

# Shires Income plc

SHRS

## Morningstar Peer Group Classification

UK Equity Income

### Investment Objective

To provide a high level of income together with growth of both income and capital from a portfolio substantially invested in UK equities but also in preference shares, convertibles and fixed income securities.

### Valuation statistics (NAVs estimated<sup>1</sup>) GBX

	14 Feb 2019	12 m High	Low
Price	254.50	284.00	228.50
Fair Cum NAV	255.66		
Fair Ex NAV	253.02		
Par Cum NAV	255.66		
Par Ex NAV	252.41	280.75	230.23
Fair Cum Discount	-0.45		
Fair Ex Discount	+0.58		
Par Cum Discount	-0.45		
Par Ex Discount	+0.83	+7.30	-6.27
Peer Group Discount	-3.29		
Z-Statistic <sup>2</sup>	0.73		

### Last Actual NAVs (GBX) as at 13 Feb 2019

Fair Cum NAV	255.42
Fair Ex NAV	252.78
Par Cum NAV	255.42
Par Ex NAV	252.78

### Key Data

Domicile	UK
Launch Date	31 Mar 1929
Financial Year-end	31 Mar
Exchange	London (LSE)
Next AGM	Jul 2019
NAV Frequency	Daily
Dividend Frequency	Quarterly
Total Assets (GBP)	95.1m
Net Assets (GBP)	76.0m
Shares Outstanding	30,129,580
Gross Gearing <sup>3</sup>	125
Net Gearing <sup>4</sup>	125
Average Daily Shares Traded (1yr)	0.038m
Average Daily Value Traded (1yr)	0.104m
Total Expense Ratio <sup>5</sup> (2018)	0.99%
Market Capitalisation (GBP)	76.7m
Net Dividend Yield <sup>6</sup>	5.11%

### Dividend Policy

The fund intends to pay quarterly dividends

### Year-on-Year Dividend Growth % (financial year 31 Mar)

2019	2018	2017	2016	2015
0.00	1.96	4.08	0.00	2.08

### Dividend Growth % (annualised on current financial year)<sup>7</sup>

1 year	2 years	3 years	4 years	5 years
0.00	0.98	2.00	1.50	1.61

### Directors

Robert Talbut (Chairman), Robin Archibald, Marian Glen, Andrew Robson

**Fund Manager:** Iain Pyle (03 May 2018)

### Aberdeen Asset Management

40 Princes Street, Edinburgh, UK, EH2 2BY

**Telephone:** +44 (0)131 528 4000

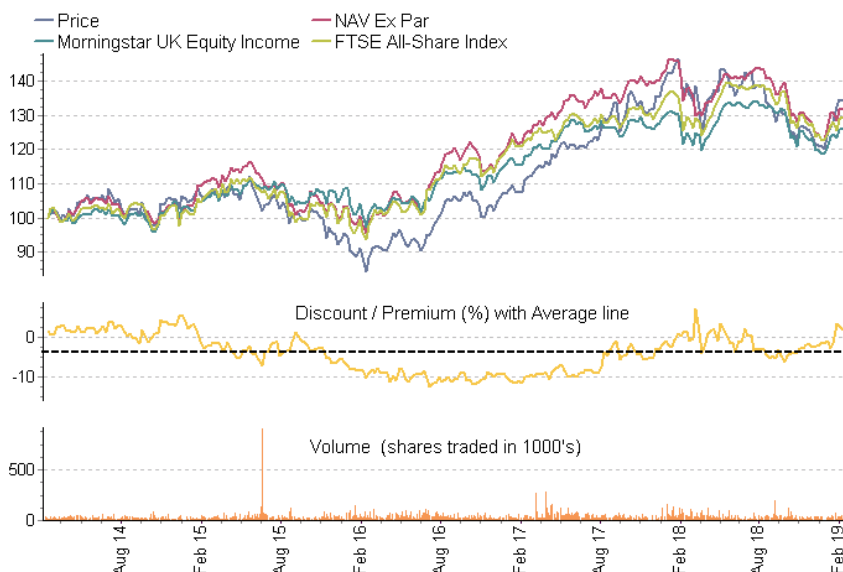
**Website:** www.shiresincome.co.uk

**Stockbroker:** JP Morgan Cazenove

### Management Fee Summary

Management fee is 0.45% p.a. up to GBP100m and 0.40% p.a. over GBP100m of the net assets, calculated monthly and paid quarterly. Contract is terminable on notice period of six months.

