TRENDWATCH

Issue 2021/10 www.trendwatch.co.uk 15 September 2021

Notebook: *Important developments that may impact your investmentse*

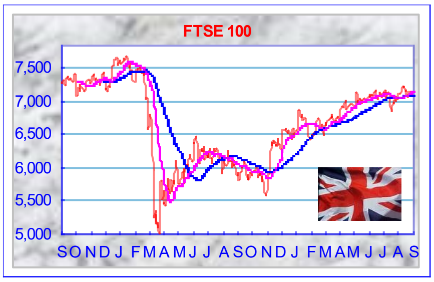
Hot news! Bitcoin breakthrough! El Salvador embraces it!

WHO WOULD have thunk it? Cryptocurrencies have been in the news again. If you're a crypto *aficionado,* it's great news. According to those in the know, hundreds of US banks will shortly announce to their customers that they will be able to buy and sell cryptocurrencies with ease. Yes, that even includes JPMorgan, whose CEO's scathing comments about bitcoin have attracted equally scathing comments from the crypto crew.

Today, the price of bitcoin is hovering around $47,000, having reached an all-time high of nearly $65,000 in April this year.

There was more good news for crypto in the past few days. Two more countries said they will embrace crypto in addition to the seven that have already shown their hands, namely Switzerland, Singapore, Gibraltar, Malta, Argentina, Portugal and Estonia. The latest two to join the club are those bastions of financial rectitude: El Salvador (Central America) and Ukraine, both notorious for their corruption... whereupon the bitcoin price fell from $53,000 to $46,000!

Apart from Switzerland, Singapore and Portugal, the other countries are a motley collection of C-listers.



Imagine what a fillip it would give to crypos if the US came on board.

So what exactly is this new upcoming arrangement that will facilitate crypto trading by US bank customers? This development is the result of a partnership between NYDIG (the bitcoin subsidiary of Stone Ridge, an $11 billion-plus alternative asset manager) and FIS, a massive Fortune 500 technology services business employing more than 55,000 people across more than 50 countries.

Many of you will be surprised to learn that you already have a passing acquaintance with FIS: it's the company that owns WorldPay, one of the payments agencies that we use to collect your subscriptions.

Anyway, the way this partnership will work is that NYDIG has developed the smartphone platform that banks will offer their customers to facilitate the purchase and sale of bitcoin, as well as record each customer's bitcoin holdings.

The role of FIS is to use its substantial ties in the banking community to forge connections to lenders and banks, big and small. Already, hundreds have signed up, from some of the largest in the nation to local chains with only a handful of branches each.

The idea is that many people wouldn't be comfortable opening an account or wallet with a specialist cryptocurrency exchange. But they would probably trust a banking app offered by their own bank.

So there you have it. Fill yer boots!

On second thoughts... not so fast. For a start, as I understand it, it's by no means certain that the NYDIG/FIS scheme will go ahead. The regulatory situation in the US is ambiguous and confused, to say the least. As recently as June, the US regulator, the SEC, said that, surprisingly, it had no plans to regulate cryptocurrencies, on the grounds that most cryptos are not "securities" but rather "commodities", over which the SEC has no jurisdiction.

That will greatly please crypto fans, who don't want to see cryptocurrencies becoming subsumed and manipulated by legacy Big Money interests

On the other hand, there have been several attempts in the US to launch bitcoin ETFs (exchange traded funds) , the price of which would be linked to the price of bitcoin. ETFs are certainly classified as "securities" and therefore fall within the SEC's regulatory remit. But the SEC has so far refused to authorise any such ETFs on the grounds that it could not guarantee safeguards against fraud and manipulation.

Meanwhile, congressional legislators are trying to sneak some draconian regulations through Congress,

(Continued on page 9)

TRENDWATCH Barometer

London-listed shares

% of total no. of shares monitored	16-Aug	13-Sep	% change on fortnight
OFFICIAL LIST:			
Uptrends	22.99%	16.40%	-6.59%
Indeterminate	67.58%	68.98%	+1.40%
Downtrends	9.43%	14.62%	+5.19%
AIM-LISTED:			
Uptrends	14.13%	18.37%	+4.24%
Indeterminate	64.92%	65.33%	+0.41%
Downtrends	20.95%	16.30%	-4.65%
INVESTMENT TRUSTS:			
Uptrends	27.59%	22.64%	-4.95%
Indeterminate	65.83%	70.76%	+4.93%
Downtrends	6.58%	6.60%	+0.02%
EXCHANGE TRADED FUNDS:			
Uptrends	25.57%	9.66%	-15.91%
Indeterminate	59.09%	84.14%	+25.05%
Downtrends	15.34%	6.20%	-9.14%

SHARE SELECTIONS IN THIS ISSUE

TrendWatch portfolio performance review

Warpaint up nearly 30%, Beeks and Macfarlane going strong

The TrendWatch portfolio: Valuation as at 13 September 2021

Share (EPIC)	Date bought	Buy price (p) *	Price now (p)	gain/ loss (%)	F/c gross yield (%)	Mkt. gain/ loss (%)	Outperf. (%)	STOP-LOSS **
Aquis Exchange (AQX) AIM	15/10/2020	410.00	**720.00**	75.6	-	23.6	42.1	**576**
Arrow Global (ARW)	17/09/2020	106.40	**306.00**	187.6	2.8	19.6	140.5	**245**
AstraZeneca (AZN)	27/05/2021	8100.00	**8173.00**	0.9	2.5	0.7	0.2	**6741**
Avingtrans (AVG)	23/07/2020	266.00	**435.00**	63.5	1.0	17.2	39.6	**360**
Beeks Financial Cloud Group (BKS)	12/11/2020	97.00	**153.50**	58.2	0.3	13.4	39.6	**123**
Begbies Traynor Group (BEG) AIM	04/02/2021	115.00	**131.00**	13.9	2.5	9.6	3.9	**107**
Blackbird (BIRD) AIM	17/09/2020	20.50	**38.50**	87.8	-	19.6	57.1	**31**
Bluebird Merchant Ventures (BMV)	29/04/2021	4.30	**3.10**	-27.9	-	1.9	-29.2	**3**
Brickability (BRCK) AIM	10/12/2020	53.50	**104.00**	94.4	2.1	9.1	78.2	**83**
Brooks Macdonald Group (BRK) AIM	04/02/2021	1890.00	**2350.00**	24.3	3.1	9.6	13.4	**1952**
Cake Box Holdings (CBOX) AIM	17/09/2020	167.00	**340.00**	103.6	2.0	19.6	70.3	**272**
Capital Ltd (CAPD)	29/04/2021	69.50	**79.40**	14.2	2.6	1.9	12.2	**57**
CareTech Holdings (CTH) AIM	02/08/2020	441.00	**680.00**	54.2	2.3	20.4	28.1	**544**
CentralNic (CNIC) AIM	28/05/2020	88.50	**105.50**	19.2	0.4	16.9	2.0	**84**
Cerillion (CER) AIM	01/04/2021	480.00	**815.00**	69.8	1.1	5.2	61.5	**676**
Clipper Logistics (CLG)	29/04/2021	690.00	**833.00**	20.7	1.7	1.9	18.5	**702**
CML Microsystems (CML) AIM	24/06/2021	445.00	**407.00**	-8.5	1.1	-0.2	-8.4	**356**
CVS Group (CVSG) AIM	25/06/2020	988.00	**2420.00**	144.9	0.3	18.4	106.9	**1960**
D4t4 Solutions (D4T4) AIM	19/08/2021	378.50	**385.00**	1.7	0.9	-0.4	2.1	**308**
Draper Esprit (GROW)	22/07/2021	960.00	**1116.00**	16.3	-	1.5	14.5	**893**
Duke Royalty (DUKE) AIM	22/07/2021	39.25	**45.50**	15.9	4.8	1.5	14.2	**36**
DWF Group (DWF)	27/05/2021	104.50	**114.00**	9.1	6.0	0.7	8.3	**93**
Eagle Eye Solutions Group (EYE) AIM	02/08/2020	245.00	**560.00**	128.6	-	20.4	89.8	**448**
Elixirr International (ELIX) AIM	04/03/2021	370.00	**580.00**	56.8	0.8	6.7	46.9	**464**
Entain (ENT)[1]	17/09/2020	905.60	**1926.50**	112.7	1.9	19.6	77.9	**1568**
Eurocell (ECEL)	01/04/2021	240.00	**280.00**	16.7	3.5	5.2	10.9	**224**
Franchise Brands (FRAN) AIM	15/10/2020	99.50	**142.00**	42.7	1.2	23.6	15.5	**110**
Frenkel Topping Group (FEN) AIM	15/10/2020	48.50	**73.50**	51.5	2.1	23.6	22.7	**59**
Future (FUTR)	25/06/2020	1236.00	**3830.00**	209.9	0.1	18.4	161.8	**3064**
Gamesys (GYS)	30/04/2020	877.00	**1836.00**	109.4	2.4	23.1	70.1	**1700**
Hargreaves Services (HSP) AIM	10/12/2020	256.00	**560.00**	118.8	3.6	9.1	100.5	**448**
Hilton Food Group (HFG)	30/04/2020	1120.00	**1124.00**	0.4	2.6	23.1	-18.5	**990**
Ideagen (IDEA) AIM	19/08/2021	294.00	**314.00**	6.8	0.1	-0.4	7.2	**251**
IronRidge Resources (IRR) AIM	22/07/2021	20.40	**21.50**	5.4	-	1.5	3.8	**17**
Joules Group (JOUL) AIM	17/09/2020	103.00	**233.00**	126.2	-	19.6	89.2	**225**
JTC Group (JTC)	25/06/2020	479.00	**801.00**	67.2	1.1	18.4	41.3	**641**
K3 Capital Group (K3C) AIM	10/12/2020	205.00	**351.50**	71.5	3.4	9.1	57.2	**292**
Kape Technologies (KAPE) AIM	10/12/2020	178.00	**356.00**	100.0	-	9.1	83.3	**285**
Kooth (KOO) AIM	04/02/2021	290.00	**388.00**	33.8	-	9.6	22.0	**310**
Kromek Group (KMK) AIM	22/07/2021	18.25	**17.75**	-2.7	-	1.5	-4.2	**15**
Liontrust Asset Management (LIO)	29/04/2021	1582.00	**2455.00**	55.2	2.7	1.9	52.4	**1964**
Lok'nStore Group (LOK)	27/05/2021	660.00	**845.00**	28.0	1.8	0.7	27.1	**676**
Macfarlane Group (MACF)	20/08/2020	93.20	**144.00**	54.5	2.1	20.4	28.3	**115**
Marshall Motor Holdings (MMH) AIM	12/11/2020	136.50	**257.00**	88.3	3.9	13.4	66.0	**206**
Medica Group (MGP)	27/05/2021	163.50	**167.00**	2.1	1.6	0.7	1.4	**138**
MJ Hudson (MJH) AIM	24/06/2021	52.00	**57.50**	10.6	0.8	-0.2	10.7	**46**
Motorpoint (MOTR)	15/10/2020	286.00	**335.00**	17.1	-	23.6	-5.2	**296**
OSB Group (OSB)	29/04/2021	482.20	**482.00**	-0.0	4.4	1.9	-1.9	**400**
Randal & Quilter Inv. Hldgs. (RQIH) AIM	12/11/2020	181.50	**170.00**	-6.3	4.0	13.4	-17.4	**152**
Redrow (RDW)	01/04/2021	637.00	**697.60**	9.5	3.8	5.2	4.1	**565**
RM (RM.)	22/07/2021	239.00	**235.00**	-1.7	2.4	1.5	-3.2	**193**

