Investors' Chronicle | Alpha

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Alpha shares analysis

29 July 2021

As dynamics change are dividends sustainable?

Investors get used to where the best sources of income are, but business dynamics change and with that the levels and reliability of dividend distributions. Utilities have always been seen as safe, steady payers (if a little dull), but SSE is seeking to break that mould and be more focused on growth. Dividends could be a victim. CMC Markets had a great, but unsustainable, year. Apax Global also lacks a progressive policy instead paying out a slice of the NAV each year

Looking for income from diversity

- **Apax Global Alpha (APAX)** – an interesting investment fund that allows retail investors to invest in the booming private equity market, usually the preserve of pension funds, sovereign wealth and hedge funds. The fund targets 20 per cent total annual return, of which 5 per cent arises from the dividend. Unusually, the dividend is set at 5 per cent of net asset value (NAV) and is not connected to annual profits: with the core fund NAV unlikely to decline, distributions look stable (if unpredictable) with the added spice of high, but likely lumpy PE-style capital returns.

- **CMC Markets (CMCX)** – the Covid-19 pandemic created a strong market environment for online trading of contracts for difference (CFDs) allowing CMC to post strong growth in FY2021. However, these conditions have not been sustained. As market volatility drops, profits are expected to step back this year by >40 per cent. The dividend is a mechanical 50 per cent of post-tax profits, so last year's bumper dividend is forecast to fall in line with earnings and analysts do not appear especially bullish on growth prospects beyond 2022.

- **SSE (SSE)** – once a fairly standard utility business, SSE is pursuing an aggressive green conversion agenda. The shares have already shifted from a flat price trend (with total returns only derived from the dividend) to delivering total returns of more than 20 per cent per annum since 2019. SSE feels to be transitioning via green investments and targeted disposals into more of a growth stock which could be a threat to a once reliable dividend, although RPI linked distributions are promised through to 2023. High debt and low cover by earnings per share (EPS) and free cash flow compound this view.

Analyst: **Robin Hardy**

Apax Global Alpha – access to the normally inaccessible

Source: FactSet

Private equity – a hot area in 2021

The private equity (PE) market is on fire with record levels of investment in pre-IPO and take-private investments: in the UK in H1 2021 there were more than 120 investments worth more than £40bn targeting buyout, minority stakes and take-private transactions in the public market.

Private equity is where investment is made in company shares that are not (yet) listed on a public stock market. It is also a common mechanism for taking quoted companies out of the public arena and into private ownership. PE investors use money from other investors (typically pension funds, sovereign wealth funds, large hedge funds or larger family office funds) via pooled investment rounds to invest, often augmenting that core capital with a large ratio of debt: leveraged buyouts and investments. Today's ultra-low interest rates have been a key factor in the rise in PE activity along with market turbulence caused by Covid-19 which has left many businesses with very solid long-term prospects looking materially under-valued.

Typically, smaller private investors cannot readily play in the private equity field, but with the Apax Global Alpha (AGA) fund it is possible. AGA is ostensibly a fairly typical closed-end investment company, much like an investment trust, but the shares, listed on the FTSE350 index, are distinctive. This is because the bulk of its funds are invested in PE funding rounds run by leading PE house Apax Partners (see notes below) allowing indirect access to PE investment . A well run PE fund should always be in a position to make positive returns across the cycle by either: investing in a strong business at an early stage when its ultimate value is not yet apparent or developed; seeing or being able to add value to a business (often by creating a marriage value with other assets its owns); breaking up or stripping assets from a business where the 'sum of the parts' is greater than the market value of a quoted company. PE can make high returns but investments are often risky, investments can significantly de-value and it can be many years before apparent value can be unlocked on onward sale or initial public offering (IPO).

The valuation of AGA's shares, like other investment companies, is determined by the NAV of its investments and is priced at a premium or discount to that NAV, following prevailing winds for investment companies more broadly. The position relative to the NAV can be driven by simple supply and demand for the shares. It can be a reflection of the market's opinion of valuations of the businesses, or other instruments held by the investment company, or a view on how easy it will be/how long it will take for the underlying investments to be sold on.