## Total Return Performance (GBP) over 5 years (or since inception)

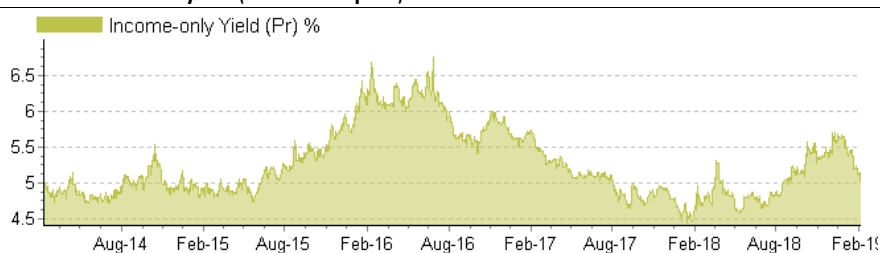


## Performance (Total Return %)<sup>8</sup> GBP

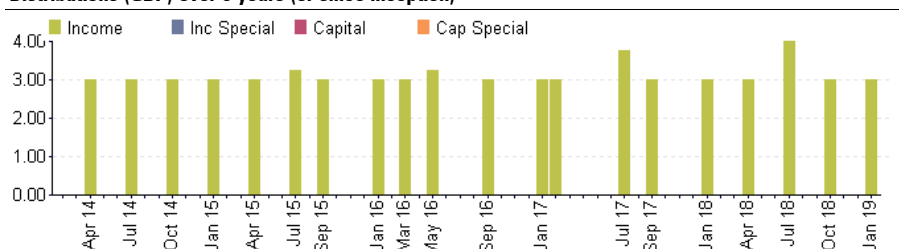
	1 month	3 months	6 months	1 year	YTD	3 years	5 years
Price	+6.93	+6.30	-2.11	-3.56	+11.83	+59.47	+34.45
NAV	+3.60	+3.21	-5.73	-1.80	+8.94	+40.24	+33.99
Peer Group (Price)	+3.89	+2.67	-3.60	+3.24	+6.93	+31.10	+27.72
Peer Group (NAV)	+4.59	+2.50	-5.20	+3.50	+8.11	+32.15	+33.03
Benchmark	+4.83	+2.66	-4.40	+3.43	+7.39	+40.99	+31.92

Peer Group: Morningstar IT UK Equity Income P  
Morningstar Benchmark: FTSE All-Share Index  
Fund distributions reinvested on ex-dividend date<sup>9</sup>

## Dividend Yields over 5 years (or since inception)



## Distributions (GBP) over 5 years (or since inception)



## Latest Dividend History (GBP)

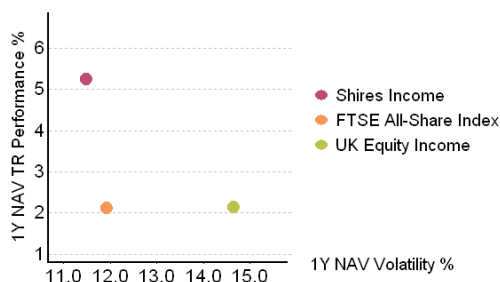
Type	Dividend	Declared Date	Ex Div Date	Record Date	Payment Date	Financial Year
Income	3.000	20 Nov 18	03 Jan 19	04 Jan 19	25 Jan 19	2019
Income	3.000	19 Sep 18	04 Oct 18	05 Oct 18	26 Oct 18	2019
Income	4.000	30 May 18	05 Jul 18	06 Jul 18	27 Jul 18	2018
Income	3.000	20 Feb 18	05 Apr 18	06 Apr 18	27 Apr 18	2018
Income	3.000	17 Nov 17	04 Jan 18	05 Jan 18	26 Jan 18	2018
Income	3.000	20 Sep 17	05 Oct 17	06 Oct 17	27 Oct 17	2018
Income	3.750	31 May 17	06 Jul 17	07 Jul 17	28 Jul 17	2017
Income	3.000	23 Feb 17	06 Apr 17	07 Apr 17	28 Apr 17	2017
Income	3.000	17 Nov 16	05 Jan 17	06 Jan 17	27 Jan 17	2017
Income	3.000	08 Sep 16	06 Oct 16	07 Oct 16	28 Oct 16	2017
Income	3.250	26 May 16	07 Jul 16	08 Jul 16	29 Jul 16	2016
Income	3.000	15 Mar 16	07 Apr 16	08 Apr 16	29 Apr 16	2016