Continued on next page...

Performance review *(continued from page 2)*

...continued from previous page...

Share (and EPIC code)	Date bought	Buy price (p) *	Price now (p)	gain/ loss (%)	F/c gross yield (%)	Mkt. gain/ loss (%)	Outperf. (%)	STOP-LOSS **
S&U (SUS)	29/04/2021	2540.00	**2770.00**	9.1	3.9	1.9	7.1	2328
SDI Group (SDI) AIM	20/08/2020	64.50	**200.00**	210.1	-	20.4	157.5	160
SEC Newgate (SECN) AIM	04/02/2021	55.00	**90.00**	63.6	-	9.6	49.3	83
Smart Metering Systems (SMS) AIM	30/04/2020	598.00	**1030.00**	72.2	2.9	23.1	39.9	824
Sosandar (SOS) AIM	19/08/2021	31.25	**32.00**	2.4	-	-0.4	2.8	25
Springfield Properties (SPR) AIM	24/06/2021	163.50	**152.00**	-7.0	3.3	-0.2	-6.9	130
SRT Marine Systems (SRT) AIM	19/08/2021	36.00	**39.00**	8.3	-	-0.4	8.7	31
Supreme (SUP) AIM	19/08/2021	209.50	**205.00**	-2.1	3.4	-0.4	-1.8	169
TMT Investments (TMT) AIM	24/06/2021	9.80	**11.15**	13.8	-	-0.2	13.9	9
Tracsis (TRCS) AIM	11/01/2021	600.00	**1097.50**	82.9	-	5.6	73.2	878
Transense Technologies (TRT) AIM	22/07/2021	90.50	**99.50**	9.9	-	1.5	8.3	82
TT Electronics (TTG)	01/04/2021	232.50	**289.00**	24.3	2.1	5.2	18.2	231
UP Global Sourcing Holdings (UPGS)	23/07/2020	74.70	**217.00**	190.5	3.2	17.2	147.9	188
Vp (VP.)	19/08/2021	986.00	**1002.00**	1.6	3.3	-0.4	2.0	802
Warpaint London (W7L) AIM	04/03/2021	92.00	**230.00**	150.0	2.2	6.7	134.4	184
Westminster Group (WSG) AIM	24/06/2021	5.70	**5.65**	-0.9	-	-0.2	-0.7	4
[1]Formerly GVC Holdings	Averaged gains (%):			50.5		9.3	37.6	

TrendWatch portfolio's percentage profit:	**50.46%**	**Change since last full TW:**	**+3.02%**
Market's percentage profit (tracker fund)†:	**9.32%**		
TrendWatch has outperformed market by:	**37.64%**		

* 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).

THIS WAS a nervy four weeks for London equities, with investors concerned about Covid, inflation and tax increases. The FTSE All Share index fell over this period by 3.3%. But our portfolio was scarcely affected, rising by 3% over the same period; though admittedly there were also a couple of stop-outs (see back page). Furthermore, the table above shows that the portfolio has now achieved a gain of more than 50%, almost all of it dating from the post-Covid crash in the Spring of last year.

We had 6 double-digit percentage gains since the last issue – and 6 other shares missing out on the top table by less than one percent. There were just two corresponding fallers,

There were more orders for cloud-based video editing platform provider **Blackbird**, this time from *CBS Sports Digital*, and from an undisclosed *"globally recognised leader in live video technology"*. This latter contract, initially worth a minimum of €2m over 5 years, is something of a breakthrough for Blackbird. Not only will the undisclosed customer use Blackbird's software itself; it will also integrate Blackbird's software into its production suite, which it will then sell to its own customers around the world. Blackbird also announced that, as a result of its partnership with *TownNews*, its software is now being used by 75 out of a total of over 350 local TV stations in the US for digital news production. The shares gained 18.5%.

Smart Metering had some good news to disclose. First, it has secured a contract with *"a large energy supplier"* to provide various services, including the installation of at least 400,000 domestic smart meters. This boosts Smart Metering's installation pipeline to 2.75m meters. Secondly, it announced a contract to construct a further 50MW of grid-scale batteries. This boosts its order pipeline of such projects from 190MW to 240MW. Grid-scale batteries are critical to balancing the increasing volume of intermittent renewable generation and to further accelerate the adoption of renewables.

The last four weeks having been the peak of the summer holiday season, other news was somewhat thin on the ground, but here it comes.

Other news in brief:

Following the news reported in the last issue that the EU had approved *Forxiga,* a drug developed by **AstraZeneca** (down 3.0%) to treat the kidney disease CKD, the company announced that Japan has now also approved the treatment.

Clipper Logistics (up 4.0%) announced two new major contracts. The first is an extension to an existing contract with John Lewis, which involves additional e-commerce and store replenishment services. The term of the extended contract is three years. The second contract is similar, this time a 5-year deal with Ireland's biggest sports retailer, *Life Style Sports*. Clipper did not disclose the

4-week **GAINERS**	% gain	Reason
Warpaint London	+29.2%	No price-sensitive news. The share price may have risen ahead of anticipated strong full-year results, due in exactly one week, on 22 September.
Beeks Financial Cloud	+24.3%	No price sensitive news, apart from the acquisition of a new head office.
Macfarlane Group	+23.1%	Excellent H1 results, in which it reported doubled pre-tax profit. It said that full-year results would exceed its previous expectations.
Blackbird	+18.5%	See text.
Liontrust Asset Mgt.	+12.8%	No price-sensitive news.
Smart Metering	+12.3%	See text.

4-week **LOSERS**	% loss	Reason
Bluebird Merchant Ventures	-22.5%	No price-sensitive news.
Joules Group	-13.4%	No price-sensitive news.

Performance review (continued from page 3)

value of these contracts but they must be pretty sizeable, given that it will result in the creation of a total of 275 new jobs initially.

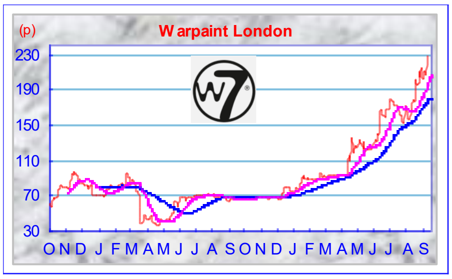
CML Microsystems (up 5.7%), the mixed-signal, RF and microwave semiconductors supplier for global communications markets, has now downgraded to AIM.

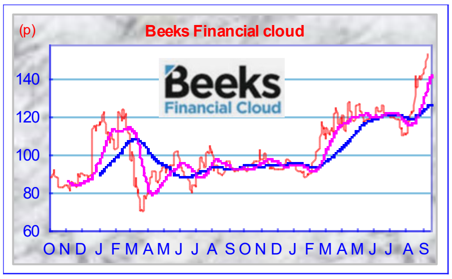
Building materials supplier **Eurocell** (up 9.8%) said in its interim report that, as a result of continued robust trading, it has raised its expectations for the full year and is reinstating its dividend.

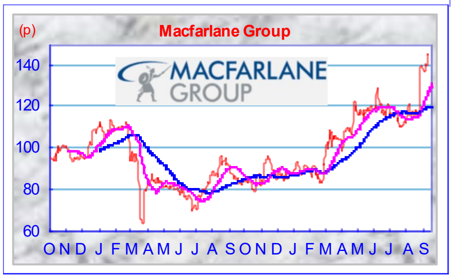
Specialist financial services firm **Frenkel Topping** (up 8.9%) is acquiring *Bidwell Henderson Costs Consultant* for a maximum of £1.5m. Bidwell specialises in drafting high-cost case plans when significant costs are involved in large scale and complex legal cases. Additionally, Frenkel has entered into its fifth joint venture; this one with law firm *Pattinson Brewer* which, like Frenkel, is a specialist in personal injury claims.

