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Press Release

FTSE-calculated UK Employee Ownership Index remains ahead in 2014 despite lagging in third quarter

The UK Employee Ownership Index slightly under-performed the FTSE All Share in the third quarter of 2014 but remains ahead in the year to date.

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).

In the quarter ending 30 September 2014, the UK Employee Ownership Index was down 2.7% while the FTSE All-Share was down 1.1%. In the nine months ending 30 September, the index was up 5.5% while the FTSE All-Share was up 0.5%.

This means that £100 invested in the index on 2 January 2003 would now be worth £754 - a compound annual return of 18.8% - compared to £280 if invested in the FTSE All-Share.

Nigel Mason of Capital Strategies, which developed the original index in 1995 and now works with FTSE to maintain the new indices, said: "Since January 2003, there have been seventeen quarters when the Employee Ownership Index has underperformed the FTSE All Share. Short term fluctuations are inevitable and it is important to judge returns over the long term. Over periods of one, three, five and ten years, the index has shown consistently superior returns."

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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 No unpublished information is used.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 who are eligible for inclusion.
3. The index is calculated using standard FTSE methodologies:
 - 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.

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- 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
 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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