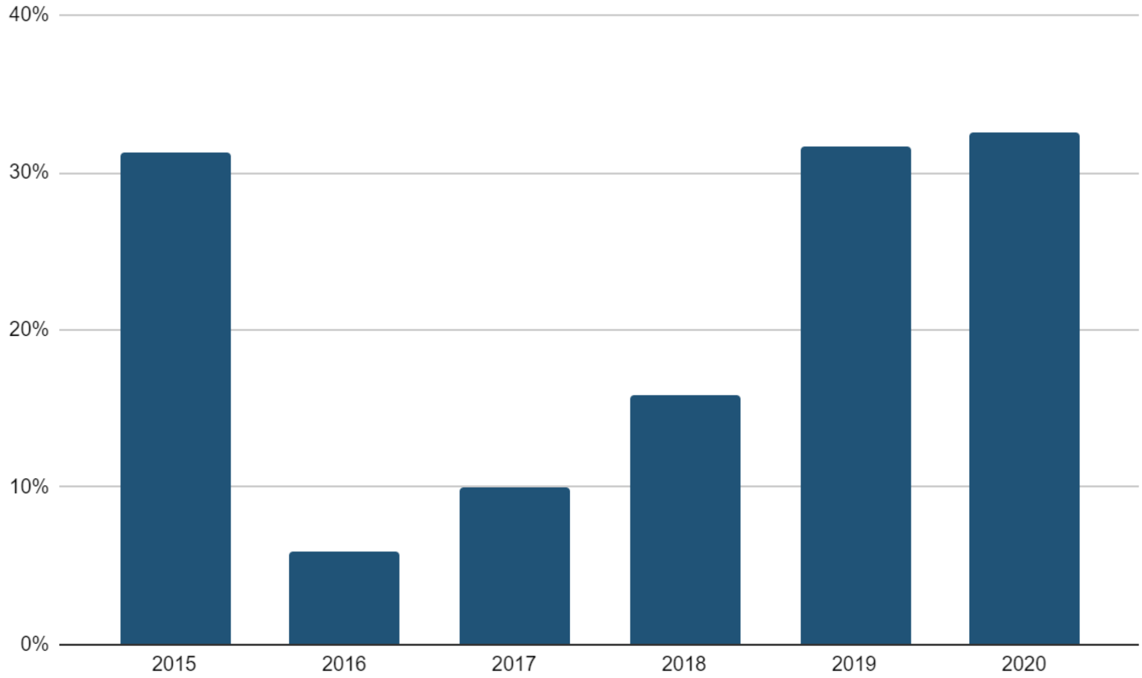
The size and shape of AGA's portfolio

The AGA fund has three main pools of investment:

Private equity funds – 69 per cent of the fund. Here AGA is invested across a range of Apax's historic funding rounds, with holdings in funding blocks that were originated as far back as 2005. The bulk of the fund is invested in a block called AIX (Apax 9th), a $9.4bn funding round from 2016. It is notable that only 1 per cent of the AGP funds are invested in Apax Partners' (AP) latest $11.7bn funding round AX (Apax 10th), the round that will have been used by AP in the busy PE market in 2021.

This reflects the closed-end nature of the fund in that there was no spare capital to invest initially in that round. That will change as funds are released through sales and IPOs in companies within other investment blocks: around €400m is committed to invest. There are some 66 companies held through the various pots within the fund, and in 2020 a near 33 per cent total return (capital values and dividends) was made in constant currency terms. Performance overall has been materially positive since IPO in 2015.

Chart 1: Annual returns from AGA's private equity funds - native currencies



Source: Apax Global Alpha PLC

The realisations from the funds spread over time and have long visibility. PE funds sit in three lifecycle phases: investment, maturity and harvesting (the latter being from where exits and IPOs are made). Investments in the harvesting phase date from 2005 to 2012 and the largest block within the portfolio (APAX 9) sits in the maturity phase so realisations to date have been limited (see below).