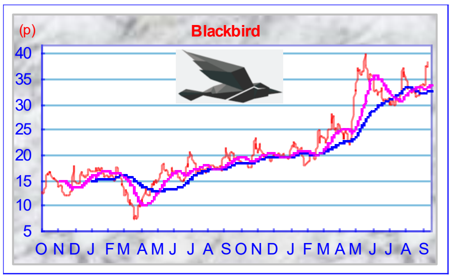
Magazine publisher **Future** (up 3.9%) has acquired *Dennis Publishing* for around £300m. Among the respected titles acquired are *Money Week, The Week, Kiplinger, Science & Nature* and *PC Pro*. Over the past 5 years, Future has acquired assets worth £1.1 billion and increased its underlying business by more than £2 billion.

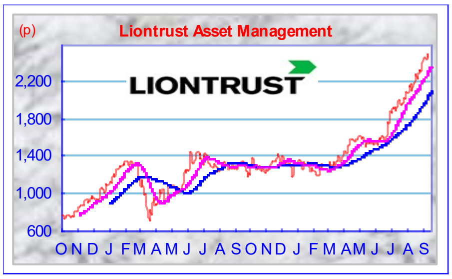
Finally, I recommended **IronRidge Resources** (unchanged) a couple of months ago mainly because its US partner *Piedmont Lithium* would be fully funding and fast-tracking the development of its Ewoyaa lithium project in Ghana to the tune of US$102m, subject to IronRidge satisfying certain conditions. These conditions have indeed now been satisfied, with the result that Piedmont has now taken the initial step of committing a further £1m to IronRidge, increasing its stake to 8.91% via a placing of IronRidge shares at 25p a share. ❑

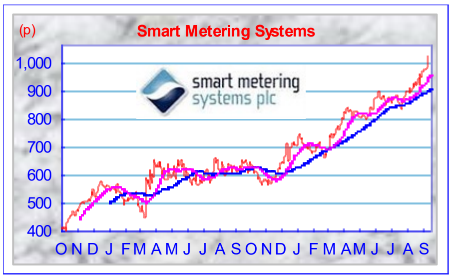












Six of the best – our picks from shares in the early stages of a new uptrend

Cenovus Energy acquisition is a game-changer for i3 Energy

i3 ENERGY (I3E)

Business description: **i3 Energy** is an oil producer and explorer. Its main assets are:

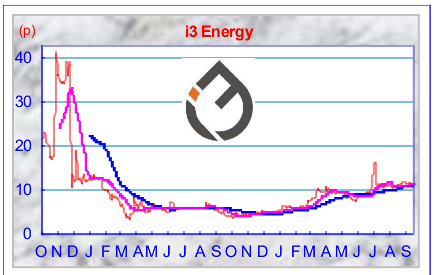
- A portfolio of producing assets from large contiguous holdings in the Western Canadian Sedimentary Basin (WCSB) in Alberta and Saskatchewan, Canada, acquired in two reverse takeovers:

  ⇒Owner/operator *Gain Energy*, completed in September last year;

  ⇒*Toscana Energy Income Corporation* in October last year.

  The resulting WCSB portfolio now comprises 242 operated wells at an average working interest of 78%; and 1,044 non-operated wells at an average working interest of 14%. The portfolio is located in 172,000 net developed acres and 186,000 net undeveloped acres of land.

- Two 100%-owned UK North Sea blocks containing the Liberator oil field, discovered by Dana Petroleum in 2013; and the Serenity oil field, discovered by i3 Energy in 2019. Both fields are in the outer Moray Firth off northern Scotland.



Its strategy is to use the revenue generated from its WCSB assets to finance the development of its two North Sea assets. It focuses on the development of discoveries located close to existing infrastructure and the exploitation of producing fields, whilst maintaining limited exploration exposure.

Founded in 2014, it listed on AIM in August 2017. It's also listed in Toronto.

TAM 2 is already invested in this share.

Bull points:

- i3 was able to pick up its Canadian assets at distressed prices, partly because of the low oil price last year; partly because there had been serious under-investment in the assets largely because of Canada's reliance on the US for its oil. Recent drilling by i3 has confirmed the potential of the area, unrecognised or overlooked by the previous operators.
- The July acquisition of additional Canadian assets from *Cenovus Energy* (see *Summary*, below) looks to have been a major coup. Among its benefits are:
  - ⇒ According to broker WH Ireland's estimates, the Cenovus acquisition will boost i3's cash flow per share by 13.7%; its 2P (proven and probable) reserves by 66.5% and its production by 22.5%.
  - ⇒ The acquisition adds around 143 net drilling locations, of which i3 has earmarked 80 for low-cost reactivations and workovers.
  - ⇒ i3 estimates that the break-even commodity price of its acquisition is just $11.05 per boe (barrel of oil equivalent), a bargain basement level. The 2P reserves were acquired

Six of the best (i3 Energy – continued from previous page)

for just \$0.68 per boe.

⇒ As well as the acquired oil and gas production and reserves, the Cenovus deal includes a network of 1,140km of operated pipelines and key processing facilities. All of this strengthens i3 Energy's strategic presence in the area.

⇒ It's very difficult at the moment for oil and gas companies to raise new capital in North America. There is therefore a mismatch between the number of potential sellers of oil and gas assets and the relatively few potential acquirers. The fact that i3 has been able to do this deal – and with a premium Canadian company at that – plus its track record of highly earnings-accretive deals in the past, puts i3 in pole position to do deals with other distressed sellers.

Year:	2016	2017	2018	2019	2020	2021**	2022**
Revenue (£m)	0	0	0	0	13.0	66.5	80.4
Pre-tax profit (£m)	-0.405	-2.94	-1.96	-10.9	11.7	13.2	33.8
Normalised eps (p)*	-1.57	-20.8	-5.15	-13.4	-1.08	13.2	33.8
Norm. eps growth rate (%)							+156
Prospective price/earnings (p/e) ratio:						0.86	0.34
Prospective p/e:earnings growth (PEG) ratio:						0.006	
Forecast dividend yield (%):						1.2	4.5

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

- The consensus price forecast for the shares is 20p, nearly 73% higher than the current price. WH Ireland's estimate is considerably higher at 29p, nearly double the current price.
- Because of its financial strength, it has already paid a special dividend. Going forward, the company has guided that it will pay "up to 30%" of free cash flow in dividends.
- It is currently negotiating with a potential farm-in partner with a view to progressing the Serenity discovery to production.

Risk factors:

- Poor drilling results, operational delays and/or serious cost overruns in its North Sea operations.

Summary: I last recommended i3 in early March this year. Initially, it performed brilliantly. On 5 July, the price was around double what we paid, sent aloft by a short-term buying spree. Yet just two days later, the price came crashing back down. This was triggered by the company's announcement of a placing and open offer to raise £40m to help finance the CA\$54m Cenovus acquisition.

The share price then plunged back, and we were stopped out, at a little above break even.

But why did the price fall back so sharply? It wasn't as if this was a deep-discount fund raise. The placing price was only a 3% discount to the average share price over the previous 15 days.

If this was a case of genuine investor selling, as opposed to some of institutional share price manipulation, then in my view, investors were sorely misguided. What's not to like about the Cenovus deal? I lay out the benefits in *Bull points* above.

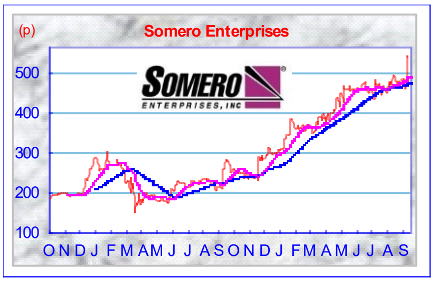
Nothing is certain in investment, but I'm as confident as I can be that, in view of the massive forecast growth in revenue and profit next year, a re-rating cannot be too long delayed, which even the current antipathy towards oil and gas producers will be unable to block. **BUY** (11.75p; yield: 3.5%; market capitalisation: £126.9 million; initial stop-loss: 9p; EPIC: I3E; sector: Oil & Gas; classification: AIM; website: https://i3.energy/). ❑

Nothing flat about Somero's recent record interim results

SOMERO ENTERPRISES (SOM)

Business description: **Somero Enterprises** designs, assembles, remanufactures, sells, and distributes concrete levelling, contouring, and placing equipment worldwide, as well as offering related parts and accessories, plus training services.

Its equipment is used to place and screed (i.e. provide a smooth surface finish) the concrete slab in various building types, including floors in multi-storey buildings. Its equipment is used in the construction of warehouses, hospitals, manufacturing assembly plants, exterior paving and parking structures, retail centres, and other commercial construction projects. Its cutting-edge technology allows its customers to install high-quality horizontal concrete floors faster, flatter and with fewer people.



It now markets and sells its products and services into some 90 countries, predominantly to small, medium, and large concrete contractors, as well as to general contractors.

This is a screen grab from a video showing one of Somero's machines in action. You can view the video here.

Its blue-chip customer list includes B&Q, Carrefour, Coca-Cola, Costco, FedEx, Home Depot, IKEA, Lowe's, Mercedes-Benz, ProLogis, Tesla, Toys 'R' Us, the US Postal Service and Wal-Mart.

It was founded in 1985, in Fort Myers, Florida.

Bull points:

- It has been working on new products:
  - ⇒ The SkyStrip, the newest product, was introduced in June 2021. It's an innovative solution for stripping plywood from ceilings for the structural high-rise market segment. It expands the group's range, now offering 18 products.
  - ⇒ In the first six months of this year, it also finished the development of a new product that extends its reach to another slab-on-grade market segment that is currently unaddressed by the company's product offering. That product's release is expected to be at the end of this year or early next year.
- It has an impressive institutional shareholder following. The roster includes: Unicorn Asset Management (the biggest, with a near-10% holding), Canaccord Genuity, Close Brothers, Artemis, Hargreaves Lansdown, River & Mercantile, Janus Henderson, Chelverton, Lazard Freres Banque and Aberdeen Standard.
- Wednesday's interim results announcement was far better than the market was expecting, requiring its management to upgrade its estimates for the current year to end-December. Its revenue, profitability and cash flow reached record levels. Revenues were up 82% at \$64.4m, while pre-tax profits were up 213% at \$23.5m. It more than doubled the interim dividend. The rapid acceleration of US non-residential construction activity in H1 2021 drove unprecedented demand for its products.
- Analyst David Buxton at finnCap has upped his price objective from 590p to 700p on the back of the interims and the group's current strength and confidence. That's 28% above the current price.
- To meet growing demand, it's expanding its manufacturing plant in Michigan at a cost of \$7.5m, scheduled for completion by the middle of next year.
- Even after the cost of the factory expansion and the raised

Six of the best (Somero Enterprises – continued from previous page)

dividend, Somero still expects its net cash position to improve to $36m at the year end.

