



The Quoted
Companies Alliance

Press Release

2 July 2010

Big response to QCA event to improve companies' engagement with investors

Companies and institutional investors gained valuable insights at a pioneering event organised by The Quoted Companies Alliance (QCA), the representative body for the UK's small and mid-cap quoted company sector.

A group of senior fund managers outlined what they looked for – and tried to avoid – in selecting and maintaining support for small and mid-cap quoted companies during the session in London on 30 June.

Both delegates from several company boards and the expert panel agreed effort was required to ensure small and mid-cap companies and fund managers engaged to maximum effect. Gervais Williams of Gartmore Investment Management, who chaired the speakers' panel, unveiled figures suggesting amounts invested in smaller companies through funds had fallen over several years.

Some present saw this as an opportunity to spread the good news about backing small and mid-cap quoted companies, especially in view of problems at some large-cap companies, traditionally seen as less risky.

Keith Muir of Standard Life Investment said: "As a small cap investor you get a much better diversification of risk because you have a much broader index. There is generally greater concentration of risk in big cap funds than in small cap funds."

There was lively discussion on topics including valuations in the sector, the role of non-executive directors, site visits, share liquidity, dividend payments, length and detail of company reports, and engaging private investors by putting equity research on company websites.

Speaking after the seminar, 'Q&A with The QCA: Top investors answer the questions you've always wanted to ask', sponsored by Hunton & Williams LLP, Marina Bond of Rathbone



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Investment Management said: “It was very useful to hear these views expressed in an open forum”.

Giles Hargreave of Hargreave Hale Limited said there was an opportunity for fund managers to market small cap investments, adding: “If you hold small cap shares over a long period, you are likely to outperform large caps.”

Tim Ward, Chief Executive of the QCA, said: “This event has proved a valuable addition to our services, which are aimed at advancing the cause of small and mid-cap quoted companies where it matters most, and providing unrivalled educational and networking opportunities for our members. As we enter a new period of austerity, the role of smaller, growing companies in generating employment is crucial.”

Expert panel members also included Mark Niznik of Artemis Investment Management and David Blackwell of The Financial Times. The discussion preceded the QCA Summer Reception, sponsored by PLUS Markets Group, at the top of the Gherkin building.

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Notes to editors:

The Quoted Companies Alliance (QCA) represents the UK’s small and mid-cap quoted companies. This sector is defined as those 2,000 companies that are quoted in the UK outside of the FTSE 350. The QCA promotes the interests and views of its members to Government, Europe, regulators and other professional bodies, educates its members on best practices and provides a vital forum for networking. Celebrating 18 years in 2010, the QCA forms its views through highly focused committees and working groups, made up of directors and professional advisors from across the small and mid-cap quoted company sector. For more information, please visit: www.quotedcompaniesalliance.co.uk.