



WHY I LIKE GROWTH COMPANIES

Steven Frazer, news editor
& technology writer

SHARES

Buying stocks of companies that are growing fast and will appreciate in price over time.

KEY PEOPLE:



PHIL
FISHER



THOMAS
ROWE PRICE JR.



WILLIAM
O'NEIL



**“ I DON'T WANT A LOT OF GOOD INVESTMENTS;
I WANT A FEW OUTSTANDING ONES. ”**

Phil Fisher
Growth Investing Pioneer



HISTORICAL EARNINGS GROWTH

Companies should have a strong track record of growing earnings.



FORWARD EARNINGS GROWTH

Growth investors pay attention to earnings announcements to determine which companies are growing at a faster pace.



PROFIT MARGINS

Strong margins can indicate that management is growing revenues while controlling costs, which can be important as a company progresses.



RETURN ON EQUITY

Stable or increasing ROE indicates that management is doing a good job generating returns from shareholders' investments.

IMPORTANTLY,
GROWTH STOCKS CAN COME IN MANY
SHAPES AND COLORS



**Small companies
with high potential**



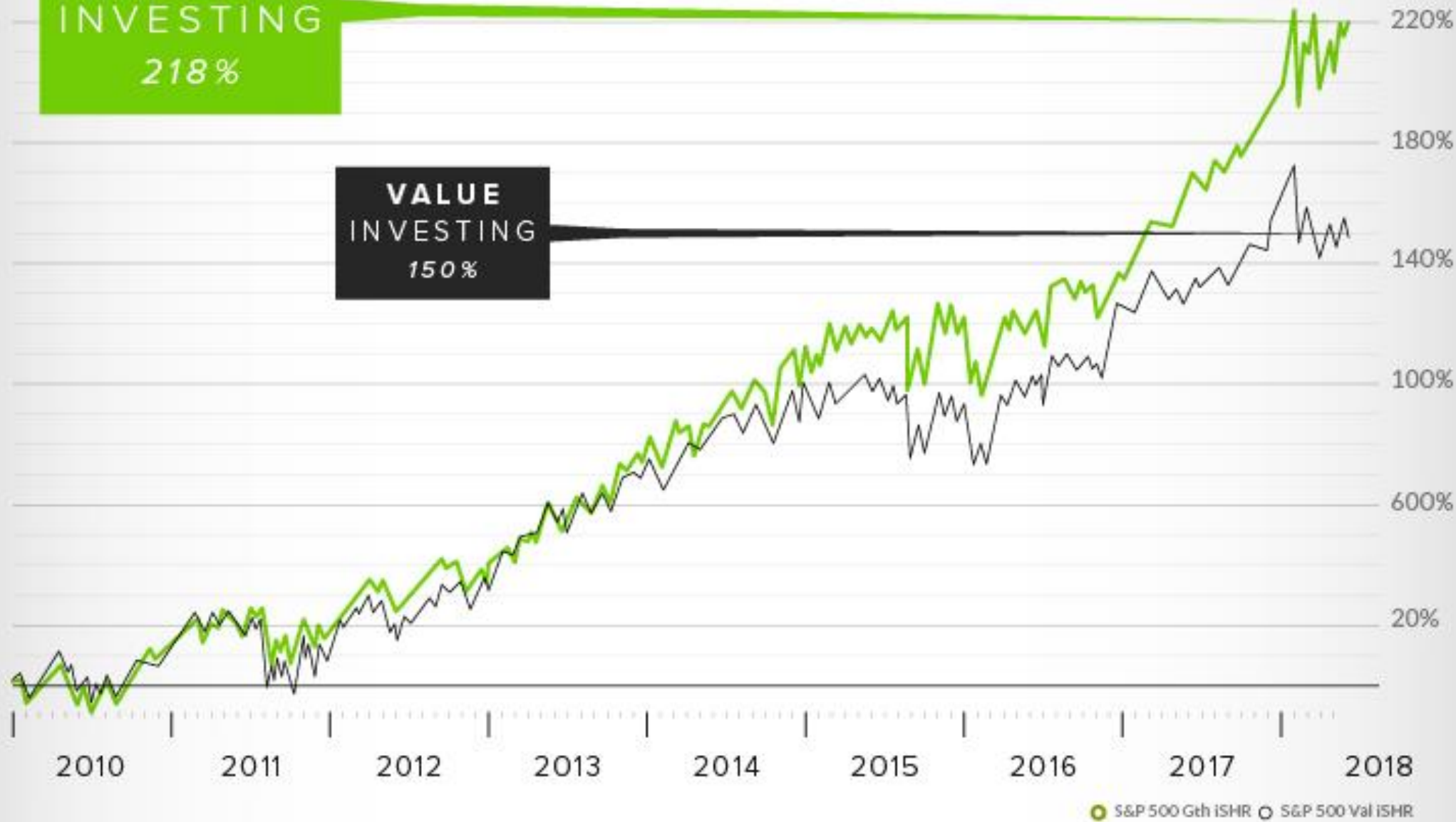
**Blue chip companies
that have discovered new
ways to fuel growth**