Risk factors:

- Global supply chain issues and the increasing incidence of adverse weather events are both factors that could conspire to restrain Somero's growth trajectory.
- The one area of disappointment was the slow pace of demand in China.

Year:	2016	2017	2018	2019	2020	2021**	2022**
Revenue ($m)	79.4	85.6	94.0	89.3	88.6	120	128
Pre-tax profit ($m)	14.3	18.4	21.5	21.1	18.8	29.9	32.1
Normalised eps (¢)*	24.6	33.7	38.0	37.2	33.0	55.0	57.0
Norm. eps growth rate (%)	+23.0	+36.6	+12.8	-2.16	-11.3	+66.9	+3.64
Prospective price/earnings (p/e) ratio:						13.6	13.1
Prospective p/e:earnings growth (PEG) ratio:						3.74	
Forecast dividend yield (%):						5.5	5.1

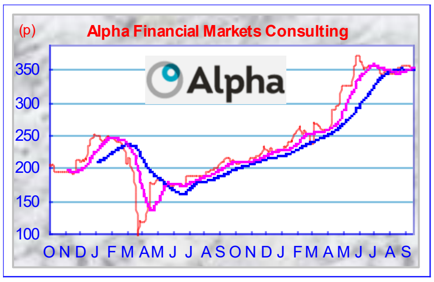
*Normalised earnings per share takes into account any unusual or one-off items **Forecast

Summary: For a company whose whole *raison d'etre* can be summed up in one word, 'flat', its current financial performance could hardly be more contrasting. The institutions have long been aware of Somero's potential, hence their stakes in the company. But even they seem to have been taken by surprise by the acceleration in Somero's growth. It's time for us to join them. **BUY** (560p; yield: 5.2%; market capitalisation: £305.9 million; initial stop loss: 448p; EPIC: SOM; sector: Machinery, Equipment & components; classification: AIM; website: *https://www.somero.com/*). ❑

Alpha services 90% of the world's biggest asset managers

ALPHA FINANCIAL MARKETS CONSULTING (AFM)

Business description: The snappily-named **Alpha Financial Markets Consulting** (I'll refer to it henceforth as "Alpha" to avoid repetitive strain injury to my typing finger) is a leading London-based global provider of specialist consultancy services to the asset management, wealth management and insurance industries. It helps its clients to deal with complex organisational, operational, technological and regulatory challenges. It has over 550 consultants across 15 offices(5) spanning the UK, Europe, North America and the Asia Pacific region.



Alpha has the largest dedicated consulting team in the industry. It has provided consultancy services to over 550 clients, including 90 per cent of the 20 largest global asset managers by assets under management (AUM) and a range of other buy-side firms.

Contracts range from small (4-8 weeks, worth around £100,000) up to major (one year-plus, multi-country, worth more than £2m). The larger contracts usually arise from mergers and acquisition (M&A) activity. An example of the latter is the acquisition of Standard Life by the ludicrously renamed Abrdn, until recently called Aberdeen. (Following Abrdn's lead, we're now discussing whether we should change our name to *Trndwtch Asst Mngmnt*)

Alpha was established in 2003 after its founders recognised that the large integrated consulting businesses were not servicing the asset management industry well.

It listed on AIM in 2017. It's still the only listed consulting company specialising in the financial sector.

Bull points:

- It has only recently expanded into the insurance market, which has similar dynamics to the asset management and wealth management segments. Management believes that insurance has the potential to double revenues.
- North America is at the heart of its growth strategy, since that market is six to seven times the size of its traditional UK market. It has been ramping up its presence in North America, hence the May acquisition of New York-based Lionpoint for up to $90m, part-financed by a £31m fund raising, which comfortably covered the £24.5m down payment. Lionpoint is a specialist in alternative investments (private equity, venture capital, hedge funds, managed futures, commodities and real estate). The alternative investments segment is growing significantly faster than the conventional sector (equities, bonds and cash).
- Its last set of full year results were excellent – and they don't even include Lionpoint.
- As well as North America, it's also growing strongly in Europe and Asia.
- Its last set of full-year results were strong, given the impacts of Covid. It still managed to win 58 new clients during the period, entirely from organic growth.

Risk factors:

- As part of the company's management incentive plan, share options are granted. This can lead to a dilution of existing shareholders. This dilution is limited to a maximum of 10% over 3 years.
- The shares are not conspicuously cheap, but Alpha's forecast growth rate is such that the company should quickly grow into its current valuation – by which time the share price will likely have moved further ahead.

Year to March:	2017	2018	2019	2020	2021	2022**	2023**
Revenue (£m)	49.2	66.0	76.0	88.9	98.0	128	146
Pre-tax profit (£m)	-4.41	-0.442	9.20	6.17	5.83	19.5	23.4
Normalised eps (p)*	-4.10	0.358	8.50	9.35	7.74	16.7	19.0
Norm. eps growth rate (%)			+2.28	-1.83	-7.31	+116	+14.1
Prospective price/earnings (p/e) ratio:						21.2	18.6
Prospective p/e:earnings growth (PEG) ratio:						1.5	1.4
Forecast dividend yield (%):						2.3	2.6

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

Summary: This is a company that, since its London listing, has steadily gained traction. With its recent quantum leap into North America via Lionpoint, its growth rate looks set to accelerate. And with a strong balance sheet and strong cashflow, Lionpoint could be just the start. Having doubled the size of the business over the past four years, management has set a target of doubling it again over the next four years. **BUY** (355p; yield: 2.45%; market capitalisation: £397.5 million; initial stop-loss: 284p; EPIC: AFM; sector: Professional & commercial services; classification: AIM; website: *http://alphafmc.com/*). ❑

Fonix dominates Comic Relief and Children in Need donations

FONIX MOBILE (FNX)

Business description: London-based **Fonix Mobile** provides mobile payments and messaging services for its multitude of clients across the entertainment, telecoms, media, enterprise and commerce sectors.

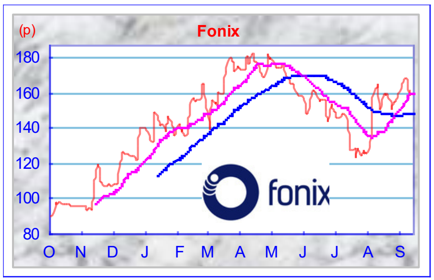
It's a high growth business driven by blue chip clients such as BT, Global Radio, ITV, Bauer Media, Comic Relief and Children in Need to name just a few.

When consumers make payments, they can be charged to their mobile phone bill. This service can be used for donations, cash deposits, content and ticketing. So if you've ever made a charitable donation to Comic Relief or Children in Need using your smartphone, chances are it was Fonix that processed your payment. Its cloud-based platform can handle over 2,000 transactions per second. On average, it handles around 50 million transactions per month.

The service works by charging digital payments to your mobile

Six of the best (Fonix Mobile — continued from previous page)

phone bill, either via Carrier Billing (where the transaction is charged directly to your bill) or SMS Billing (where the transaction fee is taken as a premium cost SMS message). Either way, no credit or debit card is required, greatly reducing the potential for fraud. The group also offers messaging solutions; for example sending in entries in response to competitions.



Fonix gets its revenue when it receives a transaction from a consumer. It deducts its cut, a percentage of the transaction amount, before passing the rest to its clients. However, for charity work such as comic relief, Fonix will typically charge a fixed fee plus a minimal percentage fee to cover its costs

It was founded in 2006 and floated on AIM a year ago next month, when it raised £45m in an over-subscribed IPO.

Bull points:

- Its trading update, issued at the end of July, reported strong earnings growth and expansion into international markets.
- On Thursday of next week, it will publish its full year results to the end of June. Revenues last year will have risen from £40.1m to around £45.1m, while adjusted pre-tax profits are estimated to have increased from £7.3m to £8.4m, with earnings up to 6.9p (6.1p), and a 5.2p dividend per share.
- Fonix has not lost a major customer in 7 years which reflects its strong relationships with its clients. It's actually difficult for a client to leave. This is because Fonix works very closely with the client, providing an ultra-reliable service, bespoke customer support and scalable solutions to satisfy the client's future needs. A client leaving Fonix would have to start from scratch with a competitor, involving a material risk of disruption.
- Because its platform is scalable, it can take on new clients at minimal marginal cost.
- Its dividend policy is to pay out 75% of its earnings per share as dividends.
- House broker finnCap has a target price of 200p.
- To further drive its growth, it expects to enter into at least one mainland European market in this year — Austria — and is in advanced negotiations with another European territory. Management is adopting a low-risk approach to international expansion, and will only enter a new market when it is led by an existing client and there is a robust regulatory framework.

Risk factors:

- It has around than 120 clients (21 of them picked up in its latest half year from a robust pipeline of prospects). However its top 10 customers account for 82% of total payment value, so the (admittedly unprecedented) loss of one of these companies could have a material effect.

