

# Investment Trusts Quarterly

## Featured topic: Biotechnology & healthcare trusts

### Evaluating risk/reward: Ask a specialist?

The broad healthcare sector has a number of long-term value drivers. Chief among them are an ageing global population with more need of healthcare products and services, supported by increasing wealth and an ability to pay for drug treatments. The latter factor is especially true in the developing world. The biotechnology sub-sector is being buoyed by improved investor confidence emanating from the US, driven by increased M&A activity and speculation, and the ongoing necessity for large pharma companies to negotiate patent cliffs. Our healthcare team advocates a stock-picking approach where investors evaluate assets, potential and risk/reward. This should enable the identification of companies with an increased likelihood of solid share price performance, with or without M&A. For many investors this is an impossibly complex task and a specialist fund approach may be the answer.

### Exhibit 1: Key stats

Note: We have calculated the BB Biotech figures using data from Thomson Datastream, Bloomberg and BB Biotech, as BB Biotech is not a member of the AIC.

Company	Share price ret. on £100 (5 years)	(Disc)/ premium	5-year dividend growth	Dividend yield
BB Biotech AG	92.7	(23.5)	(100.0)	0.0
Biotech Growth Trust	206.7	(4.6)	N/A	N/A
International Biotechnology	112.8	(14.6)	N/A	N/A
Polar Capital Global Healthcare	N/A	0.5	N/A	2.9
Worldwide Healthcare Trust	160.8	(8.6)	38	2.0

Source: The Association of Investment Companies

### Analysts

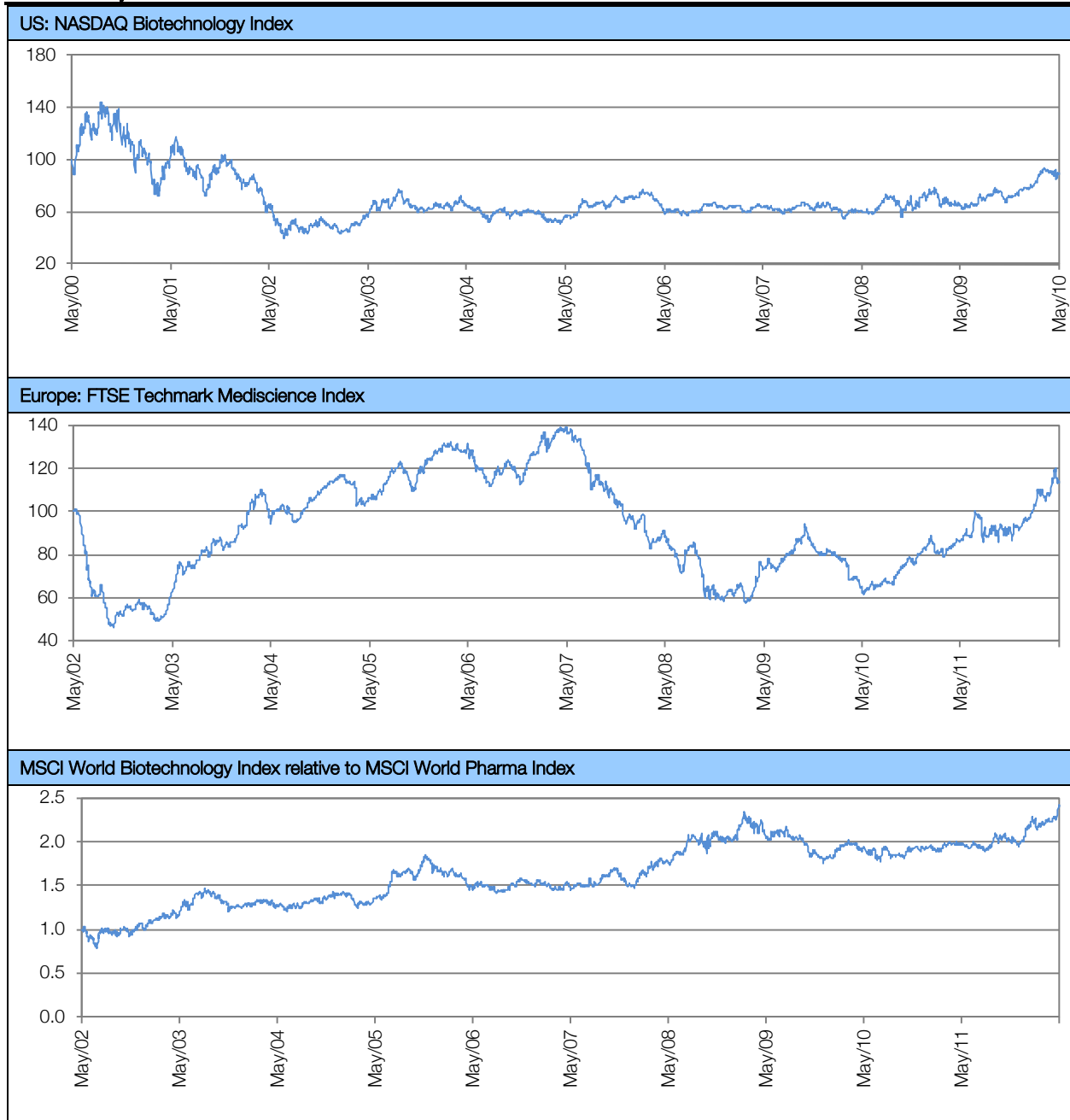
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### Edison client profiles included in this report:

Aberdeen New Thai Investment Trust  
 Acentia Debt Strategies  
 BB Biotech AG  
 Biotech Growth Trust  
 Brunner Investment Trust  
 Carador Income Fund  
 City Natural Resources High Yield Trust  
 CQS Rig Finance  
 Diverse Income Trust  
 European Assets Trust  
 Finsbury Growth and Income Trust  
 Foreign & Colonial  
 Geiger Counter  
 Golden Prospect Precious Metals  
 Greenwich Loan Income Fund  
 Harbourvest Global Private Equity  
 Henderson Fledgling Trust  
 Henderson Global Trust  
 International Biotechnology Trust  
 Martin Currie Global Portfolio Trust  
 Merchants Trust  
 Midas Income & Growth  
 NB Global Floating Rate Income Fund  
 New City Energy  
 Pacific Assets Trust  
 Pacific Assets Trust  
 PXP Vietnam  
 RENN Universal Growth Investment Trust  
 Scottish Oriental Smaller Companies Trust  
 Worldwide Healthcare Trust

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**Exhibit 2: Key market data**