## Initial Public Offering

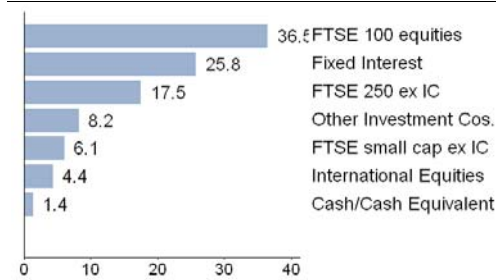
on 31 Mar 1929

## Shires Income plc

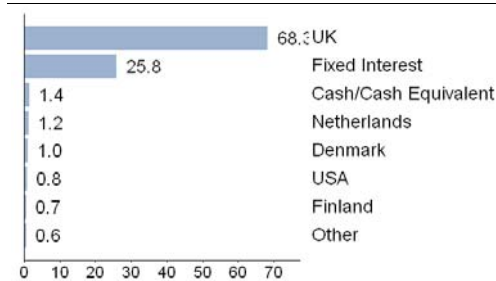
SHRS

Risk & Return<sup>9</sup>

## Sector Breakdown (%)



## Geographic Breakdown (%)

Largest Holdings (% Portfolio<sup>10</sup>) as at 31 Dec 2018

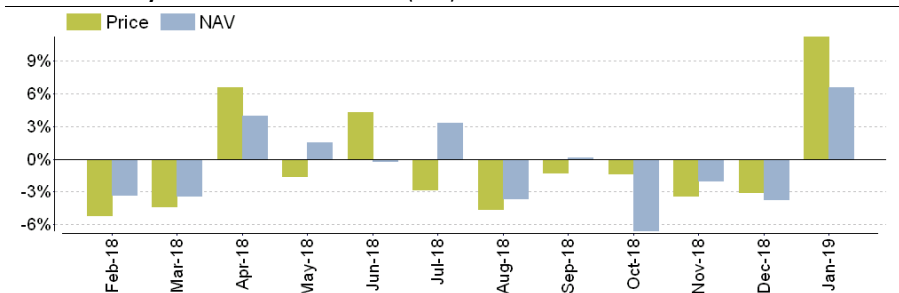
Aberdeen Smaller Co High Inc Trust	7.6%
Royal Dutch Shell Plc B	3.4%
BP Plc	2.9%
BHP Billiton Plc	2.6%
Telecom plus plc	2.5%
Prudential Financial Inc	2.5%
Vodafone Group Plc	2.4%
GlaxoSmithKline Plc	2.4%
AstraZeneca	2.3%
British American Tobacco	2.1%
<b>Total</b>	<b>30.7%</b>

## Capital Structure

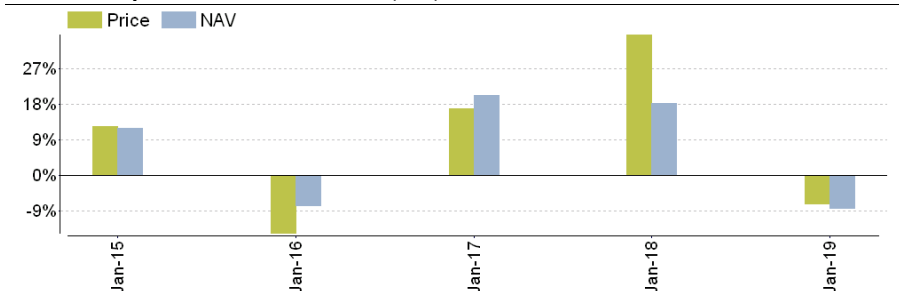
Number of Shares	Share Type
30,129,580	Ord 50p