Table 1: Example uplifts by discrete funding round

		Average Fund
Funding round	No of Exits	Valuation Uplift
Apax Europe VI	18	26 per cent
Apax Europe VII	24	23 per cent
Apax VIII	14	20 per cent
Apax IX	4	20 per cent
AMI Opportunities Fund	1	122 per cent

Source: Apax Global Alpha PLC

Assets in the harvesting phase are beginning to look a little depleted with a NAV of just €180m, which may mean that growth in the fund NAV (assuming that exits and IPOs show gains above NAV) in the near term could be lower. However, behind that is over €500m of NAV in the maturing phase that should be able to boost the NAV a little further out.

It is likely that strong returns can be sustained because of the narrower, targeted focus of AGA's investments. It is only invested in four sectors: technology (47 per cent), services (26), healthcare (18), and consumer (9).

Table 2: Apax Global Alpha's largest investments - 2020 total NAV €1,201m

Business	Sector	Activities	Location	NAV – €m
Thoughtworks	Tech & Telco	Software design & consultancy	North America	101.5
Duck Creek Technologies	Tech & Telco	Insurance software	North America	77.1
Paycor*	Tech & Telco	Human capital management software	North America	49.8
Unilabs	Healthcare	Diagnostic services	Europe	46.8
Cole Haan	Consumer	High end footwear maker	North America	37.9
Vyaire Medical*	Healthcare	Respiratory medicine	North America	36.0
Trade Me*	Services	New Zealand online auctions & classifieds	Rest of world	34.7
Assured Partners	Services	Insurance broker	North America	31.9
Genius Sports Group	Tech & Telco	Professional sports data	United Kingdom	30.2
Safetykleen Europe	Services	Waste oil management	United Kingdom	23.4

Source: Apax Global Alpha

Overall, the outlook of NAV growth looks good, but perhaps not spectacular in the near term, across an extended period of time. The target annual uplift/realised gains target of 15 per cent into recovering global markets (with strong growth still in technology and pharma) looks readily deliverable, especially given the historic record shown in chart 1.

Derived debt – 27 per cent of the fund. This is debt of varying seniority advanced to businesses that the fund has encountered directly or indirectly when working alongside the main APAX business but where no equity investment is made. This can be borrowing, bonds or notes for operational businesses or the debt used in leveraged buy-out activity. Many of the loans are made to unquoted businesses, some early stage, meaning that they are lower rated by the rating agencies, possibly sub-investment grade. That means high coupons or interest rates but also higher risk – this is reflected in the constant currency return in FY2020 of 7.4 per cent, of which raw interest income was 6.8 per cent. That return is a mixture of interest receipts, mark-to-market valuations and re-pricing of debt as ratings improve.

Derived equity – 4 per cent of the fund. This is where the fund makes a direct equity investment in a business either alongside Apax, separately in businesses that have been encountered in dealings with Apax, or wholly separate investments. This appears less successful than the PE element with a constant currency gain of 2.5 per cent in 2020.

What if PE burns bright now but fades away?

The structure and spread of the portfolio shows that AGA is unlikely to be affected if the high levels of PE activity in 2021 are followed by even an extended hiatus. There are still many years of unwinding of earlier years' investments that are capable of driving returns for, most likely, the next five years. AGA has committed to invest in the AP 2021 investment round but does not have the available resources until sufficient exits and IPOs are achieved from earlier investments so as of today, it has not really participated in this year's PE frenzy.

Where does AGA's profit come from?

The bulk of profit that drives the NAV growth arises from gains realised within the private equity portfolio. In FY2020, €153m of €169m of trading profit was down to investment gains there. There is a modest backbone of income that flows from, primarily, investment income from the derived debt portfolio which is typically in the mid-teens €m. In addition, some €6m-€7m of fees is levied on the assets under management from investors each year. However, the NAV is only substantially moved by the gains made within the PE investments.