Year to June:	2017	2018	2019	2020	2022**	2022**
Revenue (£m)	0.00	21.8	31.1	40.1	45.1	49.6
Pre-tax profit (£m)	0.00	2.34	3.92	6.02	6.81	7.61
Normalised eps (p)*	0.00	2.34	3.54	6.03	6.86	7.63
Norm. eps growth rate (%)			+51.0	+70.5	+13.7	+11.3
Prospective price/earnings (p/e) ratio					23.6	21.2
Prospective p/e:earnings growth (PEG) ratio					2.09	
Forecast dividend yield (%)					3.2	3.5

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

Summary: The company only floated on AIM less than a year ago; but it's already clear that it's a big success story. It's track record as a listed company may be short but it already fulfils our primary criterion of double-digit earnings growth. According to finnCap's analysis, it remains significantly undervalued relative to 40 of its peers. The pending overseas expansion adds extra spice. **BUY** (161.5p; yield: 3.5%; market capitalisation: £162.5 million; initial stop-loss: 129p; EPIC: FNX; sector: Telecommunications services; classification: AIM; website: *http://alphafmc.com/*). ❑

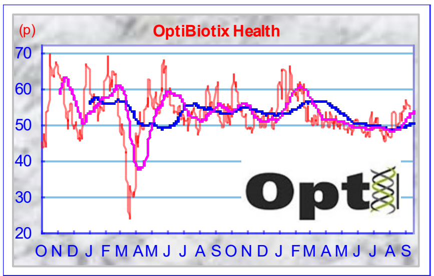
Seeking control of our 10-trillion organism microbiome

OPTIBIOTIX HEALTH (OPTI)

Business description: I now come to what is simultaneous the most speculative of this issue's picks, the share with the biggest upside potential and the company whose operations are the most complex and technical to explain. Bear in mind that I'll only be able to skim the surface here.

OptiBiotix Health brings science to the development of compounds which modify the human microbiome — the collective genome of the microbes in the body — in order to prevent and manage human disease and promote wellness.

OptiBiotix has an extensive R&D programme working with leading academics in the development of microbial strains, compounds, and formulations which are used as active ingredients and supplements. More than twenty international food and healthcare supplement companies have signed agreements with OptiBiotix to incorporate their human microbiome modulators into a wide range of food products and drinks.



OptiBiotix is also developing its own range of consumer supplements and health products. The company's current areas of focus include obesity, cardiovascular health, and diabetes.

It was formed in March 2012 and floated on AIM in 2014 via a reverse takeover by Dukat Ventures (formerly Ceres Media).

That's the bare bones of what the company does. Let me first lay out the basics of the human microbiome; then outline how the company is structured to capitalise on the opportunity.

The human microbiome is the umbrella terms referring to the micro-organisms (microbiota) in our bodies, including bacteria, archaea, fungi, protists and viruses. They are present at a number of sites around our body, including our skin; but the biggest by far is the gut. The human microbiota is estimated to comprise between 10 and 100 trillion micro-organisms, exceeding the number of our body's cells by up to 10 times.

These organisms play an active role in many of the functions of the body. The roles include breaking down difficult-to-digest foods, providing nutrition for organs such as the intestine and protecting against infection from other opportunistic pathogens.

An unbalanced microbiome can lead to all sorts of problems, including liver disease, obesity, type 2 diabetes, asthma and cancers of the intestinal tract.

As yet, the understanding of how the human microbiome works in practice is poorly understood. However, the field is attracting an increasing amount of research, and OptiBiotix is working closely with scientists in this field to develop new products.

OptiBiotix has three strings to its bow:

- *First generation products:* These are the revenue-generating Probiotics and Functional Fibres divisions. These two divisions are actively engaged in manufacture and sale of probiotic and prebiotic products and have recently become profitable. The main products are:
  - ⇒ LP_{LDL} This is a patented, FDA-approved probiotic, proven in multiple clinical studies to lower cholesterol and blood pressure. OptiBiotix has commercialisation agreements in more than 60 countries around the world, including two of the biggest probiotic companies in the world: Seed Health in the USA and AlfaSigma in Italy.
  - ⇒ Functional fibres: OptiBionix has two of these prebiotic products (*SlimBiome* and *WellBiome*) that can be added to foods such as muesli and porridge to promote feelings of fullness and wellbeing. They therefore address issues such as obesity. These products are being rolled out by its global

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

partners and are available in our own Holland & Barrett stores.

- *Second generation products:* These represent a shift into high-growth markets: *SweetBiotix* is a portfolio of sweet dietary fibres, targeting the sugar replacement market (currently dominated by *Stevia,* with a 33% market share). SweetBiotix offers scalable sweetness between 3 and 260 times that of sucrose, a clean flavour profile with low bitterness and a positive impact on the gut microbiome through prebiotic activity. A US partner has been granted an exclusive license. It will cover all manufacturing, marketing and commercialisation costs. In return, OptiBiotix will receive upfront, annual and product launch royalties from the partner going forward, plus royalties on any future product sales.
- *SkinBioTherapeutics (SBTX) holding*: OptiBiotix currently holds a 23.05% investment in the AIM-listed SkinBioTherapeutics, having initially spun the company out in 2018. Its current market value therefore contributes significantly to the overall value of OptiBiotix.

Bull points:

- Divesting itself of SkinBioTherapeutics has worked really well. The 23% stake that Optibiotix has retained is worth around £22m, or almost half of OptiBiotix's current £47m market cap. Add in the first generation products, which Cenkos values at £40m, and we get to £62m. That's already way above the OptiBiotix £47m market cap, so the shares are already significantly undervalued... and that's before attributing any value to its second generation products.
- If and when the company requires extra cash, SkinBioTherapeutics can provide it. For example, in its last full year results, OptiBiotix reported that it sold shares worth just under £1m. That was just 1/7th of the amount by which its SkinBioTherapeutics stake appreciated during the year.

Risk factors:

- This has been a "jam tomorrow" company for years. I'm taking the view that the jam is now almost within grasping distance. But then again, events may conspire to cause the jam to slip from its grasp.
- OptiBiotix' second generation products do face competition from some strong players, including our own Tate & Lyle. However, none of the other companies are focused on prebiotics like OptiBiotix.

Year:	2016	2017	2018	2019	2020	2021**	2022**
Revenue (£m)	0.288	0.191	0.514	0.745	1.52	2.22	17.4
Pre-tax profit (£m)	-1.30	1.91	-1.92	-2.37	5.80	-0.774	5.69
Normalised eps (p)*	-1.67	-0.875	-2.53	-2.63	3.24	-0.88	6.68
Norm. eps growth rate (%)							
Prospective price/earnings (p/e) ratio							8.01
Prospective p/e:earnings growth (PEG) ratio							0.141
Forecast dividend yield (%)						-	-

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

Summary: OptiBiotix is a small company, currently valued at under £50. Normally, such companies don't attract significant broker research – unless the company is reaching some sort of inflexion point. Now we see a couple of brokers initiating coverage. Cenkos says "*We believe the market is currently undervaluing OptiBiotix, in particular, undervaluing the first-generation product market value and ascribing little to no value to the second-generation platforms*". Cenkos's price target is an extraordinary 220% above the current price. The current consensus target price is 93p, which is nearly 74% above the current price.

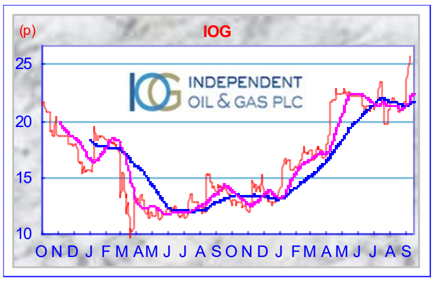
Are the analysts correct in being so bullish? Well, if they're wrong, there will be an awful lot of egg on their faces... and on ours. **BUY** (53.5p; yield: nil; market capitalisation: £47.5 million; initial stop-loss: 42p; EPIC: OPTI; sector: Biotechnology & medical research; classification: AIM; website: http://www.optibiotix.com/). ❑

IOG's first gas comes ashore in just weeks – as gas prices soar

IOG (IOG)

Business description: Renewable energy is making great strides in increasing its contribution to energy consumption, to the extent that anything to do with hydrocarbons has become synonymous in some people's eyes with works of the Devil him/herself. If Extinction Rebellion had their way, all internal combustion engines would be banned tomorrow, if not sooner; and all flights grounded. If I had my way, I would round them all up, dump them on a desert island miles from anywhere and see how they get on without energy.

The truth is that it will take time for us to become carbon-neutral (if such a time ever comes). It isn't going to happen overnight, and no amount of alienating ordinary people trying to go about their lawful business is going to speed up the process.



All if which is to preface the observation that I began this issue's *Six of the Best* with an oil company, and I shall again poke the XR vandals in the eye by defiantly recommending a natural gas producer.

The anonymous-sounding **IOG** (formerly Independent Oil & Gas) owns and operates a 50% stake in substantial low risk, high value gas reserves in the UK Southern North Sea. Its joint venture partner is *CalEnergy Resources,* owned by Berkshire Hathaway.

Its Saturn Banks Project comprises a number of fields: Blythe, Elgood, Southwark, Nailsworth, Elland, Goddard, Abbeydale, Kelham North, Kelham Central, Thornbridge, Southsea, and Harvey.

Your eyes probably glazed over at "Nailsworth". If you're interested in seeing where all these fields are situated, and how they're linked by pipelines, it's best to visit IOG's website.

IOG also holds a 50% operated stake in Licence P2589 containing the Panther and Grafton gas discoveries.

Bull points:

- The strategic masterstroke behind IOG's SNS gas strategy, and the key to unlocking the latent potential of these gas fields, was the acquisition of the decommissioned Thames pipeline at negligible cost. It's in excellent condition and is suitable for recommissioning, with more than sufficient capacity for IOG's current needs. Utilisation of this pipeline for transporting the gas to shore will save up to £100m in capital costs and the same again in operating costs over the core project's life, while saving up to three years compared to building a new pipeline. It's also an important strategic asset, providing a key advantage for any further acquisitions/developments in the area while offering the potential for third-party tariff income.
- It's on track to deliver first gas from the Blythe and Elwood fields before the end of the year, with Southwark following in Q2 next year. That will complete phase I of the project. Phase 2 includes the Nailsworth, Elland and Goddard fields, expected to come on stream in 2023 and 2024.
- It will be delivering that gas into a rampant gas market, with winter gas prices having soared above 100p per therm, about double the price in previous years.

