



Press Release

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Baker Tilly and QCA launch Small and Mid-Cap Investors Survey

UK's top investors reveal how they'll be investing in 2014

Baker Tilly and the Quoted Companies Alliance have today launched their Small and Mid-Cap Investors Survey. The research, which provides essential guidance to companies looking for investment, was carried out by YouGov, and included in-depth interviews with some of the UK's top senior fund managers from organisations including Artemis Investment Management, Aviva Investors and Legal & General.

The survey reveals that small and mid-cap fund managers are looking to invest in under-valued companies with good fundamentals, recurring revenues, a good management team and a sustainable competitive position in 2014.

The report also highlights insights into how fund managers make investment decisions and investment trends in the small and mid-cap quoted company sector including:

- Investors prefer secondary fundraisings over IPOs. Many said they would prefer to invest in a company that they already have a stake in, with the majority saying they saw themselves as long-term investors, with investments lasting between 3-5 years. The majority of investors also said they would expect to see significant improvement in a company's performance within the first year of investing.
- Despite many investors saying they didn't focus on a particular sector, technology companies were frequently mentioned as being of interest to fund managers, as well as support service and media companies due to their ability to generate recurring revenue.
- Although the investors didn't identify any particular tax changes as being critical for their investment objectives, meeting the qualifying criteria to attract Venture Capital Trusts (VCT) investment could importantly widen the range of available investment.



- There are many divergent views and varying investment criteria amongst fund managers, for example in respect of income, growth or sector focus, and so it is important that small and mid-cap companies seeking investment carry out appropriate research to understand investor requirements prior to meeting with fund managers.

Chilton Taylor, Baker Tilly's Head of Capital Markets said, 'As a result of the UK beginning to emerge from the recent economic downturn, the IPO market is starting to open up, and quality small and mid-cap stocks are likely to have the potential to achieve a higher growth than the large blue-chip companies. Investment opportunities in the small and mid-cap market are on the rise, and so it is crucial that companies start to view fund managers as potential investment partners who assist in developing and growing their business and operations, rather than just as a source of funds.'

'By understanding the mindset and needs of some of the UK's key investors, business owners can put themselves at a positive advantage when looking for investment over the coming year.'

Tim Ward, Chief Executive of the Quoted Companies Alliance, comments: 'Growth needs the fuel of equity finance. This survey will help quoted companies to approach seeking equity in a more intelligent manner. Funds are available and awareness of investors' needs is crucial for these engines of growth to attract such investment.'

- Ends -

MEDIA ENQUIRIES:

Corinne Gladstone, Baker Tilly Head of PR, 020 3201 8145

Kate Jalbert, Quoted Companies Alliance, Head of Policy & Communications, 020 7600 3745

NOTES TO EDITORS:

- Research for the report was carried out by YouGov, and included in-depth, phone interviews in August and September 2013 with the following UK senior small and mid-cap fund managers:

David Stevenson – Amati Global Investors



Mark Niznik – Artemis Investment Management
Toby Belsom – Aviva Investors
Robin West – Aviva Investors
Judith Mackenzie – Downing LLP
Catherine Stanley – F&C Investments
Guy Feld – Hargreave Hale Limited
Adam McConkey – Henderson Global Investors
Katie Potts – Herald Investment Trust
Henrietta Marsh – ISIS Equity Partners
Ken Wotton – ISIS Equity Partners
Richard Penny – Legal & General Investment Management
Gervais Williams – Miton Group
Andrew Buchanan – Octopus Investments
Marina Bond – Rathbone Investment Management
James Thorne – Threadneedle Investment

- YouGov is a leading opinion research agency conducting projects with consumers and opinion leaders around the world. YouGov is an independent, public limited company listed on London's AIM market, and has offices across Europe, the United States, Asia and the Middle East.
- Baker Tilly is the trading name of a number of separate legal entities which (in its newly merged form with RSM Tenon Ltd and its trading subsidiaries) will have revenues of £350m a year, over 4,000 partners and staff operating from 50 offices throughout the UK and is the 7th largest UK firm of chartered accountants, tax and business advisers to entrepreneurial and growing businesses. We are recognised as a market leader acting to AIM companies as reporting accountants, auditors and as specialists in respect of the VCT and EIS legislation which is applicable to qualifying AIM companies.
- Key professional services: *audit, accountancy, personal and corporate taxation, VAT, management consultancy, corporate finance, IT advisory, restructuring and recovery and forensic services.*
- Sector expertise: charities and education, agriculture, automotive, media, manufacturing, pensions, professional practices, public sector, property, social housing, retail and leisure.



- Baker Tilly International is the world's 8th largest network of independent accounting and business advisory firms by combined fee income of its members. It is represented by 149 independent firms in 125 countries with combined fee income of US\$3.2bn and 24,000 people worldwide
- The Quoted Companies Alliance is the independent membership organisation that champions the interests of small to mid-size quoted companies. We campaign, we inform and we interact to help our members keep their businesses ahead. Through our activities, we ensure that our influence always creates impact for our members. For more information, please visit www.thegca.com.