Sources: Thomson Datastream, Edison Investment Research

## Biotech: Calculated risks in an evolving market

Our healthcare team believes that increasingly favourable industry dynamics appear to have encouraged investors to return to the biotech sector. The resurgence of this interest in recent months, and reinvestment of profits by healthcare specialists, is reflected in the performance of US biotech indices, which have been buoyed by significant and rapid inflows into US biotech stocks. The NASDAQ Biotechnology Index is up by more than 25% in the past six months. A similar pattern is emerging in the smaller European and UK markets, although this has not been quite as marked. The broad healthcare sector has a number of long-term value drivers. Chief among them are an ageing global population with more need of healthcare products and services, supported by increasing wealth and an ability to pay for drug treatments. The latter factor is especially true in the

developing world. But biotech has been performing more strongly than the general healthcare sector, with improved confidence likely driven by two factors – M&A speculation following recent increased US activity, and the ongoing requirement for large pharma to replace revenues lost through key product patent expiries. Only the latter is a long-term industry driver. Against this backdrop, our healthcare team recommends investors take a stock-picking approach to biotech, paying careful attention to evaluating assets, potential and risk/reward profiles in order to identify those companies with an increased likelihood of improved share price performance – with or without added M&A sparkle. Robin Davison, head of our healthcare team says, “collective investment vehicles probably represent the best way for most investors to gain exposure to these drivers”. It is not difficult to see why turning to a specialist manager in this complex area makes sense. Successful investing requires very specialist sector knowledge. Share prices, especially for companies in the earlier stages of development, can have very divergent upside and downside potential (binary outcomes) depending on important news-flow (such as clinical trial results). A suitable risk-reward balance for most investors requires adequate portfolio diversification. But the trusts and investment companies that we refer to in this article are not homogenous and, among other things, take different approaches to listed and unlisted equities, stage of development (companies in early stage development work will typically have more risks ahead of them than later stage companies, but the returns for a successful outcome would normally be higher), and whether to focus on biotech or a broader range of healthcare assets such as pharmaceuticals and medical devices.

There are four UK registered investment trusts that invest in the healthcare and biotechnology space. We write research on Swiss-based BB Biotech Growth, which is also listed in Germany and Italy.

The Biotech Growth Trust (BIOG) is a £150m investment trust which focuses on emerging, early development stage biotech companies (generally with a market capitalisation of less than \$3bn) that have undergone an IPO but are, as yet, unprofitable. It can also invest up to \$15m in private equity funds managed by the investment manager, OrbiMed Advisers. OrbiMed is one of the world’s largest healthcare dedicated investment firms, with c \$5bn of funds under management. It has a team of 40 professionals with experience in life sciences, finance, and law, and it researches c 750 publicly traded companies and c 2000 privately held companies. Geoff Hsu, co-manager of BIOG’s portfolio says that, “At OrbiMed, we believe that, within the healthcare sector, biotechnology companies have been better able to exploit newer technologies than the large pharmaceuticals and that, with their protein based nature, biotech drugs have a longer effective commercial exclusivity than small molecule pharma drugs. In addition, the prospects for biotech drugs are superior following patent expiration than their traditional pharma equivalents. Our view is that generic penetration of biotech drugs will definitely be slower and that dominant brands will still be able to maintain decent market positions over the longer term. Valuations have improved recently, from their long term lows, but still represent an attractive entry point for investors”.

The International Biotechnology Trust is a £115m investment trust managed by SV Life Sciences. It also focuses on early development stage biotech companies with high growth possibilities but includes other life sciences (around 10% each in specialty pharma and medical devices) and has a higher share of unquoted investments (c 16%). David Pinniger, Manager of IBT’s quoted portfolio says that “With growing and ageing populations the view at SVLS Managers is that the need for

innovative new drugs, diagnostic and medical devices, to treat complex diseases, has never been higher. Pharmaceutical companies internal R&D programmes have struggled to generate returns and a clear trend of outsourcing the process to biotechnology companies, with higher demonstrable success in providing the medical innovation required, is now apparent. With a portfolio of both listed and venture capital investments, IBT allows investors to access returns from the sector in a diversified risk managed way”.

Worldwide Healthcare Trust is the largest of the UK listed companies in the sector, with a market capitalisation of c £335m. Like the Biotech Growth Trust, its investments are managed by OrbiMed, but the investment strategy differs in that it invests in a broad range of healthcare assets, including biotech, pharma, medical devices, and healthcare services, and the majority of holdings are in larger companies (market capitalisation of \$5bn upwards). Sam Isaly, primary manager on WWH’s portfolio says, “OrbiMed’s house view is that biotech companies will continue to provide the core of innovation in the healthcare sector and WWH’s portfolio remains overweight Biotech as a reflection. That said, we’re becoming increasingly bullish on the outlook for big pharma. 2012 is a trough year, in terms of patent expiration, but the large pharmaceutical companies have worked hard to address this issue and we now see decent upside for companies with strong pipelines and good products in late stage development. We’re selectively bullish on the prospects for generic companies but, with patent expirations peaking in 2012, we expect to see an impact on growth going forward”.

Polar Capital Global Healthcare Growth and Income Trust is managed by Polar Capital Holdings, which manages a range of funds specialised by sector and geography. The c £115m market capitalisation company, managed by a dedicated three-strong healthcare team, invests in mostly larger (more than \$5bn market capitalisation) companies across the healthcare space.

Swiss-based BB Biotech, with assets of c £900m (CHF1.3bn), is one of the largest global pure play biotech investment companies in the world. The BB Biotech board employs the services of the investment management and research team of Bellevue Asset Management Group in Europe and America. BB Biotech runs a concentrated, high conviction portfolio of 20-35 investments, with the top five to eight representing up to two-thirds of the portfolio. Given their significance, the top holdings will typically be at a stage where they are already producing revenues and profits. Investments are mostly listed with unlisted investments kept to no more than 10% of the portfolio. Lead manager, Dr Daniel Koller, says that, “at Bellevue, a company’s potential as a candidate for M&A is not a primary driver in portfolio selection. Instead, we believe that selecting the most promising clinical programmes to invest in is key and that, if done correctly, price appreciation and opportunities to exit, most likely as divestiture upon reaching price targets or via M&A, will naturally follow. Biotech has, in our view, matured as a sector and successful clinical data is being rewarded with substantial price appreciation. We see uplift in the region of up to triple digits. Looking forward over the next 12 months into 2013, we see a strong pipeline of key regulatory decisions and pivotal data that we believe will not only add value but will continue to build momentum in the space”.

