

1 July 2015

## Press Release

### **FTSE-calculated UK Employee Ownership Index surges ahead in first half of 2015**

The UK Employee Ownership Index surged ahead of the FTSE All Share in the first half of 2015.

The UK Employee Ownership Index tracks the performance of UK-quoted companies that are substantially owned by or on behalf of employees (excluding main board directors). It is calculated by index specialist FTSE International, a subsidiary of the London Stock Exchange Group, on behalf of Capital Strategies, which created the index in 1995.

In the half year ending 30 June 2015, the UK Employee Ownership Index was up 34.3% while the FTSE All-Share was up 3.0% on a total return basis.

This means that £100 invested in the index on 1 January 2003 would now be worth £1,007 - a compound annual return of 20.3% - compared to £285 if invested in the FTSE All-Share.

Most of the gain is down to one company: AIM-listed broker Daniel Stewart Securities whose share price rocketed twenty two fold in eighty eight days following stake building and speculation of a takeover bid. But after stripping out the extreme effect of this one stock, the Index has still performed strongly: up 8.6% in the first half compared to 3.0% for the FTSE All Share.

Nigel Mason of Capital Strategies said: "These strong results are mirrored in our private portfolio, which is well ahead of the FTSE in its first eleven months. Thanks to our pioneer investors, we are building a solid investment track record which we hope provides the conclusive evidence that employee share ownership can deliver strong returns."

Malcolm Hurlston CBE, Chairman of the Employee Share Ownership Centre, commented: "The index shows beyond doubt the tangible benefits of employee engagement."

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## Notes to Editors

1. The UK Employee Ownership Index, which has been published since 1995, tracks the share prices of 70 companies listed on the main market of the London Stock Exchange and on AIM which have more than 3% of their issued share capital held by employees (excluding main board directors). There is also a version of the index with a 10% employee ownership threshold.
2. Companies for inclusion in the index are identified using public disclosures. No unpublished information is used. This means the index does not necessarily include all companies that are eligible for inclusion.
3. The index is calculated using standard FTSE methodologies:

# CAPITAL STRATEGIES

- The index tracks total shareholder returns, including the effect of dividends.
  - The index is equal weighted to ensure that the performance of big companies does not swamp the performance of small companies as they do in most other published indices.
  - The index is re-weighted every quarter to maintain parity.
  - Changes to the constituents of the index are made quarterly only on official FTSE review dates.
  - The benchmark index is the total return version of the FTSE All-Share excluding investment trusts (FTSE index code ASXX).
4. Further information about the UK Employee Ownership Index can be found at [www.employeeownershipindex.co.uk](http://www.employeeownershipindex.co.uk)
  5. FTSE is a registered trademark of London Stock Exchange Group plc. All-Share is a registered trademark of FTSE International Limited. UK Employee Ownership Index is a trademark of Capital Strategies Limited.

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