Year:	2016	2017	2018	2019	2020	2021**	2022**
Revenue (£m)	0.00	0.00	0.00	0.00	0.00	14.6	115
Pre-tax profit (£m)	-21.4	-2.75	-5.64	15.0	-19.3	-1.05	50.7
Normalised eps (p)*	-1.48	-2.31	-4.24	-3.52	-1.38	-0.593	11.5
Norm. eps growth rate (%)							
Prospective price/earnings (p/e) ratio:							2.21
Prospective p/e:earnings growth (PEG) ratio:							0.144
Forecast dividend yield (%):						-	-

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

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

- It has £56m on the balance sheet, which management reckons will be enough to bring the first gas ashore.
- The successful delivery of Phase 1 of the project, and the subsequent cash flow it delivers, will fuel IOG's larger Southern North Sea ambitions.

Risk factors:

- North Sea energy production is inherently high risk. IOG has already experienced delay and cost overruns due to operation difficulties. Too much of that and its banking covenants could be breached —although CalEnergy will be a supportive partner.

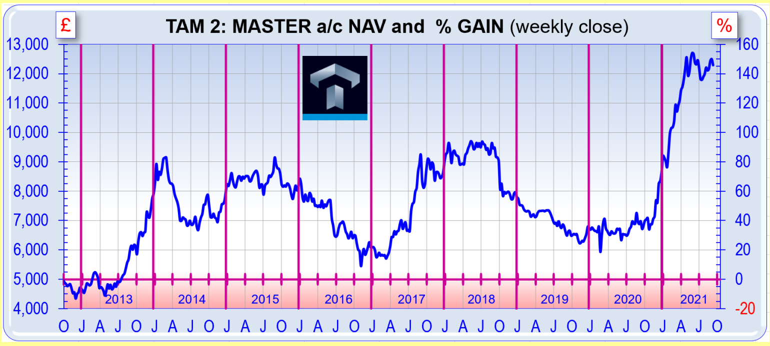
Summary: IOG is on the final countdown to first gas production before this year is out. The big advantage of *TrendWatch* is to do with timing. We can pick up when the buyers are moving in. It seems they are doing so now. This seems an auspicious time to join them. **BUY** (26p; yield: nil; market capitalisation: £123.6 million; initial stop-loss: 20p; EPIC: IOG; sector: Oil & gas; classification: AIM; website: *http://www.iog.co.uk/*). ❑

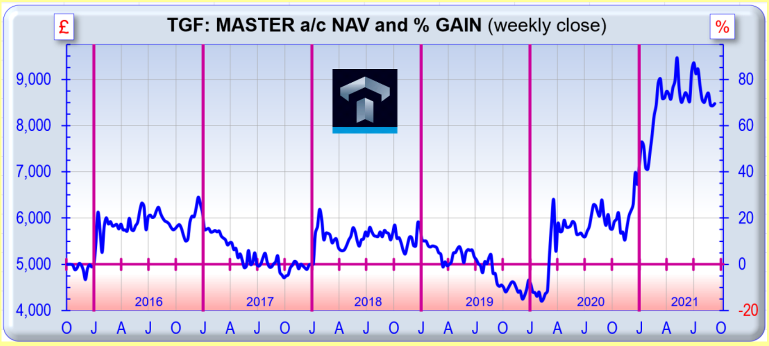
TAM 2 and TGF – a progress report

Market volumes are pretty low at the moment —on AIM, they're less than half what they were in the Spring. And the Footsie is going nowhere fast, as you can see from the front page. So it's not surprising that TAM 2 (and indeed TGF) are spinning their wheels at the moment. Hopefully volumes will pick up now that the holiday season is behind us (if the holiday season still exists post-Covid).

One important point to note. The next time you log in to your TAM 2 account, don't be alarmed to see that your gain on open trades has plunged almost to zero. Look more closely and you'll see that your account balance has risen by a corresponding amount.

This is of course due to the scheduled roll of the expiring September contracts into December, which has had only a minor impact.





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)

embedded in Biden's $1 trillion infrastructure bill. The bill would require all crypto "brokers" to hand over customer information to the Inland Revenue Service (IRS). That alone would shred the dreams of the crypto crowd's dreams of a brave new world of anonymity. But that isn't the half of it. The bill defines "brokers" as anyone or anything that "*effectuates* [in English, they mean 'effects'] *transfers of digital assets*". That would include crypto miners, validators, drafters of smart contracts, software developers, etc., and the suppliers of services to all of the above. It's a ridiculous overkill and the crypto community are lobbying furiously against it.

Before I resume discussing crypto, allow me to digress for a moment to the internet. You really don't need me to tell you that internet fraud is rife, allowing criminals to get away with literally billions in ill-gotten gains. In June, Microsoft's LinkedIn platform suffered a massive data breach. This has compromised the private information of 700 million user accounts, or roughly 92% of all LinkedIn users. So if you're a LinkedIn user… sorry, but your personal information is almost certainly in the hands of criminals.

But don't fret. You're not alone. The LinkedIn hack was only the third biggest in history. Here are the Top Ten:

1. Yahoo (I)	Aug 2013	3 billion accounts
2. Alibaba	Nov 201	1.1 billion pieces of data
3. LinkedIn	Jun 2021	700 million accounts
4. Sino Weibo (China)	Mar 2020	538 million accounts
5. Facebook	Apr 2019	533 million users

Notebook (continued from page 1)

6. Marriott Intl. customers	Sep 2018	500 million
7. Yahoo (II) accounts	2014	500 million
8. Adult Friend Finder accounts	Oct 2016	412.2 million
9. MySpace accounts	2013`	360 million
10. NetEase accounts	Oct 2015	235 million

With that almost bottomless pit of private information to exploit, it's no wonder that criminals have extracted billions from internet users, costing banks billions as well.

As recently as a couple of weeks ago, even we suffered a £200 fraud. It wasn't our fault — a hacker hacked the Facebook account of one of our suppliers, which apparently included our company's debit card details. Fortunately, our bank was quick to accept that it was a fraudulent transaction and reversed it straight away. Chances are something similar has happened to you, or at least you know someone who had a similar experience.

But with the advent of cryptocurrencies, fraud like this will be a thing of the past, right? After all, the revolutionary blockchain technology that makes crypto possible has key advantages:

- The transactions passing through the blockchain are anonymous.
- There is a permanent, unalterable record of the transaction, with end-to-end encryption. Transactions cannot be altered or deleted. Every transaction is dated and time-stamped. This shuts out the fraudsters.
- The blockchain record is duplicated many times across a network of computers, rather than being held on a single server or group of servers. Thus the blockchain computer networks are unhackable. All copies must agree with each other.
- The blockchain aids trust. Two parties can transact business directly with each without using a third party intermediary such as a bank, even though the parties don't know each other.
- The blockchain is not controlled by any single entity.

What's not to like? Who could possibly be opposed to the abolition of fraud? Bitcoin hasn't been hacked in the 12 years of its existence.

Alas, real life has a habit of bringing you down with a bump. While the bitcoin blockchain has never been hacked, that hasn't prevented billions of bitcoins and other cryptocurrencies from being stolen

Until recently, by far the biggest crypto heist was the Mt.Gox debacle. At its peak, this Japan-based crypto exchange was handling 70% of all bitcoin transactions worldwide. But in 2014, the exchange was hacked and 850,000 bitcoins stolen, worth $450m at the time.

That record was surpassed just last month, when a hacker exploited a security flaw in the crypto exchange Poly Network and stole $600m worth of Etherium, Binance and other tokens.

Crypto exchanges are the Achilles heal of crypto. To buy or sell cryptos, you pretty much have to go through a crypto exchange. There are several vulnerabilities that criminals can exploit:

- Like any other online accounts, crypto exchanges can be hacked. If they are, the thieves will make off with not just your stash but everyone else's as well.
- They hold your private keys. There is a possibility that your private key will be hacked or leaked.
- Exchanges are constantly bombarded by phishing scams, just like the rest of us. And just like the rest of all, one day an exchange may fall for it.

An Australian research organisation called Crypto Head recently compiled a year-by-year record of crypto fraud. Here is a summary of their findings (which you can read in full here):

Year	Number of breaches and fraud	Average value	Total value	% increase/ decrease of the number of breaches and fraud
2011	9	$1,091,222	$9,821,000	
2012	14	$437,929	$6,131,000	+55.60%
2013	17	$813,028	$13,821,480	+21.4%
2014	13	$48,826,538	$634,745,000	-23.5%
2015	10	$40,077,000	$400,770,000	-23.1%
2016	5	$29,453,800	$147,269,000	-50%
2017	21	$223,524,667	$4,694,018,000	+320%
2018	22	$196,434,045	$4,321,549,000	+4.8%
2019	27	$156,350,222	$4,221,456,000	+22.7%
2020	38	$46,538,500	$1,768,463,000	+40.7%
2021 to date	32	$93,312,500	$2,986,000,000	Incomplete figures for 2021

Pretty sobering, don't you think? Incidentally, Crypto Head is not trying to tear down crypto; just the opposite — it exists to promote crypto and educate the public. When it comes up with a report like this, you know that there's a lot of work to be done before the infrastructure can be trusted.

The report goes on to provide this summary:

- A staggering total of $19.2 billion has been stolen through crypto and wallet breaches and fraud in the past 10 years.
- On average, the number of offences is growing by 41% a year.
- 2017 was the worst year on record.
- Bitcoin was the most targeted currency, accounting for one third of breaches and fraud.
- 5/6ths of all losses were the result of fraud rather than breaches of crypto exchanges. Forgive my lack of knowledge of criminal techniques — it's beyond my pay grade — but it seems to me that cryptocurrencies are just as vulnerable to fraud as every other monetary activity.
- Some of the frauds involve the resurgence of the common or garden Ponzi scheme, where the promoters of a particular crypto coin promise unrealistic returns, which are paid out of the funds from new investors. Eventually, the music stops and the whole edifice collapses in on itself. The biggest such scam was OneCoin, which lost investors $4 billion. The founder, Ruja Ignatova, disappeared in 2017 and has yet to be found.