## **Broadening interest**

Numerous factors have contributed to the recent performance of US biotech indices, with the most significant being the hepatitis C (HCV) merger mania following the \$11bn Gilead/Pharmasset and \$2.5bn Bristol Myers Squibb/Inhibitex acquisitions. Improved M&A prospects and increased M&A

activity (often at sizable premiums) have encouraged more generalist investor interest in the sector and have enabled healthcare specialists to realise their investments and recycle profits.

**Exhibit 3: Biotechnology and healthcare – recent M&A deals announced during the last six months**

Announced	Target co.	Bidding co.	Deal value (US\$m)	Premium	Status	Sub-sector	Geography
21 Nov 11	Pharmasset	Gilead Sciences	10367	89%	Closed	Medical: Pharma	USA
25 Jan 12	Illumina	Roche Holding	6846	88%	Expired	Biotechnology	USA
07 Jan 12	Inhibitex	Bristol-Myers Squibb	2020	163%	Closed	Medical: Pharma	USA
12 Mar 12	Zoll Medical Corporation	Asahi Kasei Corporation	1994	24%	Ongoing	Medical	USA
28 Dec 11	Enobia Pharma	Alexion Pharmaceuticals	1080	Private	Closed	Biotechnology	USA
26 Jan 12	Avila Therapeutics	Celgene Corporation	925	Private	Closed	Medical: Pharma	USA
26 Jan 12	Micromet	Amgen	833	33%	Closed	Medical: Pharma	USA
11 Apr 12	URL Pharma	Takeda Pharmaceutical Company	800	Private	Closed	Medical: Pharma	USA
15 Dec 11	SonoSite	FUJIFILM Holdings Corp	778	28%	Closed	Medical	USA
29 Feb 12	Boston Biomedical	Dainippon Sumitomo Pharma	740	Private	Closed	Biotechnology	USA
20 Nov 11	iNova Pharmaceuticals (Australia)	Valeant Pharmaceuticals International.	626	Private	Closed	Medical: Pharma	Australia
14 Feb 12	Stromedix	Biogen Idec	563	Private	Closing	Biotechnology	USA
02 Dec 11	Graceway Pharmaceuticals	Medicis Pharmaceutical Corporation	455	N/A	Bankruptcy	Medical: Pharma	USA
24 Jan 12	Ascent Pharmahealth	Watson Pharmaceuticals	395	20.6x op profit	Closed	Medical: Pharma	Australia
26 Mar 12	ISTA Pharmaceuticals	Bausch & Lomb	376	9%	Closing	Medical: Pharma	USA
31 Jan 12	Navilyst Medical	AngioDynamics	372	Private	Closed	Medical	USA
09 Jan 12	BioReliance Corporation	Sigma-Aldrich Corporation	350	Private	Closed	Biotechnology	USA
30 Nov 11	eBioscience,	Affymetrix	330	Private	Closed	Medical	USA
15 Mar 12	FerroKin BioSciences	Shire	325	Private	Ongoing	Biotechnology	USA
21 Nov 11	Barrx Medical,	Covidien	325	Private	Closed	Medical	USA
10 Apr 12	KAI Pharmaceuticals	Amgen	315	Private	Ongoing	Medical: Pharma	USA
20 Dec 11	Intellikine	Takeda Pharmaceutical Company	310	Private	Closed	Medical: Pharma	USA
19 Mar 12	SuperDimension	Covidien	300	Private	Closed	Medical	Israel
08 Mar 12	Cameron Health	Boston Scientific Corporation	300	Private	Closed	Medical	USA
08 Nov 11	Oceana Therapeutics	Salix Pharmaceuticals	300	Private	Closed	Medical: Pharma	USA
05 Apr 12	Oridion Systems	Covidien	281	76%	Ongoing	Medical	Israel
13 Dec 11	Synovis Life Technologies	Baxter International Inc.	258	52%	Closed	Medical	USA

Source: Mergermarket

Additionally, the recent approvals of potential blockbusters and treatment paradigm shifting drugs (particularly in multiple sclerosis, castrate resistant prostate cancer and HCV) are also boosting confidence, despite some (Dendreon's Provenge, Novartis's Gilenya) experiencing hiccups early in their commercial launches.

The flipside to this improved sentiment relates to concerns as to how 'sticky' this money will be, particularly given recent experience where generalist investors have shied away from the sector after a 'blow up' in their portfolios. This risk remains; it is inherent in biotech investing. Biotech investment is highly catalyst driven, hence technical (clinical data and regulatory decisions), financial (cash position, cash burn, ability to secure funding) and commercial (partnering, marketing) news flow is critical. Technical risks are largely binary and may be challenging for non-specialists to evaluate, however, the other risks are common to other industries. It is only through evaluating company assets, potential and risk/reward profiles that stocks with an increased likelihood of improved share price performance can be identified.

### **... But broader industry drivers remain positive**

Blockbuster patent expiries continue to impact large pharma revenues, profits and cash generation ability. Neither cost-cutting nor internal R&D pipelines have delivered enough, and time is now running out; 2012 is a peak year for patent expiries. Consequently, many mid-cap biotechs could become targets for large pharma (or large biotech) companies willing to pay handsomely for assets that diversify their businesses and drive revenue growth through and beyond their patent cliffs.

The necessity for large pharma companies to replace near-term revenues lost through patent expiries means they are becoming increasingly active and increasingly competitive for late-stage de-risked assets. Recent M&A activity seen in HCV provides evidence that large pharma are willing to pay for attractive assets, even at an earlier stage in clinical development, and shows that a single deal in a therapy area has the potential to quickly transform the fortunes of other companies active in the same arena. This has had various repercussions, with bid speculation already being priced into stocks in high-profile disease areas, short coverage resulting in otherwise inexplicable share price movements, and increased speculation as to which will be the next hot area.

With a clear focus on the bigger later-stage M&A opportunities, more traditional earlier-stage licensing deals seem to be of less immediate interest to large pharma. Licensing and royalty deals are similar in structure although licensing deals have, in addition to the royalty element, milestone payments that are typically contingent on reaching development milestones. Once a product is being sold, royalty deals are then the norm. This could have important read through to small- and mid- cap biotechs seeking these types of deals. However, interest in and execution of even earlier-stage partnerships (funded research/discovery deals with an option to license) is becoming more common, probably because both the financial outlay and profile is smaller. This means such deals, which may have the potential to kick start delivery by in-house pipelines, are less risky from a business development career perspective and can be transacted at departmental rather than board level.