More than just capital growth

The dividend is another attraction to AGA. The fund pays out an annual dividend, but one that is based on the reported NAV rather than the net profitability – each year 5 per cent of the NAV is slated to be paid out. As the share price is currently a discount to the NAV, the resulting yield is just above 5 per cent but more importantly, it appears sustainable at that level. This is because the basis for distribution is tied to the balance sheet rather than to earnings, no bad thing given the inherent volatility in profitability for this kind of vehicle. As long as there is a profit from all sources capable of adding 5 per cent to the NAV, then the NAV is stable and the dividend will be at least maintained. If the NAV rises more than 5 per cent, the dividend payment will increase.

However, there is an issue should the NAV not rise, as was the case here between 2015 and 2018. If the 5 per cent dividend is paid, then the NAV will drop and with the share price tied to the NAV, the shares are likely to drop by 5 per cent also. This is an inherent problem when the dividend is decoupled from earnings. If the NAV did fail to rise, especially for more than one year, it is also likely that the discount to NAV would increase and lower the share price.

Summing up

Overall, this is an interesting fund with scope to make substantial returns for investors. If the target 20 per cent total return is delivered that would rank high amongst all listed investment funds and high within the 350 index.

That said, private equity is a high-risk/high-return asset class that is also inherently lumpy in delivering its positive drivers. Also, the bias towards technology and pharmaceuticals can be somewhat Jeckell and Hyde. Stocks in these sectors can be volatile even for mature stocks (reference the Sage share price over the past five years as an example) and where the businesses are at an earlier stage or have limited portfolios, product failures can have a significant negative impact (likely more acutely than for larger, quoted counterparts).

Investment here also carries some currency risk as the fund reports in euros, but the share price is in sterling and the bulk of the fund's investments are in US dollars. Currency movements did erode returns in 2020 (i.e. PE segment returns dropping from 32 per cent native to 25 per cent reported).

This is not an investment for the faint of heart, but certainly is worth considering for the riskier portion of a private investment portfolio. Income investors can get an above average yield but with the unusual risks highlighted above.

Notes:

What is an Alpha Fund? This is a fund that targets a specific level of return for investors, in this case 15 per cent NAV growth and a 5 per cent dividend so 20 per cent annual return overall. This compares with a standard fund that aims only to beat a prescribed market index benchmark.

Who is Apax? Apax Partners LLP is a British private equity firm founded in 1969 that has raised and deployed over $60bn globally in early stage investments and buy-outs.

CMC Markets – down from the crest

Source: FactSet

CMC Markets (CMCX) is an online provider of a trading platform primarily used for dealing in contracts for difference (CFDs) and spread-betting targeting higher investment risk exposure for generally wealthier private investors clients. CFDs are traded as over-the-counter (OTC) instruments meaning that trades are, essentially, peer-to-peer and do not take place through an exchange.

What is a CFD?

It is a contract between two investors (a "buyer" and "seller"), establishing that the buyer will pay to the seller the difference between the current value of an asset today and its value at a future date. Essentially a sophisticated bet with the buyer expecting the price to rise and the seller banking on it falling or staying put. In this market, CMC plays the role of seller. CFDs are traded on 'margin' or 'with leverage', namely that the investor does not need to put up all of the contract's value as collateral, but still assumes all of the risk: this amplifies risk but also reward. The difference is "borrowed" from the seller. If the loss equals the margin percentage, all of the investor's capital is lost; if it is more than the margin the investor has 100 per cent loss plus an additional sum. Any gains are amplified by the reciprocal of the margin percentage as illustrated in Table 1 below.