I would love to see cryptocurrencies succeed. Almost anything is better than the current system, in which

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)

governments and central banks collude to run up staggering levels of debt that can never ever be repaid.

But governments and law enforcement agencies do have a responsibility to fight crime. These days, money laundering, and the financing of activities such as terrorism, people trafficking and drug running are huge problems for society. Are governments going to stand aside and allow the scum of the earth to go about their business, anonymously moving billions of ill-gotten gains around the globe without restraint?

I for one sincerely hope not. ❑

☺ OFFICIAL LIST SHARES IN UPTREND (excl. inv. cos. & wts.) 16.4%

* Anglo-Eastern 3	Ashtead 327	Electrocompon. 22	JD Sports Fash. 28	Old Mutual 22	Smart (J) & Co. 172
* Avation 2	Caffyns 72	Experian 80	JKX Oil & G. 49	OTAQ 29	Smith (DS) 23
* Clarke (T) 5	Cairn Energy 22	FDM Group 37	JTC 29	Oxford Biomedica 82	Softcat 31
* Greencore 1	Capita 24	Ferguson 103	Kainos Group 36	PayPoint 22	Spectris 32
* Gresham Tech. 4	Cardiff Property 160	Flutter Entert. 22	Kin & Carta 249	Pets at Home 37	Spirax-Sarco 113
* Intermediate Cap. 2	Chesnara 16	Frasers 125	Liontrust Ass. M. 124	Premier Foods 94	SThree 175
* Panther Sec. 10	Clarkson 120	Future 125	Lon. Fin. & Inv. 110	Quarto Group 23	TBC Bank 55
* Raven Property 9	Coats Group 79	Genuit Group 82	Macfarlane 12	Rathbone Bros. 38	Tesco 36
* Redrow 6	Computacenter 37	Grainger 103	Marks & Spencer 15	Renewi 209	Travis Perkins 37
* Renishaw 1	Creightons 35	Halma 79	Marshalls 28	Rentokil Initial 36	Trustpilot Group 18
* South32 9	Croda 80	Helios Towers 14	Mears Group 22	Rightmove 72	Vivo Energy 13
* Thungela Res. 4	Diploma 32	Hill & Smith 129	Morgan Sindall 22	RPS Group 227	VP 40
* Triad Group 5	DiscoverIE 106	Indivior 94	Morrison (W) 88	Sage Group 120	Wilmington Group 69
Aptitude Software 18	DP Eurasia 14	IP Group 23	Ninety One 14	Savills 23	

☹ OFFICIAL LIST SHARES IN DOWNTREND (excl. inv. cos. & wts.) 14.6%

* Ashmore Group -6	Assd.Brit.Foods -77	Conduit Holdings -15	IWG -71	Pharos Energy -42	Superdry -24
* Canadian O'seas -2	Avon Rubber -69	EasyJet -54	Johnson Matthey -39	Phoenix Gp.H. -69	Tate and Lyle -46
* Cellular Goods -8	Balfour Beatty -17	Ferrexpo -26	Jupiter Fund M. -19	Polymetal Intl. -26	Tharisa -66
* Coca-Cola HBC -4	Bluebird Merch.V -42	Fuller Smith and	Just Group -54	PPHE Hotel Gp. -41	TheWorks.co.uk -22
* Georgia Capital -2	BT Group -14	Turner -45	Kavango Res. -14	Quilter -21	TUI Travel -48
* Menzies (J) -8	Burberry -19	Genel Energy -85	Lamprell -53	Resolute Mining -24	Tullow Oil -32
* Palace Capital -6	Camellia -46	Go-Ahead Group -70	Lloyds Banking -23	RHI Magnesita -50	Unilever -29
* Record -6	Carclo -25	Halfords -16	M&G -20	Rio Tinto -26	Wetherspoon (J) -65
* TI Fluid Systems -9	Castings -11	Hargreaves Lan. -29	McColl's Retail -24	Royal Mail -26	Wincanton -42
* U and I Group -10	Centamin -27	Hostelworld -34	National Express -76	Sabre Insurance -33	Worldsec -48
* Zotefoams -10	Chill Brands -102	HSBC -50	Parity -45	SAGA -45	
Abrdn -16	CLS Holdings -11	Hyve Group -12	Pearson -29	Smith & Nephew -31	
ASA Intl. -156	Compass -46	Intl. Con. Airlines -66	Persimmon -46	Stagecoach Gp. -76	

☺ AIM-LISTED SHARES IN UPTREND (excl. inv. cos. and warrants) 18.4%

* Access Intellig. 9	* Manx Financial 10	Beximco Phar. 20	Epwin Group 33	Learning Tech. 70	Sirius Real Est. 108
* Accrol Group 10	* Michelmersh 4	Boku 35	Equals Group 179	Lok 'N Store 85	Smart Metering 198
* Alpha Fin.Mkts. 2	* Mothercare 5	Cake Box 235	Ergomed 14	Manolete 31	Somero Enterp. 15
* Amiad Water S. 5	* Northbridge Ind. 10	CareTech 237	E-Therapeutics 20	Mattioli Woods 11	Sopheon 55
* Aura Energy 5	* Prime People 1	CEPS 181	Europa Oil & G. 15	Mercia Asset Mgt. 26	Sportech 28
* Belluscura 8	* Redx Pharma 5	Ceres Power 23	FD Tecnologies 17	Minds+Machines 109	SRT Marine S. 31
* Beowulf Mining 2	* RWS Holdings 10	China Nonferrous 21	Focusrite 164	MJ Hudson 100	Staffline Group 16
* Bigblu Broadband 8	* tinyBuild 3	Churchill China 231	Frenkel Topping 98	MPAC Group 23	Steppe Cement 14
* Blue Prism 9	* Trackwise Desig. 3	Circle Property 25	Fulham Shore 17	MTI Wireless E. 22	Sunrise Res. 27
* Clinigen 2	* ValiRx 4	Colefax 92	Gateley 215	NAHL Group 32	Tatton Asset M. 182
* Concurrent Tech. 7	* Velocity Compos. 1	Cora Gold 53	Gemfields Group 208	Netcall 31	Tekcapital 63
* Conroy Gold 5	4basebio UK 66	Croma Security 29	Gusbourne 179	Next Fifteen 274	Tintra 21
* Craneware 9	Accesso Tech. 17	Cropper (James) 76	Holders Tech. 68	Novacyt SA 14	Touchstar 20
* Diversified Ener. 10	Adams 36	CyanConnode 75	Horizonte Min. 11	OptiBiotix Health 25	Tracsis 188
* Elixirr Intl. 10	Aeorema Comm. 28	DCD Media 40	i3 Energy 53	Personal Group 35	Trident Royal. 34
* Eurasia Mining 7	Allergy Therap. 178	Dekel Agri-Vision 13	Ideagen 31	PHSC 107	TT Electronics 128
* Evgen Pharma 2	Alpha FX 84	Deltic Energy 28	iEnergizer 12	PipeHawk 21	Uniphar 156
* Falcon Oil 6	Amur Minerals 29	Dianomi 13	Instem Life Sci. 176	Pittards 16	Vertu Motors 31
* Flowtech Fluidp. 5	Animalcare 165	dotDigital 94	ITM Power 25	ProPhotonix 17	Vianet Group 27
* Fonix 1	Aquis Exchange 22	Draper Esprit 58	Journeo 20	Prospex Energy 65	Volex Group 31
* GB Group 4	Armadale Cap. 12	Eagle Eye Sol'ns 16	Judges Scientific 36	Renew 118	Warpaint London 191
* IOG 5	Asiamet Res. 16	ECSC Group 13	Keystone Law 60	Sanderson Des. 313	YouGov 80
* Inspecs Group 9	Augean 91	Eleco 22	Keyword Studios 30	Scotgold Res. 31	Young & Co 'NV' 30
* Kore Potash 5	Bacanora Lithium 23	Emmerson 20	Kooth 17	Serica 66	Yourgene Health 20
* Maestrano 6	Beeks Fin. Cloud 22	Enwell Energy 58	Latham (James) 108	SigmaRoc 243	Zephyr Energy 94