This also suggests that there may be more opportunities for mid-cap pharma/biotech to access the assets/companies overlooked by large pharma. This could mean increased consolidation or strategic business transformation, which has two main benefits: company diversification (and hence

increased resilience to a pipeline failure) and building scale (establishing sustainability and potentially improving attractiveness to a larger acquirer).

Historically there has been a lag in improved sentiment crossing the Atlantic, but our healthcare team believes there to be increased generalist interest in Europe. However, the more limited investment opportunities in the UK and continental Europe (due to the relative sizes of the sector vs the US) mean that this attention is likely to be concentrated in the same names and might translate into share price appreciation in a limited number of select stocks.

## **Performance**

Looking at the performance of the various biotech and healthcare indices provided, all have outperformed the broader UK market, as measured by the FTSE all-share, over the one-, three- and five-year periods. The 10-year performances vs the FTSE All-Share are more mixed, although the outperformance over one and five years is particularly pronounced. The AIC sector has, as a whole, outperformed not just the broader UK market, but also the pharma and biotech indices, suggesting a potential benefit from investing via collective schemes in the space. That said, while the AIC sector as a whole has outperformed the NASBIOT over 10 years, it has underperformed more recently, reflecting the particularly strong uplift within biotech.

**Exhibit 4: Biotechnology and healthcare sector, as at 22 May 2012**

Note: We have calculated BB Biotech figures using data from Thomson Datastream, Bloomberg and BB Biotech as BB Biotech is not a member of the AIC.

Company	Share price total return on £100				Total expense ratio	(Disc)/ prem	Net gearing (100 = no gearing)	5-year dividend growth (%)	Div yield
	1 year	3 years	5 years	10 years					
BB Biotech *	117.2	139.3	94.8	121.5	1.725	(23.9)	92	(100.0)	0.0
Biotech Growth Trust	135.2	211.2	211.6	263.1	N/A	(5.5)	108	N/A	N/A
International Biotechnology	117.6	164.8	113.3	167.1	2.19	(16.3)	94	N/A	N/A
Polar Capital Global Healthcare	100.4	N/A	N/A	N/A	N/A	0.3	100	N/A	2.9
Worldwide Healthcare Trust	103.7	156.0	161.7	158.5	N/A	(9.9)	119	38.0	2.0
AIC Bio & H'care (excludes BB Bio)	113.2	171.8	166.5	187.1	N/A	(8.3)	110	N/A	N/A
NASDAQ Biotechnology Index	117.9	189.6	181.7	190.4					
DS World Pharma and Biotech Index	105.4	147.2	142.7	152.0					
MSCI World Healthcare	103.1	149.6	136.1	143.9					
FTSE All-World Pharma & Biotech	106.8	148.8	143.0	143.6					
FTSE All-Share	93.8	139.4	97.9	158.1					

Source: The Association of Investment Companies



## Exhibit 5: Edison's investment trust clients

<b>Aberdeen New Thai Investment Trust</b>				<b>Code: ANW</b>		<b>Market Cap: £58.1m</b>	
Share price total return on £100				<b>(Discount)/ premium (%)</b>	<b>Dividend yield (%)</b>		
<b>1 year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>				
<b>118.3</b>	<b>245.4</b>	<b>203.5</b>	<b>649.0</b>	<b>(15.6)</b>	<b>2.6</b>		
Aberdeen New Thai Investment Trust's investment objective is to provide shareholders with long-term, above-average capital growth through investment in Thailand. Its assets are invested in a diversified portfolio of securities – substantially in the form of equities or equity-related securities such as convertible securities and warrants – in companies spread across a range of industries quoted on the Stock Exchange of Thailand.				Launch date	December 1989		
				AIC sector	Country Specialists: Asia Pacific		
				Management group	Aberdeen Asset Management Asia		
				Manager	Asian equities team		
				Website	www.newthai-trust.co.uk		
				Dividend policy	One dividend annually, paid in July.		
<b>Acencia Debt Strategies</b>				<b>Code: ACD</b>		<b>Market Cap: £95.6m</b>	
Share price total return on £100				<b>(Discount)/ premium (%)</b>	<b>Dividend yield (%)</b>		
<b>1 year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>				
<b>93.7</b>	<b>168.5</b>	<b>77.6</b>	<b>-</b>	<b>(18.9)</b>	<b>4.3</b>		
Acencia Debt Strategies' primary investment objective is to provide annual returns in excess of three-month LIBOR plus 5% over a rolling three-year period, and annual standard deviation of under 5%. The company's principal activity is to invest in an actively-managed portfolio of predominantly debt-oriented hedge funds.				Launch date	November 2005		
				AIC sector	Hedge Funds		
				Management group	Saltus Fund Management		
				Manager	Saltus Partners		
				Website	www.acencia.co.uk		
				Dividend policy	ACD aims to pay two dividends annually totalling 3.5% of the NAV.		
<b>BB Biotech</b>				<b>Code: BION</b>		<b>Market Cap: CHF1166.2m</b>	
Share price total return on £100				<b>(Discount)/ premium %</b>	<b>Dividend yield (%)</b>		
<b>1 year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>				
<b>117.2</b>	<b>139.3</b>	<b>94.8</b>	<b>121.5</b>	<b>(23.9)</b>	<b>0.0</b>		
BB Biotech is a Swiss-domiciled biotech investment company, targeting attractive long-term returns from predominantly mid-/large-cap companies with established product portfolios (sales and earnings) and promising pipeline candidates. It is benchmarked against the NASDAQ Biotech Index but is managed bottom-up with a concentrated 20-35 stock portfolio.				Launch date	November 1993		
				AIC sector	N/A		
				Management group	Bellevue Asset Management		
				Manager	Dr Daniel Koller		
				Website	www.bbbiotech.com		
				Dividend policy	BION now focuses on capital appreciation and no longer pays a dividend.		
<b>Biotech Growth Trust</b>				<b>Code: BIOG</b>		<b>Market Cap: £153.7m</b>	
Share price total return on £100				<b>(Discount)/ premium %</b>	<b>Dividend yield (%)</b>		
<b>1 year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>				
<b>135.2</b>	<b>211.2</b>	<b>211.6</b>	<b>263.1</b>	<b>(5.6)</b>	<b>0.0</b>		
The Biotech Growth Trust seeks capital appreciation through investing in the worldwide biotechnology industry, mainly in emerging biotechnology companies. Performance is measured against its benchmark index, the NASDAQ Biotechnology Index (sterling adjusted).				Launch date	June 1997		
				AIC sector	Sector Spec: Biotechnology/Life		
				Management group	Frostrow Capital		
				Manager	OrbiMed Capital		
				Website	www.biotechgt.com		
				Dividend policy	Dividends are paid only as required to maintain investment trust status. Any dividends are expected to be small.		