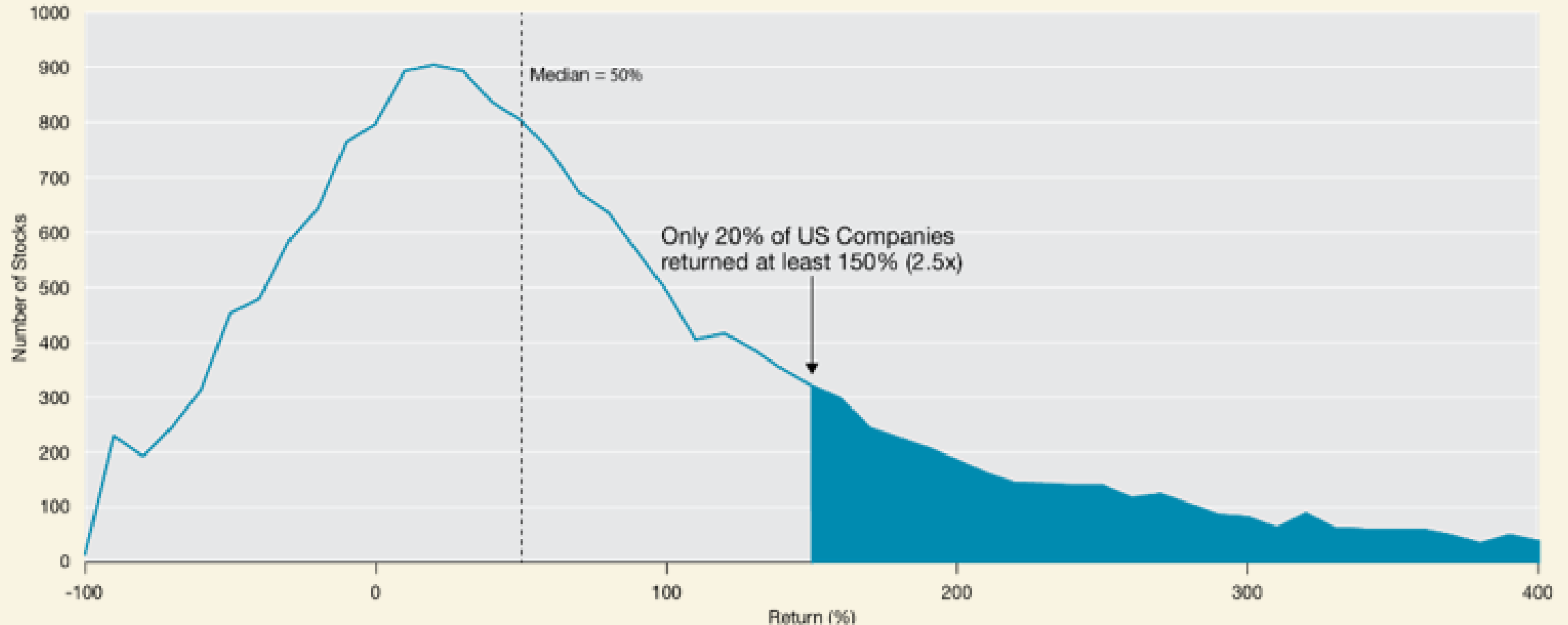
**Companies in
emerging markets**

GROWTH INVESTING
218%

VALUE INVESTING
150%