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 DOWNTREND 16.3%

* Andrews Sykes -3	Arcontech -16	Diurnal -56	iomart -116	Oxford BioDyn. -82	Slingsby (HC) -24
* Arbuthnot -6	Asimilar -17	eEnergy Group -59	Jersey O & G -92	Pan African Res. -39	Sound Energy -53
* Cellular Goods -8	ASOS -83	Empire Metals -205	Jet2 -50	Parsley Box -47	Spectra Systems -45
* Challenger En. -9	Best of the Best -66	Enteq Upstream -16	Johnson Service -28	Pembridge Res. -21	Stanley Gibbons -16
* Cornish Metals -9	Bezant Res. -30	EQTEC -112	Joules Group -19	Pennant Intl. -74	Synectics -79
* Dewhurst -8	Bidstack -120	Fevertree Drinks -38	KEFI Minerals -81	Petards -110	Tekmar Group -18
* Franchise Bran. -3	Borders & Sthn. -101	Fulcrum Utility -65	Kitwave Group -11	Plant Health C. -64	Thalassa Energy -23
* Gattaca -5	Brand Architekts -17	Galantas Gold -16	Landore Res. -44	Power Metal R. -58	Tiger Royalties -38
* K3 Business T. -8	Breedon Group -19	Galileo Res. -57	Lekoil -102	President Energy -39	Titon Holdings -14
* Leeds Group -10	Bushveld Min. -117	Genedrive -90	Live Company -13	Proteome Scien. -36	Union Jack Oil -61
* Litigation Cap.M. -9	Byotrol -46	GetBusy -86	Mercantile Ports -80	Proton Motor P. -103	Vast Resources -25
* One Media iP -8	Cadence Miner. -24	Getech Group -40	Mirriad Advertis. -63	Renalytix AI -19	Venture Life -20
* Pressure Tech. -4	Central Asia Met. -62	GYG -43	MobilityOne -21	Robinson -93	Verici Dx -11
* Smartspace Soft. -8	Chamberlin -27	Heavitree Brew. -201	Mulberry -30	Rockhopper Ex. -15	Versarien -26
* Thruvision -5	City of London G. -14	Helium One Gl. -22	Ncondezi En. -142	Salt Lake Pot. -100	W Resources -48
* Tungsten Corp. -5	City Pub Group -23	HSS Hire -12	Newmark Secur. -33	Sancus Lending -13	WANdisco -96
* Windar Photon. -8	Clontarf Energy -19	IDE Group -64	Nightcap -86	SDX Energy -80	WH Ireland -27
4D pharma -116	Cloudcall -38	Image Scan -38	Northamber -77	SEC Newgate -24	Xtract Res. -87
Accsys Tech. -11	Comptoir -22	Ince Group -64	Nostra Terra O. -105	SEEEN -32	Zanaga Iron Ore -85
Actual Experien. -32	Craven House C. -87	Inland Homes -47	OPG Power Ven. -87	Serinus Energy -107	
Adv. Medical Sol. -14	Creo Medical -17	Insig AI -34	Oracle Power -252	Silence Therap. -21	
Alien Metals -64	DeepMatter -105	InStyle Group -31	Origo Partners -50	SIMEC Atlantis -152	
Angling Direct -58	Dewhurst 'A' -64	Intuitive Invest. -41	Ormonde Min. -113	SimiGon -58	

☺ EXCHANGE TRADED FUNDS (ETFs / ETCs) IN UPTREND 9.7%

* iShares MSCI Japan SmallCap $ 10	ETFS Aluminium 241	iShares MSCI Eastern Europe 97
DB X-trackers MSCI Japan 22	ETFS Energy 187	iShares MSCI Japan 22
DB X-tr. MSCI Russia 25% Capped Ind. 97	ETFS Natural Gas (£) 72	iShares MSCI Japan SmallCap £ 22
DB X-trackers MSCI Taiwan 27	INVESCO IQQQ Nasdaq 100 UCITS 75	iShares MSCI Taiwan 27
DB X-trackers S&P CNX NIFTY INDIA 75	iShares AEX 215	ROBO Glob. Robotics & Automat. ETF 29
DB X-track. STOXX Europe 600 Tech. 78	iShares Core MSCI Japan IMI UCITS 23	

☹ EXCHANGE TRADED FUNDS (ETFs / ETCs) IN DOWNTREND 6.8%

* DB X-trackers MSCI Brazil -8	ETFS Physical Palladium -40	ETFS Soybean Oil -16
DB X-trackers MSCI Korea -25	ETFS Physical Platinum -65	ETFS Soybeans -36
ETFS Corn -30	ETFS Physical Prec. Metals Basket (£) -35	iShares MSCI Brazil -11
ETFS Grains -32	ETFS Physical precious metals basket -40	iShares MSCI Korea -25

☺ INVESTMENT COMPANIES IN UPTREND (excl. warrants) 22.6%

* Aberdeen Latin Amer. Inc. 4	Barings Em. EMEA Opport. 38	India Cap. Growth 314	Pacific Horizon IT 27
* Acorn Income 10	BlackRock Brit. Smlr. Cos. 236	JMF Japanese IT 22	Pantheon International 23
* AVI Global Trust 7	Blackrock Frontiers IT 14	JMF Smaller Companies IT 35	Polar Cap.Glob.H'lthc G. & I. 99
* CC Japan Inc. & Growth 10	British Smaller Cos. VCT 2 63	JPMorgan Elect Mgd. Grth. 242	Polar Capital Tech. 38
* CQS Nat. Res. Grth. & Inc. 4	British Smaller Cos. VCT 32	JPMorgan Emerging Markets 12	Premier Milton Global Renew 25
* Diverse Income Trust 2	Caledonia Inv. 106	JPMorgan Indian 59	Rights & Issues Inc. 24
* Geiger Counter 6	Chelverton Growth Trust 161	JPMorgan Russian 97	Riverstone Energy 73
* Regional REIT 2	Conygar Inv. 137	JPMorgan Sm. Cap Gr.& Inc. 11	Schroder Jaan Growth 30
* Standard Life Private Equity 8	Doric Nimrod Air One 20	K&C REIT 16	Schroder UK Mid & Small Ca 36
Aberdeen Japan IT 22	EE Special Opportunities 314	Kistos 100	Scottish Mortgage & Trust 73
Aberdeen New India IT 62	European Assets Trust 320	Marwyn Value 16	Scottish Oriental Smr. Cos. 77
Aberdeen Smaller Cos.Inc. 27	Fidelity Japan Trust 22	Maven Inc. & Growth VCT 4 206	Secure Prop. Devel. & Inv. 76
Africa Opportunity Fund 76	Fundsmith Emerging Equities 38	Miton Global Opportunities 314	Smithson Investment Trust 79
Allianz Technology Trust 27	Gore Street Energy Storage 76	Montanaro Eur. Smaller Cos. 78	Standard Life UK Sm. Cos. 109
Amati AIM VCT 13	Gresham House En. Storage 44	Montanaro UK Smaller Cos. 110	SVM UK Emerging Fund 77
AVI Japan Opportunity Trust 29	Gresham House Strategic 215	Myanmar Investments Intl. 39	Throgmorton Trust 316
Baillee Gifford Eur. Growth 77	Herald IT 32	Oryx Intl. Growth Fund 324	Tritax Big Box Reit 326
Baillie Gif. Shiin Ni. 22	Imax Env. Mkts. 37	Pacific Assets 32	Unicorn AIM 17

☹ INVESTMENT COMPANIES IN DOWNTREND (excl. warrants) 6.6%

* British & American -8	Baillie Gifford China Growth -21	Global Resources Invest. -32	KRM22 -62
* Custodian REIT -7	BlackRock Latin American -29	Globalworth -38	NewRiver Retail -71
* EP Global Opportunities -9	BlackRock World Mining IT -40	Infrastruct. India -66	NextEnergy Solar Fund -19
* Hygea VCT -4	Civitas Social Housing REIT -19	JPMorgan Asia Grth. & Inc. -48	Syncona -20
Aberdeen Standard Eq. Inc. -25	Drum Income Plus REIT -18	KKV Secured Loan Fund -78	Weiss Korea Opportunity -35

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

JUST THE TWO stop-outs since the last issue. Both were a little surprising in their different ways.

Superyacht painter **GYG** was surprising victim, given that it's in the middle of takeover talks with its second biggest shareholder. However, it looks to me as though key investors have now lost hope that this will ever happen – or if it does happen, it will be at a fire sale price. Talks have been interminable, with the Takeover Panel granting extension after extension, with no end in sight.

Shearwater, the cyber security group, never gained traction since we recommended it in May. At the end of June, well-received annual results provided a temporary respite; and rightly so, since it reported underlying EBITDA ahead of market expectations, as well as picking up another 150 customers, a similar number to the previous year even though Covid made things much more challenging. But the share gloss soon tarnished and the price continued to slide, leaving us with a nasty 27% fall.

With the year now nearly three-quarters done, I have a bit of space here to report on the shares that have been sold so far this year. Excluding the two most recent sales listed above, there have been 24 sales. There were 14 winners and 10 fallers. The net gain on these sales is a profit of 11.6%.

The biggest gain was 132.3%, logged by **Tremor International** in less than four months. The biggest loss was 28.3% from **Venture Life** – but that followed a 27,6% gain from an earlier investment in the same share.

These figures illustrate the wisdom of a key tenet of investment: Cut your losses and let your profits run. ❑

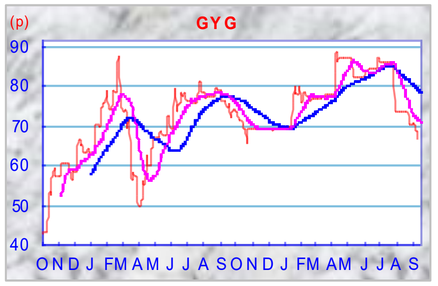
TrendWatch Portfolio performance summary

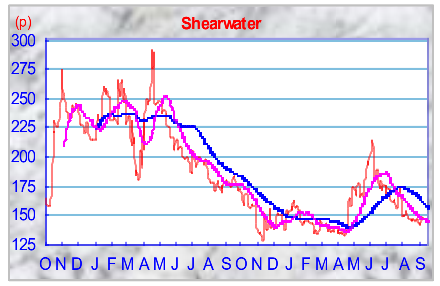
Stop-loss sales during 2021

Share	Date bought	Date sold	Buy price (p)	Sell price (p)	Gain/ loss (%)	Mkt. gain/ loss (%)	Out-perf. (%) *
Sales previously reported in Jan.to Aug. 2021 (24 shares):					13.37	5.79	19.60
Sales since last issue:							
GYG	04/02/21	08/09/21	77.50	68.50	-11.61	10.59	-20.08
Shearwater Group	27/05/21	01/09/21	196.00	142.50	-27.30	2.61	-29.15
Averaged gain / loss (%):					-19.45	6.60	-24.44

Percentage loss on most recent sales:	-19.45%
Percentage market gain (tracker fund):	6.60%
Trendwatch has underperformed market by:	-24.44% *

* See 'Benchmarking' note [panel, right, on previous page] to see how this figure is calculated.





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 *TrendWatchwas* 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).