Brunner Investment Trust				Code: BUT	Market Cap: £168.7m	
Share price total return on £100				(Discount)/	Dividend yield	
1 year	3 years	5 years	10 years	premium (%)	(%)	
97.6	134.5	97.0	152.8	(17.9)	3.3	
<p>The Brunner Investment Trusts' investment objective is to provide growth in capital value and dividends over the long term through investing in a portfolio of UK and international securities. The majority of the trust's investments are in equities and it seeks to diversify its portfolio into at least five industrial sectors, with no one sector comprising more than 35% of the portfolio. The benchmark, since 25 March 2008, is a composite of 50% FTSE All-Share and 50% FTSE World Index (ex UK £).</p>				Launch date	January 1927	
				AIC sector	Global Growth	
				Management group	Allianz Global Investors/RCM (UK)	
				Manager	Jeremy Thomas/Lucy MacDonald	
				Website	www.brunner.co.uk	
				Dividend policy	Two dividends paid annually in March and September. The trust aims to provide long-term dividend growth.	
Carador Income Fund				Code: CIFU	Market Cap: US\$367.0m	
Share price total return on £100				(Discount)/	Dividend yield	
1 year	3 years	5 years	10 years	premium (%)	(%)	
111.9	524.9	-	-	2.9	13.6	
<p>Carador Income Fund (CIFU) invests in a highly diversified portfolio of loans through the securities of CLO structures, with an objective to provide stable returns with low volatility compared with equity markets. There are two classes (euro-denominated and US dollar-denominated) of ordinary shares, with a quarterly conversion option.</p>				Launch date	April 2006	
				AIC sector	N/A	
				Management group	The Blackstone Group LP	
				Manager	GSO Capital Partners International	
				Website	www.carador.co.uk	
				Dividend policy	Quarterly dividends paid in November, February, May and August.	
City Natural Resources High Yield Trust				Code: CYN	Market Cap: £146.8m	
Share price total return on £100				(Discount)/	Dividend yield	
1 year	3 years	5 years	10 years	premium (%)	(%)	
72.4	182.8	147.3	444.8	(11.5)	2.0	
<p>City Natural Resources High Yield Trust's investment objective is to provide shareholders with capital growth and income from a portfolio of mining and resource equities, resources and industrial fixed interest securities.</p>				Launch date	November 1994	
				AIC sector	SS: Commods and Natural Resources	
				Management group	New City Investment Managers	
				Manager	Will Smith and Ian Francis	
				Website	www.ncim.co.uk	
				Dividend policy	Quarterly dividends paid in November, February, May and August. CYN aims to progress the total dividend annually.	
CQS Rig Finance				Market Cap: £28.1m		
Share price total return on £100				(Discount)/	Dividend yield	
1 year	3 years	5 years	10 years	premium (%)	(%)	
121.5	1,362.3	32.8	-	(14.3)	2.1	
<p>CQS Rig Finance's investment objective is to provide shareholders with an attractive total return, through a combination of capital appreciation and dividends. The portfolio comprises predominantly debt instruments issued to finance the construction, modification and operation of offshore oil rigs and related infrastructure as well as the development/operation of off/onshore assets used in the exploration, production and distribution of oil, gas and other resources.</p>				Launch date	December 2006	
				AIC sector	N/A	
				Management group	CQS	
				Manager	CQS Cayman LP/CQS (UK) LLP	
				Website	www.cqsrigfinance.com	
				Dividend policy	Semi-annual dividends payments targeting an annual yield of 5% of NAV per share at the start of the year.	

<b>Diverse Income Trust</b>				<b>Code: DIVI</b>		<b>Market Cap: £49.8 m</b>	
Share price total return on £100				<b>(Discount)/ premium (%)</b>	<b>Dividend yield (%)</b>		
<b>1 year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>				
<b>99.2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6.6</b>	<b>2.5</b>		
<p>The Diverse Income Trust targets an attractive and growing level of income with long-term capital growth, investing in a diversified portfolio of primarily UK-listed equities. It has a stronger focus on small- and very small-cap stocks than is typical of the UK Income &amp; Growth peer group. As a stock-specific portfolio there is no benchmark but the trust targets an initial yield of around 4% for the period to 31 May 2012 and income growth higher than other income funds.</p>				Launch date	April 2011		
				AIC sector	UK Growth & Income		
				Management group	MAM Funds		
				Manager	Gervais Williams, Martin Turner		
				Website	www.mamfundsplc.com		
				Dividend policy	Quarterly dividends (Nov, Feb, May and Aug). Each year, DIVI aims to distribute substantially all income net of costs.		
<b>European Assets Trust</b>				<b>Code: EAT</b>		<b>Market Cap: £81.4m</b>	
Share price total return on £100				<b>(Discount)/ premium (%)</b>	<b>Dividend yield (%)</b>		
<b>1 year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>				
<b>87.2</b>	<b>140.5</b>	<b>74.1</b>	<b>260.6</b>	<b>(13.2)</b>	<b>7.4</b>		
<p>European Assets Trust is an investment company incorporated in the Netherlands and listed on the LSE and Euronext. It targets capital growth through investment in quoted medium-sized companies in Europe (ex-UK), taking the HSBC Europe (ex-UK) Smaller Companies Index as a benchmark. A high distribution policy has been adopted; dividends have been paid from a combination of income and capital.</p>				Launch date	1972		
				AIC sector	European Smaller Companies		
				Management group	F&C Management		
				Manager	Sam Cosh		
				Website	www.europeanassets.eu		
				Dividend policy	Three dividends annually (January, May and August) totalling 6% of the opening NAV at the start of the financial year.		
<b>Finsbury Growth and Income Trust</b>				<b>Code: FGT</b>		<b>Market Cap: £217.0m</b>	
Share price total return on £100				<b>(Discount)/ premium (%)</b>	<b>Dividend yield (%)</b>		
<b>1 year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>				
<b>99.1</b>	<b>182.6</b>	<b>114.6</b>	<b>259.7</b>	<b>1.8</b>	<b>2.8</b>		
<p>Finsbury Growth and Income Trust's investment objective is to achieve capital and income growth and provide shareholders with a total return in excess of that of the FTSE All-Share Index. It invests principally in the securities of UK quoted companies. Up to a maximum of 20%, at the time of acquisition, can be invested in quoted companies worldwide. FTSE 100 companies normally represent between 50% and 100% of the portfolio with at least 70% usually invested in FTSE 350 companies.</p>				Launch date	January 1926		
				AIC sector	UK Growth & Income		
				Management group	Frostrow Capital		
				Manager	Nick Train		
				Website	www.finsburygt.com		
				Dividend policy	Two dividends annually, paid in May and October. The dividend is expected to rise over the longer term.		
<b>Foreign &amp; Colonial Investment Trust</b>				<b>Code: FRCL</b>		<b>Market Cap: £1672.9m</b>	
Share price total return on £100				<b>(Discount)/ premium (%)</b>	<b>Dividend yield (%)</b>		
<b>1 year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>				
<b>93.1</b>	<b>129.6</b>	<b>104.3</b>	<b>157.1</b>	<b>(12.0)</b>	<b>2.5</b>		
<p>Foreign &amp; Colonial Investment Trusts' investment objective is long-term growth in capital and income from a portfolio of primarily listed global equities but also including unlisted investments. The performance benchmark is a composite index comprising 40% FTSE All Share Index and 60% FTSE All World Index. Gearing is an important element of the strategy.</p>				Launch date	1868		
				AIC sector	Global Growth		
				Management group	FCAM/F&C Mgmt		
				Manager	Jeremy Tighe		
				Website	www.foreignandcolonial.com		
				Dividend policy	Two dividends annually, interims paid in September and finals in May. FRCL has a progressive dividend policy.		