Table 1: CFD trade with and without margin

All investor's money			20 per cent margin trade			20 percent margin trade	
Investor	100,000		Investor	20,000		Investor	20,000
			Borrowed	80,000		Borrowed	80,000
Rise 20 per cent	120,000		Rise 20 per cent	120,000		Rise 40 per cent	140,000
Gain	20,000		Gain	20,000		Gain	40,000
Percentage	20 per cent		Percentage	100 per cent		Percentage	200 per cent
Fall 20 per cent	80,000		Fall 20 per cent	80,000		Fall 40 per cent	60,000
Loss	-20,000		Loss	-20,000		Loss	-40,000
Percentage	-20 per cent		Percentage	-100 per cent		Percentage	-200 per cent

Source: Investors' Chronicle

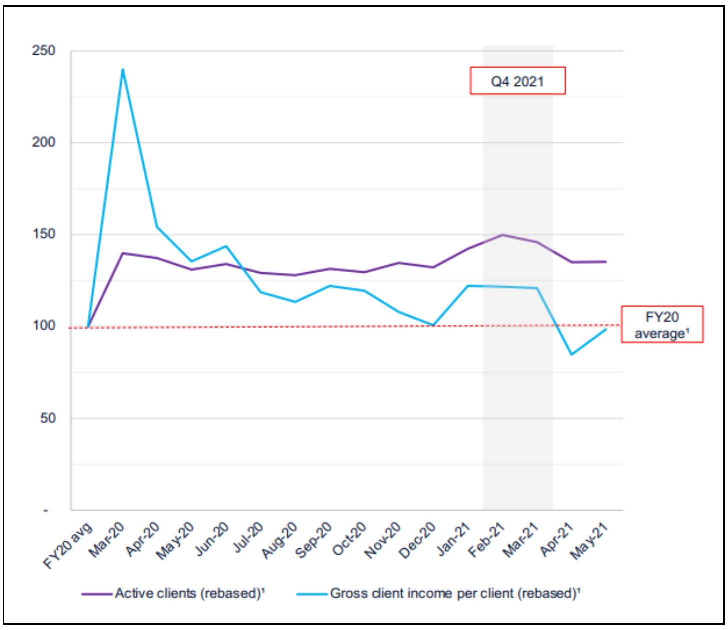
The attractions of CFDs to more sophisticated investors are considerable. Standard retail investors are essentially limited to traditional equities and funds, but CFDs allow for greater flexibility. Investors can more easily access foreign markets, can undertake leveraged trading, deal in fractional shares (e.g invest only £1,000 in Google shares when the share price is over $2,300), undertake short-selling of shares, and trade in movements in other instruments such as indices, currencies, interest rates or commodities. It is the leveraged trading, however, that is the greatest draw as it allows investors potentially to gear their investments five to 10 times.

Strong but unsustainable trading

2020 was a bumper year for CMC and the CFD market more widely, but the consensus view is that the business levels of last year will not be sustained: the same opportunities are simply not present. The client base expanded strongly in 2020/21 rising by one-third but, more importantly, the average net revenue per customer rose by over 20 per cent. A key issue moving forwards is how many of these additional customers stay on the platform. Historically, there has been high retention and the board believes that 80 per cent of the new customers will stay. During the pandemic there was high volatility across all asset classes (probably the largest draw for CFD and spread bet players) plus with so many customers away from work, there were more opportunities to trade.

Neither situation has persisted, so the consensus earnings before interest and taxes (Ebit) forecast to March 2022 is £139m versus £226m reported for March 2021. As chart 1 shows, there was a major spike as the first lockdown started, but momentum was lost as the year progressed. This wind down effect is expected to last beyond the current year as the March 2023 Ebit consensus is just £142m with (albeit it is very early in the forecasting cycle) less than 5 per cent growth to March 2024.

Chart 1: CMC client activity levels March 2020 to March 2021



Source: CMC Markets

Implications for the dividend

This has implications for the dividend as CMC has a mechanical computation for its dividend at a 50 per cent payout of post-tax profits rather than running a progressive dividend policy. So the dividend will follow earnings down with a consensus estimate of 18.1p for the next full-year payment, against 30.6p paid last time and then rising very modestly in the following two years. That leaves a decent enough prospective yield at c.3.95 per cent, which is ahead of the FTSE 350 average of c.3.4 per cent, but is not offering material growth. As the dividend policy is not progressive and the earnings base is clearly volatile, that higher rate of dividend yield over the benchmark may not be high enough to compensate.