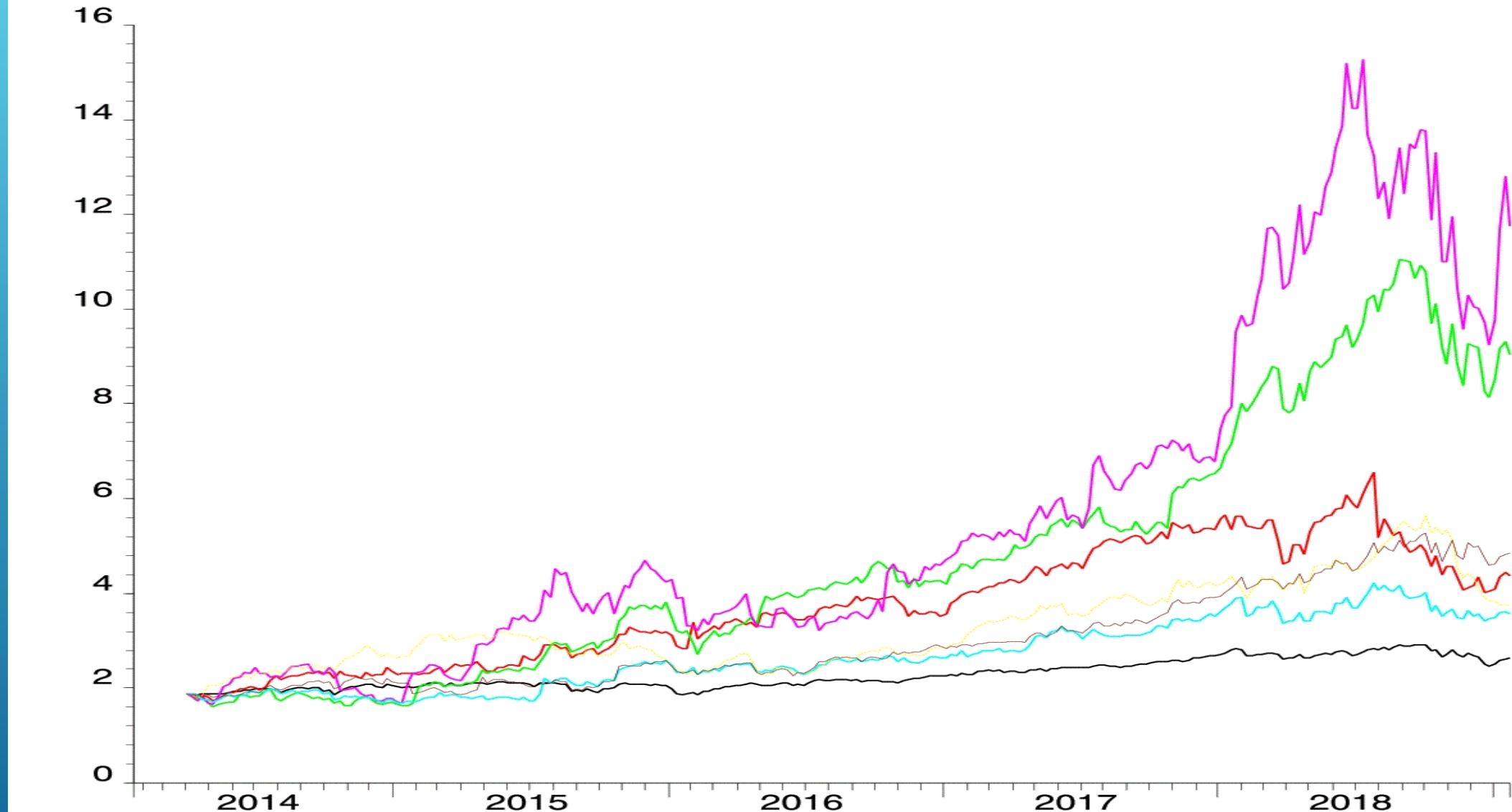
S&P 500 rolling five year stock returns from 1984–2013



Source: Baillie Gifford & Co, [Datastream](#) and S&P.