<b>Geiger Counter</b>				<b>Code: GCL</b>		<b>Market Cap: £33.5m</b>	
Share price total return on £100				<b>(Discount)/ premium (%)</b>	<b>Dividend yield (%)</b>		
<b>1 year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>				
<b>49.7</b>	<b>95.7</b>	<b>37.3</b>	<b>-</b>	<b>(9.9)</b>	<b>0.0</b>		
<p>Geiger Counter's investment objective is to deliver returns to shareholders seeking the potential for capital growth. It invests in the securities of companies involved in the exploration, development and production of energy, as well as related service companies. These include, but are not limited to, shares, convertibles, fixed income securities and warrants. The main focus is the uranium sector, but up to 30% of assets can be invested in other resource-related companies.</p>				Launch date	July 2006		
				AIC sector	SS: Commodities and Natural		
				Management group	New City Investment Managers		
				Manager	John Wong and Will Smith		
				Website	www.ncim.co.uk		
				Dividend policy	Reflecting its capital appreciation objective, GCL does not currently pay dividends.		
<b>Golden Prospect Precious Metals</b>				<b>Code: GPM</b>		<b>Market Cap: £43.3m</b>	
Share price total return on £100				<b>(Discount)/ premium (%)</b>	<b>Dividend yield (%)</b>		
<b>1 year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>				
<b>76.0</b>	<b>165.2</b>	<b>65.8</b>	<b>-</b>	<b>(2.4)</b>	<b>0.0</b>		
<p>Golden Prospect Precious Metals' investment objective is to generate above-average returns to shareholders, primarily through the capital appreciation of its investments. GPM invests selectively in a portfolio of securities and other instruments in the precious metals, diamond and uranium sectors. These include, but are not limited to, shares, convertibles, fixed income securities, and warrants as well as physical commodities.</p>				Launch date	October 2006		
				AIC sector	N/A		
				Management group	New City Investment Managers		
				Manager	John Wong		
				Website	www.ncim.co.uk		
				Dividend policy	Reflecting its capital appreciation objective, GPM does not currently pay dividends.		
<b>Greenwich Loan Income Fund</b>				<b>Code: GLIF</b>		<b>Market Cap: £47.0m</b>	
Share price total return on £100				<b>(Discount)/ premium (%)</b>	<b>Dividend yield (%)</b>		
<b>1 year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>				
<b>120.2</b>	<b>1,196.0</b>	<b>72.9</b>	<b>-</b>	<b>(35.1)</b>	<b>8.4</b>		
<p>Greenwich Loan Income Fund is a closed-ended Guernsey registered investment company that invests in the US syndicated corporate loan market across a wide range of sectors. It invests primarily in loans to middle-market companies. Typically, the loans are secured against assets and will have traditional credit-based covenants. The investments are senior debt and have either a first or second lien collateral position in the issuer's assets. GLIF focuses on companies with experienced management, a strong competitive advantage, positive cash flow and a clear exit strategy. The portfolio of loans is leveraged with a CLO subsidiary.</p>				Launch date	August 2005		
				AIC sector	Sector Specialist: Debt		
				Management group	T2 Advisers		
				Manager	J. Cohen, P. Conroy & S. Barak		
				Website	www.glifund.com		
				Dividend policy	Quarterly dividends (March, June, September, December) while providing a stable and predictable dividend yield.		
<b>HarbourVest Global Private Equity</b>				<b>Code: HVPE</b>		<b>Market Cap: US\$611.4m</b>	
Share price total return on £100				<b>(Discount)/ premium (%)</b>	<b>Dividend yield (%)</b>		
<b>1 year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>				
<b>101.4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(23.9)</b>	<b>0.0</b>		
<p>HarbourVest Global Private Equity is a Guernsey closed-ended investment company that aims to provide long-term capital appreciation through a private equity portfolio well diversified by vintage year, geography, industry and strategy.</p>				Launch date	December 2007		
				AIC sector	Private Equity		
				Management group	HarbourVest Global Private Equity		
				Manager	HarbourVest Advisers LP		
				Website	www.hvgpe.com		
				Dividend policy	HVPE has a capital gains investment objective and does not pay dividends.		