Branching out

In order to extend its potential client reach, CMC has introduced a new platform for non-leveraged trades, which is more like a traditional stockbroking model. This would incur only marginal additional cost, but has scope to generate revenue (albeit smaller sums) from a much larger pool of potential investors.

In 2021, CMC had an average of 76,000 active CFD customers, a tiny fraction of active UK investors: Hargreaves Lansdown, for example, has 1.5 million customers. Stockbroking revenue has increased more than three-fold in the past two years and client numbers doubled to 232,000 with revenues now equal to c.15 per cent of that made in CFDs, but the margin (undisclosed) is likely to be materially lower. This is because income is only based on commissions and fees with little or no scope for principal profits.

Risks

There are some specific risks arising with CMC.

First, regulation risk. When day trading and using CFDs, most investors (c.75 per cent) lose money when trading on more esoteric trading platforms (Source: Safer Investor Initiative) so the market feels heavily in favour of service providers. CFD trading is illegal for US citizens in the US, many other countries have strict limitations and in the UK the FCA banned retail investors from trading in CFDs two years ago, in January CFDs for cryptocurrencies were outlawed and in March, Australia (CMC's largest source of revenue) tightened rules for retail customers.

Trading rules could be tightened again, but being already limited to wealthier investors but with the average level of income earned from each customer in FY2021 at £4,560 (most of which is essentially the aggregated negative outcome of trades undertaken in a year) that does not feel onerous. So, further regulation may not be needed but change is not impossible.

Second, liquidity. Some 58.6 per cent of the shares are still owned by founder and CEO Peter Cruddas. This holding has been pretty steady since the 2016 IPO, but while still active as CEO Cruddas is now 67 years old and sitting on an £800m investment, four times what he took out on IPO. This must be viewed as an overhang plus he controls the vote other than at an emergency general meeting (EGM): neither is seen as an ideal position by institutions (especially from an ESG perspective) and typically this will act as a drag on the rating.

Third, scope for increased competition. The strength of 2020 across the whole industry is likely to cause greater competitive pressures as businesses strive to sustain as much of that spike in business as possible. CMC itself showed in 2020 that upping marketing spend (primarily advertising/marketing but also incentives for customers) can be very successful. Rather than being an exceptional cost in a bumper year, this higher spend (£9m in 2020) risks becoming a creeping cost.

Summing up

The shares can look cheap against the market (PE year 1 of c.12x against market's 13.5x) and just above average yield but there are risks attached and it seems that the market is yet to be convinced that good growth can be established. More growth may come from the expansion of the lower risk and more retail oriented operations where margins may be lower but the quality of earnings is likely to be materially higher. The dividend is decent but given the mechanical distribution policy and possible lack of growth, perhaps the yield needs to be higher to be attractive.

SSE – driving for the green

Source: FactSet

SSE (SSE) was the third largest supplier of electricity and gas in the UK, supplying electricity and gas under Southern Electric, Scottish Hydro Electric, SWALEC and Atlantic brands. However, substantial change is in hand. SSE is targeting a transition from being just another utility business to a green energy provider delivering carbon net zero electricity provision by 2030, well ahead of the government's national objective of 2050. In addition, it is narrowing its operational focus through a programme of disposals seeking to release over £2bn (by the end of calendar 2021) for reinvestment primarily in renewables. SSE is well advanced in delivering its ambitions and is today the UK's largest provider of renewable electricity with a substantial portfolio of wind assets.

Out of domestic

The largest change, perhaps, has been the sale of its entire domestic customer portfolio (electricity, gas and broadband) to OVO energy in 2020: this involved handing over more than 7m customers in mainland Britain, but maintaining a presence in Northern Ireland and the Irish Republic. This leaves SSE's end customer supply base entirely focused on business customers although generation, transmission and local distribution still impact domestic customers but via the wholesale energy market and other providers.

