	13	Frontier Developments	13/10/16	15/09/17	383.9
4	boohoo.com	20/08/15	01/10/17	642.1	14	Axon Group	22/07/99	06/04/00	349.0
5	Bloomsbury Publishing	03/09/98	18/02/01	522.5	15	Bizspace	10/04/03	30/06/05	320.2
6	Flomerics	20/08/98	18/04/00	489.3	16	easyJet	09/06/11	16/06/14	308.0
7	West China Cement	05/03/09	21/05/10	473.3	17	Peter Hambro Mining	03/01/03	10/05/04	302.0
8	Tanfield	11/05/06	15/08/07	468.6	18	Adv'd Computer Software	11/10/10	27/03/15	295.8
9	Alphameric	22/07/99	17/03/00	422.2	19	Burren Energy	01/04/04	18/05/06	294.9
10	Trafficmaster	12/11/98	05/04/00	407.8	20	Misys	14/02/96	13/08/98	285.5

THIS TABLE shows our all-time biggest gainers since *TrendWatch*was published.
IN THE NEXT ISSUE we'll show our best performers over the past 12 months, including shares still in the portfolio (regardless of when they were bought).