<b>Henderson Fledgling Trust</b>				<b>Code: HFT</b>		<b>Market Cap: £54.7m</b>	
Share price total return on £100				<b>(Discount)/ premium (%)</b>	<b>Dividend yield (%)</b>		
<b>1 year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>				
<b>72.0</b>	<b>127.3</b>	<b>81.4</b>	<b>210.1</b>	<b>(19.0)</b>	<b>2.9</b>		
<p>Henderson Fledgling Trust's investment objective is to provide long-term growth in capital and dividends from investment predominantly in the constituents of the FTSE Fledgling (ex. Investment Companies) Index.</p>				Launch date	December 1994		
				AIC sector	UK Smaller Companies		
				Management group	Henderson Global Investors		
				Manager	Harmesh Suniara, Adam McConkey		
				Website	www.hendersonfledglingtrust.com		
				Dividend policy	Two dividends annually, interims paid in May and final paid in December. HFT seeks to pay an increasing dividend.		
<b>Henderson Global Trust</b>				<b>Code: HGL</b>		<b>Market Cap: £114.9m</b>	
Share price total return on £100				<b>(Discount)/ premium (%)</b>	<b>Dividend yield (%)</b>		
<b>1 year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>				
<b>87.0</b>	<b>120.2</b>	<b>118.8</b>	<b>206.1</b>	<b>(11.0)</b>	<b>3.3</b>		
<p>Henderson Global Trust's objective is long-term capital growth from a concentrated portfolio of international equities, with a secondary objective to increase dividends. The manager aims to outperform (by at least 2%) the composite benchmark, which comprises 50% FTSE All-Share Index and 50% Morgan Stanley Capital World Index ex UK, within a target tracking error of not more than 5%.</p>				Launch date	February 1929		
				AIC sector	Global Growth		
				Management group	Henderson Global Investors		
				Manager	Brian O'Neill		
				Website	www.gartmoreglobaltrust.co.uk		
				Dividend policy	Two dividends annually, interims paid in October and finals in April. The dividend is expected to rise over the longer term.		
<b>International Biotechnology Trust</b>				<b>Code: IBT</b>		<b>Market Cap: £100.1m</b>	
Share price total return on £100				<b>(Discount)/ premium (%)</b>	<b>Dividend yield (%)</b>		
<b>1 year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>				
<b>117.6</b>	<b>164.8</b>	<b>113.3</b>	<b>167.1</b>	<b>(16.1)</b>	<b>0.0</b>		
<p>International Biotechnology Trust aims to achieve long-term capital growth by investing in development stage biotechnology and other life sciences companies, both quoted and unquoted, that have high growth potential. It invests in companies considered to have good prospects, experienced management and strong upside potential through the development and/or commercialisation of a product, device or enabling technology.</p>				Launch date	May 1994		
				AIC sector	Sector Spec: Biotechnology/Life		
				Management group	SV Life Sciences Managers		
				Manager	D. Pinniger, K. Bingham		
				Website	www.ibtplc.com		
				Dividend policy	Reflecting its capital appreciation objective, IBT's current policy is to not pay dividends.		
<b>Martin Currie Global Portfolio Trust</b>				<b>Code: MNP</b>		<b>Market Cap: £130.0m</b>	
Share price total return on £100				<b>(Discount)/ premium (%)</b>	<b>Dividend yield (%)</b>		
<b>1 year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>				
<b>100.4</b>	<b>139.3</b>	<b>111.4</b>	<b>198.7</b>	<b>(6.3)</b>	<b>3.0</b>		
<p>Martin Currie Global Portfolio Trust's objective is to achieve long-term capital growth in excess of the capital return of the FTSE World Index by investing in a diversified portfolio of international quoted investments.</p>				Launch date	March 1999		
				AIC sector	Global Growth		
				Management group	Martin Currie Investment Mgmt		
				Manager	Tom Walker		
				Website	www.martincurrieporfolio.com		
				Dividend policy	Two dividends annually, interims paid in October and finals in June.		

<b>Merchants Trust</b>				<b>Code: MRCH</b>		<b>Market Cap: £363.0m</b>	
Share price total return on £100				<b>(Discount)/ premium (%)</b>	<b>Dividend yield (%)</b>		
<b>1 year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>				
<b>87.5</b>	<b>144.0</b>	<b>88.0</b>	<b>144.4</b>	<b>(6.0)</b>	<b>6.5</b>		
<p>The investment objective of the Merchants Trust is to provide an above-average level of income and income growth together with long-term growth of capital through investing mainly in higher-yielding UK FTSE 100 companies.</p>				Launch date	February 1889		
				AIC sector	UK Growth & Income		
				Management group	Allianz Global Investors/RCM (UK)		
				Manager	Simon Gergel		
				Website	www.merchantstrust.co.uk		
				Dividend policy	Quarterly dividends paid in Feb, May, Aug and Nov. MRCH aims to maintain a high and growing dividend.		
<b>Midas Income &amp; Growth Trust</b>				<b>Code: MIGT</b>		<b>Market Cap: £40.8 m</b>	
Share price total return on £100				<b>(Discount)/ premium (%)</b>	<b>Dividend yield (%)</b>		
<b>1 year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>				
<b>95.6</b>	<b>133.1</b>	<b>71.5</b>	<b>157.5</b>	<b>(9.9)</b>	<b>5.7</b>		
<p>MIGT's investment objective is to outperform three-month LIBOR plus 3.0%, over the longer term, with low volatility and the prospect of capital and income growth, through investment in a multi-asset portfolio. The asset classes included in the company's portfolio are UK and overseas equities, fixed interest securities, property, alternative assets and structured products.</p>				Launch date	April 1996		
				AIC sector	Global Growth & Income		
				Management group	MAM Funds		
				Manager	Alan Borrows, Simon Callow		
				Website	www.mamfundsplc.com/migt		
				Dividend policy	Quarterly dividends paid in Sept, Dec, March and June. MIGT looks to progress the total annual dividend.		
<b>NB Global Floating Rate Income Fund</b>				<b>Code: NBL5</b>		<b>Market Cap: £357.8 m</b>	
Share price total return on £100				<b>(Discount)/ premium (%)</b>	<b>Dividend yield (%)</b>		
<b>1 year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>				
<b>97.2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(0.6)</b>	<b>4.1</b>		
<p>NB Global Floating Rate Income Fund invests primarily in senior secured bank loans with an investment objective to provide regular dividends at sustainable levels, while growing the capital value of its investment portfolio over the long term. There are two classes (sterling denominated and US dollar denominated) of ordinary shares, with a monthly conversion option, and subsequently issued US dollar and sterling non-voting C shares. US dollar ordinary shares carry one vote and sterling shares 1.6 votes.</p>				Launch date	April 2011		
				AIC sector	Sector Specialist: Debt		
				Management group	Neuberger Berman Group		
				Manager	Neuberger Berman Europe		
				Website	www.nbgrif.com		
				Dividend policy	Quarterly dividends (paid in Mar, Jun, Sep and Dec). NBL5 aims to provide a regular sustainable dividend.		
<b>New City Energy</b>				<b>Code: NCE</b>		<b>Market Cap: £22.7m</b>	
Share price total return on £100				<b>(Discount)/ premium (%)</b>	<b>Dividend yield (%)</b>		
<b>1 year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>				
<b>67.1</b>	<b>150.0</b>	<b>-</b>	<b>-</b>	<b>(23.8)</b>	<b>3.9</b>		
<p>New City Energy's investment objective is to deliver returns to shareholders, principally in the form of capital growth, but with some prospect of income. New City Energy invests in the securities of companies involved in the exploration, development and production of energy, as well as related service companies. These include, but are not limited to, shares, convertibles, fixed income securities and warrants. Up to 30% of assets can be invested in companies outside the energy sector.</p>				Launch date	February 2008		
				AIC sector	N/A		
				Management group	New City Investment Managers		
				Manager	Will Smith and Ian Francis		
				Website	www.ncim.co.uk		
				Dividend policy	Quarterly dividends paid in January, April, July and October.		