However, this supply structure did not prove as defensive as domestic supply through the Covid-19 crisis. While domestic demand increased as people worked from home, business demand dropped as premises closed or massively scaled back and SSE also saw an increase in bad debts. However, business energy supply is typically less competitive and operates with longer contract commitments plus generation and distribution of electricity allow SSE to maintain a connection to domestic supply .

Rejigging the business

While the target is to be a net zero business, SSE is not aiming to be a 100 per cent renewables business. It does provide 100 per cent renewable energy to its business customers already by default but this is a blend of its own generated power and that bought in the wholesale energy market. While coal-fired generation was sold in 2017 it retains gas powered stations (branded SSE Thermal) and continues to invest in delivering cleaner energy solutions in that field. SSE is also selling businesses that do not closely align with the drive for net zero emissions.

Disposals:

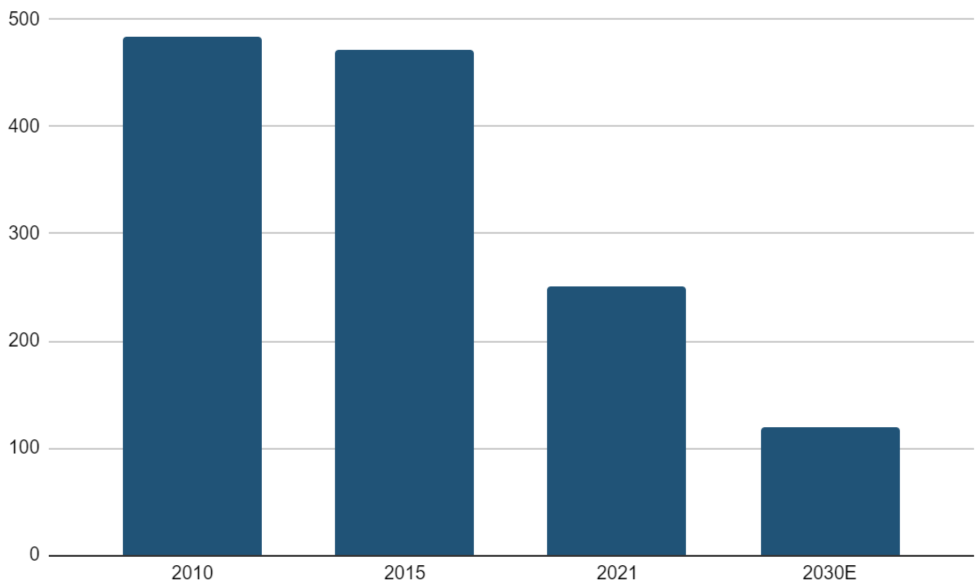
- Domestic supply mainland GB to OVO – completed January 2020 - £500m*
- Walney offshore wind farm (25 per cent stake) – completed Sept 2020 - £350m
- Maple metering assets – completed Sept 2020 - £95m
- UK multi-fuel facilities (50 per cent stake) – completed Oct 2020 - £995m

- Electrical and rail contracting – completed April 2021 - £22.5m
- Scotia Gas Networks (33 per cent stake – on-going, targeting agreed sale by end 2021 - c.£1bn
- Gas production assets – on-going, targeting agreed sale by end 2021 - £120m

* The sale to OVO is in addition to the £2bn target disposal proceeds

Overall, this refocusing of the business has already seen SSE significantly lower the carbon impact of the electricity it generates (see chart 1 below) with a material amount of the work needed to reach the 2030 net zero target already done. The step change between 2015 and 2021 is likely to have been a key factor in rejuvenating the share price illustrating that the 2030 objectives are deliverable.

Chart 1: SSE carbon intensity of electricity generated – gCO2e/kWh



Source: SSE

FY2021 saw the first year in which renewables made a larger EBIT contribution than regulated networks with a substantial rise in contribution for offshore wind: there is considerable additional investment being made in wind for delivery in the second half of this decade. Although this will be the key driver of change, there is another investment going in to improve SSE's green credentials, end-to-end from generation to traditional consumption plus a measure of diversification into new markets. All told, we see these changes looking capable of not only driving up the quantum of earnings, but also their quality and that the scale of the transition is substantial.