Loan CCY	£m	Redemption	Coupon
GBP	9.0		1.175%
GBP	10.0		2.103%
GBP	0.1		3.500%

## Discrete Monthly Price &amp; NAV Total Return % (GBP)



## Discrete Yearly Price &amp; NAV Total Return % (GBP)



## Risk &amp; Correlation

	3 months	6 months	1 year	3 years	5 years
Alpha (NAV) <sup>11</sup>	0.02	-0.02	-0.38	0.06	0.08
Beta (NAV) <sup>12</sup>	0.81	0.80	1.04	0.97	0.93
R-squared (NAV) <sup>13</sup>	0.87	0.81	0.87	0.74	0.74
Sharpe (NAV) <sup>14</sup>	0.97	-0.97	-0.63	0.83	0.56
Price Volatility <sup>15</sup>	18	17	17	16	17
NAV Volatility <sup>15</sup>	12	11	11	11	12
Benchmark Volatility <sup>15</sup>	15	13	12	12	13
Peer Group Price Volatility <sup>15</sup>	13	13	11	11	12
Peer Group NAV Volatility <sup>15</sup>	14	17	15	12	13

Additional Performance (Total Return<sup>8</sup>) GBX

Period	Price	NAV	Peer Price	Peer NAV	Benchmark
	#y1prigbp	#y1navgbp	#y1pgpgbp	#y1pnggbp	#y1bmgbp
2018	-4.78	-6.50	-2.05	-3.24	-2.78
2017	+31.72	+19.13	+12.65	+12.80	+13.10
2016	+13.64	+16.53	+6.78	+10.18	+16.75
2015	-11.31	+0.68	+5.09	+6.51	+0.98
2014	+8.46	+2.41	+3.98	+4.20	+1.18
Since FTSE 2009 Low (13 Mar 09)	+371.80	+328.71	+270.84	+277.27	+214.94
Since Sub-Prime (20 Nov 07)	#primprigbp	#primnavgbp	#primpgpgbp	#primpnggbp	#primbmgbp
Since FTSE 2007 Peak (13 Oct 07)	#octprigbp	#octnavgbp	#octpgpgbp	#octpnggbp	#octbmgbp

## Wind-up Provisions/Buy Back Policy

The Company has an unlimited life.

1 **NAV Estimation** - Fair value of debt refers to the market price of the debt if it is traded or, if it is not traded, an estimation of its value calculated using points over gilt methodology.  
Cum Income NAVs include net revenue in the financial year to date. All estimates are fully diluted for the effects of warrants, convertibles or treasury shares. NAV estimations are created and maintained by Morningstar. For more detailed methodology document please contact FD.Support@morningstar.com

2 **Z-Statistic 1y** - Shows whether the fund's current discount is significantly higher or lower than the average over the past year, calculated as (Current Discount - Mean) / Std Dev

3 **Gross Gearing** - The ratio of estimated gross Assets to the Net Assets, expressed as a percentage

4 **Net Gearing** - The ratio of estimated Gross Assets minus cash and fixed interest to the Net Assets, expressed as a percentage. Cash and fixed interest represents not-equity exposure.

5 **Total Expense Ratio** - (Total Expenses - Performance Fees - Cost of Leverage - Tax - Restructuring Costs) / Average Net Assets

6 **Net Dividend Yield** - This is calculated by dividing the current financial years dividends (this will include prospective dividends) by the current price.

7 **Dividend Growth** - The annualised percentage growth in dividends. Based upon the current financial year, including any future estimates or forecasts.

8 **Performance** - Calculated using start and end period Share Prices or NAV Dividends are reinvested on the ex-dividend date at the prevailing Share Price or NAV.

9 **Risk & Return** - 1 Year ex income par NAV total return performance against 1 Year NAV volatility. Please see notes 8 and 15 for performance and volatility definitions respectively.

10 **Portfolio** - In order to calculate the portfolio value we deduct any holdings in cash only (Note that Fixed Interest is not included).

11 **Alpha** - The difference between the fund's average excess total return and the benchmark's average excess total return.

12 **Beta** - The sensitivity of the fund to broad market movements. A Beta of 0.5 would imply the fund will move by half as much as the index.

13 **R-squared** - A measure of correlation between the fund and index. A value of 0.8 means that 80% of the fund's NAV changes can be explained by changes in the index.

14 **Sharpe** - A risk-adjusted return measure, calculated by dividing the fund's average monthly excess total return over the risk-free rate by the standard deviation of those returns. The figure shown is the annualized Sharpe Ratio.

15 **Volatility** - The annualized standard deviation of the logged daily returns, adjusting for distributions from capital.