<b>Pacific Assets Trust</b>				<b>Code: PAC</b>		<b>Market Cap: £135.8 m</b>	
Share price total return on £100				<b>(Discount)/ premium (%)</b>	<b>Dividend yield (%)</b>		
<b>1 year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>				
<b>93.8</b>	<b>135.4</b>	<b>108.5</b>	<b>212.5</b>	<b>(9.7)</b>	<b>2.2</b>		
Pacific Assets Trust's investment objective is to achieve long-term capital growth through investment in selected companies in the Asia Pacific region and the Indian sub-continent, but excluding Japan, Australia and New Zealand (the Asia Pacific region). Up to a maximum of 20% of the company's total assets (at the time of investment) may be invested in companies incorporated and/or listed outside the Asia Pacific region but whose economic activities are predominantly within that region.				Launch date	January 1985		
				AIC sector	Asia Pacific - excluding Japan		
				Management group	Frostrow Capital		
				Manager	First State Investments		
				Website	www.pacific-assets.co.uk		
				Dividend policy	One dividend annually, paid in June.		
<b>PXP Vietnam</b>				<b>Code: VNF</b>		<b>Market Cap: US\$45.8 m</b>	
Share price total return on £100				<b>(Discount)/ premium (%)</b>	<b>Dividend yield (%)</b>		
<b>1 year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>				
<b>115.2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(14.5)</b>	<b>0.0</b>		
PXP Vietnam (VNF) is a closed-ended investment company registered in the Cayman Islands and listed on the LSE. It seeks long-term capital growth through investment in listed (and sometimes pre-listed) Vietnamese equities, whether established with domestic or foreign ownership. There is one class of ordinary shares, traded and settled through CREST as depository receipts.				Launch date	December 2003		
				AIC sector	N/A		
				Management group	PXP Vietnam Asset Mgmt		
				Manager	Kevin Snowball		
				Website	<a href="http://www.pxvam.com">www.pxvam.com</a>		
				Dividend policy	To date, VNF has focused on capital growth and has not made distributions, although it may elect to do so in future.		
<b>RENN Universal Growth Investment Trust</b>				<b>Code: RUG</b>		<b>Market Cap: £35.4m</b>	
Share price total return on £100				<b>(Discount)/ premium (%)</b>	<b>Dividend yield (%)</b>		
<b>1 year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>				
<b>87.1</b>	<b>97.2</b>	<b>66.6</b>	<b>105.1</b>	<b>(37.1)</b>	<b>0.0</b>		
RENN Universal Growth Investment Trust's investment objective is to achieve capital growth and outperform its benchmark, the Russell 2000 Index. Investments are made in companies listed, quoted or domiciled in the US and Canada, typically with market capitalisations below \$1bn. It may also invest in unlisted US companies.				Launch date	May 1996		
				AIC sector	North American Smaller Companies		
				Management group	RENN Capital Group		
				Manager	Russell Cleveland		
				Website	www.renaissancegrowth.co.uk		
				Dividend policy	Reflecting its capital appreciation objective, the trust's current policy is to not pay dividends.		
<b>Scottish Oriental Smaller Companies Trust</b>				<b>Code: SST</b>		<b>Market Cap: £175.4m</b>	
Share price total return on £100				<b>(Discount)/ premium (%)</b>	<b>Dividend yield (%)</b>		
<b>1 year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>				
<b>99.7</b>	<b>212.9</b>	<b>195.5</b>	<b>512.3</b>	<b>(6.6)</b>	<b>1.6</b>		
Scottish Oriental Smaller Companies Trust's objective is to provide shareholders with long-term capital growth through investment in smaller Asian-quoted companies. Its assets are invested in a diversified portfolio of securities – mostly in the form of equities, although other listed investment companies and equity-related securities such as convertible bonds and warrants are permitted in Asia (excluding Japan and Australasia).				Launch date	March 1995		
				AIC sector	Asia-Pacific ex Japan		
				Management group	First State Investments		
				Manager	Susie Rippingall		
				Website	www.scottishoriental.co.uk		
				Dividend policy	One dividend annually, paid in January. The board intends to maintain this level of dividend, using reserves if necessary.		

<b>Securities Trust of Scotland</b>				<b>Code: STS</b>	<b>Market Cap: £118.1m</b>	
Share price total return on £100				10 years	(Discount)/ premium (%)	Dividend yield (%)
1 year	3 years	5 years				
109.8	165.7	106.9	-	3.6	4.0	
The investment objective of the company is to provide rising income and long-term capital growth through a portfolio of global equities. Performance is measured against the MSCI World High Dividend Yield index (MSWRDHY).				Launch date	June 2005	
				AIC sector	Global Growth & Income	
				Management group	Martin Currie Investment Mgmt	
				Manager	Alan Porter	
				Website	www.securitiestrust.com	
				Dividend policy	Quarterly dividends paid in March, June, September and December.	
<b>Worldwide Healthcare Trust</b>				<b>Code: WWH</b>	<b>Market Cap: £338.9m</b>	
Share price total return on £100				10 years	(Discount)/ premium (%)	Dividend yield (%)
1 year	3 years	5 years				
103.7	156.0	161.7	158.6	(7.8)	2.0	
The investment objective of the Worldwide Healthcare Trust is to invest worldwide in pharmaceutical, biotechnology and related securities in the healthcare sector, with the objective of achieving a high level of capital growth. Gearing and derivative transactions are used with a view to mitigating risk and enhancing capital returns.				Launch date	April 1995	
				AIC sector	Sector Spec: Biotechnology/Life	
				Management group	Frostrow Capital	
				Manager	OrbiMed Capital (Sam D Isaly)	
				Website	www.worldwidewh.com	
				Dividend policy	One dividend annually, paid in July, assuming adequate profitability. Level may vary accordingly.	

Source: Thomson Datastream, Edison Investment Research, companies

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