Diversity initiatives include:

- Building green car charging networks
- Carbon capture and sequestration/storage (CCS)
- Battery technology primarily for automotive
- Hydrogen fuel cells
- Expansion of pumped storage hydro-electricity
- International opportunities - direct investment and minority stake JVs

What about the dividend?

In common with other utility companies, SSE has been viewed more as a stable income stock rather than one offering growth. SSE was viewed as one of the most reliable payers offering at least an RPI increase in its distribution from the formation of the group in 1998 (via the merger of Scottish Hydro Electric and Southern Electric).

This income stock bias reflects in the share price where the absolute share price return over five years has been essentially zero, although better in terms of total return, where it has returned just over 6 per cent compound annual growth rate (CAGR). Over two years it is a different story, however. As the re-orientation has gathered pace, it has driven a much improved share price trend. The share price performance has ramped up to deliver 18 per cent absolute and 23 per cent total return CAGR in that time. This might suggest that the market is beginning to appreciate a swing from a utility to something more akin to a growth-oriented stock.

This could, however, have long-term implications for the dividend. Fundamentally, utilities are flatter profit but cash-generative performers that need to offer more substantial dividends to offset a lack of growth in order to attract investors.

Change those business dynamics and income stops being the only lure to investors. Also by looking at new classes of and/or locations for investment there risk being more, and better, calls on the available cash flow. Within that change the ability, willingness and need to pay a high distribution could shift and the dividend could begin to look vulnerable. The dividend has already been cut in FY 2020.

That said, SSE remains re-committed to its five-year dividend plan running through to March 2023. It will increase its distribution at or above the rate of inflation, although the dividend was rebased (in FY 2020 the cut was from 97.5p to 80p) after the domestic supply disposal to OVO. This gives confidence that dividends will increase from last year's 81p for at least the next two years.

However, the dividend is not well-covered by EPS (FY2022 consensus EPS 91.7p against DPS 83.1p) and free cash flow cover is equally thin. Net debt remains high (>100 percent gearing and debt/Ebitda >6 x) and a debt reduction objective by 2024/25 to a debt ratio of below 5x Ebitda could begin to shift priorities in the calls on cash flow.

There is also a substantial commitment to capital expenditure with a target £7.5bn incremental investment over five years on renewables. Although, with the £2bn to be realised from divestments the overall burden of this is a little lower.

However, the disposals do eat into the earnings base. The £1bn or so of disposals already closed will dilute EPS by 3p: the sale of SGN and the Gas Networks could double this. That dilution will carry as the target investments in wind do not fully contribute to the P&L until 2026 at the earliest.

The earnings base looks to be improving in quality terms but any decent pick up in growth could still be five years out. In this industry there is always the additional risk of tighter oversight by the regulator. Typically the evolution of utility regulation has been to clip the utility companies' wings in each cycle on permitted maximum returns and up the required levels of new investment.

We are about to see a new cycle of regulated requirements and it is speculated that Ofgem may halve allowed returns between 2021 and 2026 under RIIO2 (Revenues = Incentives + Innovation + Outputs): this determination is due in December. SSE's move to lower its exposure to regulated markets could prove to be of material benefit.

Summing up:

So, as the nature of this business changes and the calls on free cash shift, it is not impossible that the dividend is re-based again. The yield at 5.3 per cent does not really discount this but any change has to be at least two years out, just over the market's time horizon at this stage.

That need not be an issue in terms of total returns as the share price performance has scope to remain positive as better growth, higher earnings quality and much improved ESG credentials could push the rating higher. SSE is already higher rated than its peers largely because of the transformations already in train but there is room for more.

The momentum in total returns could be sustained but with a change in its make-up to have a greater balance between share price growth and income. That should be a positive development overall, but might be cold comfort for pure income investors.

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ISSN 0261-3115.