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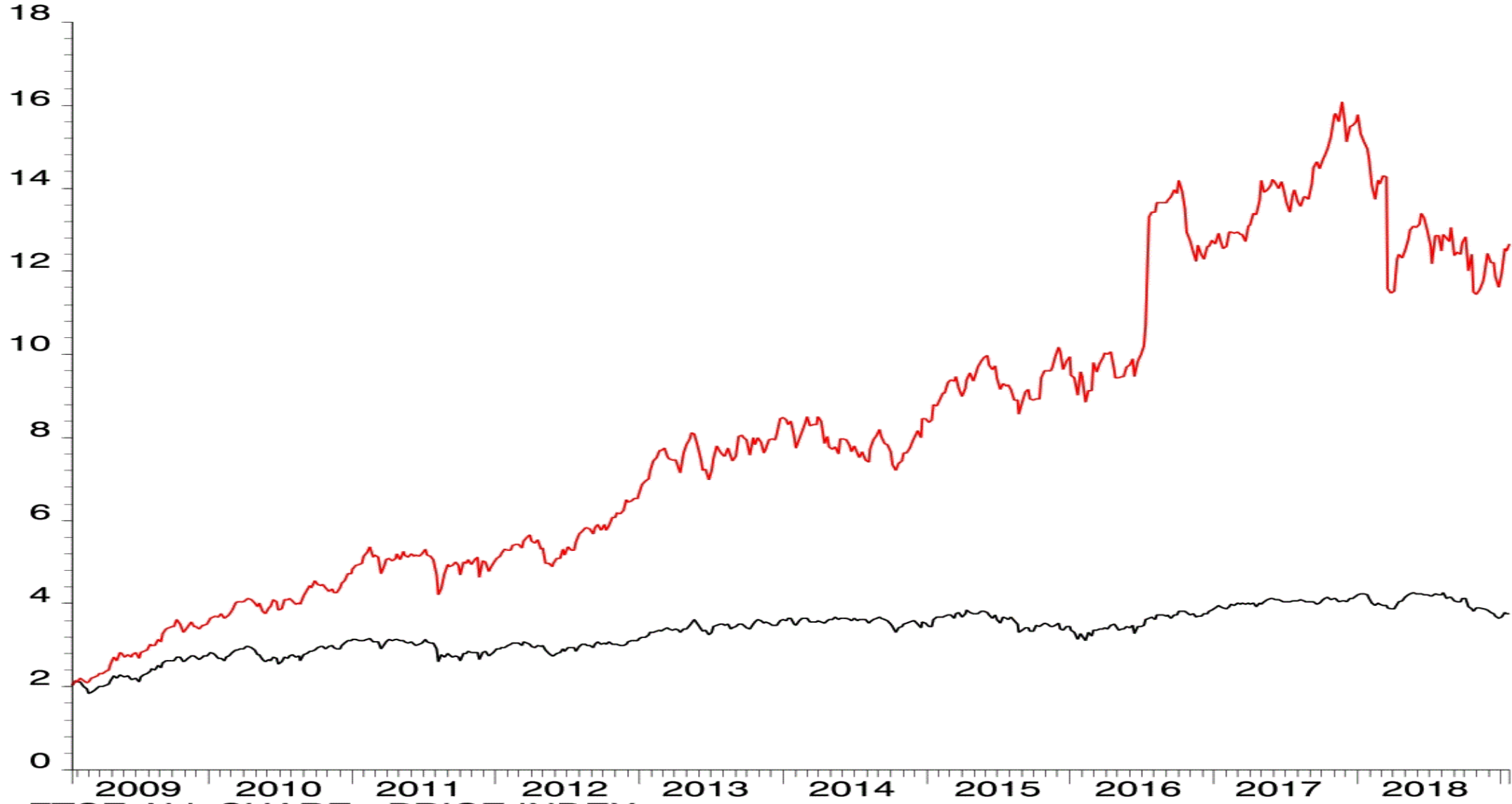


— S&P 500 COMPOSITE - PRICE INDEX
— FACEBOOK CLASS A
— AMAZON.COM
— NETFLIX

— ALPHABET 'C'
— APPLE
— MICROSOFT

Source: Thomson Reuters Datastream

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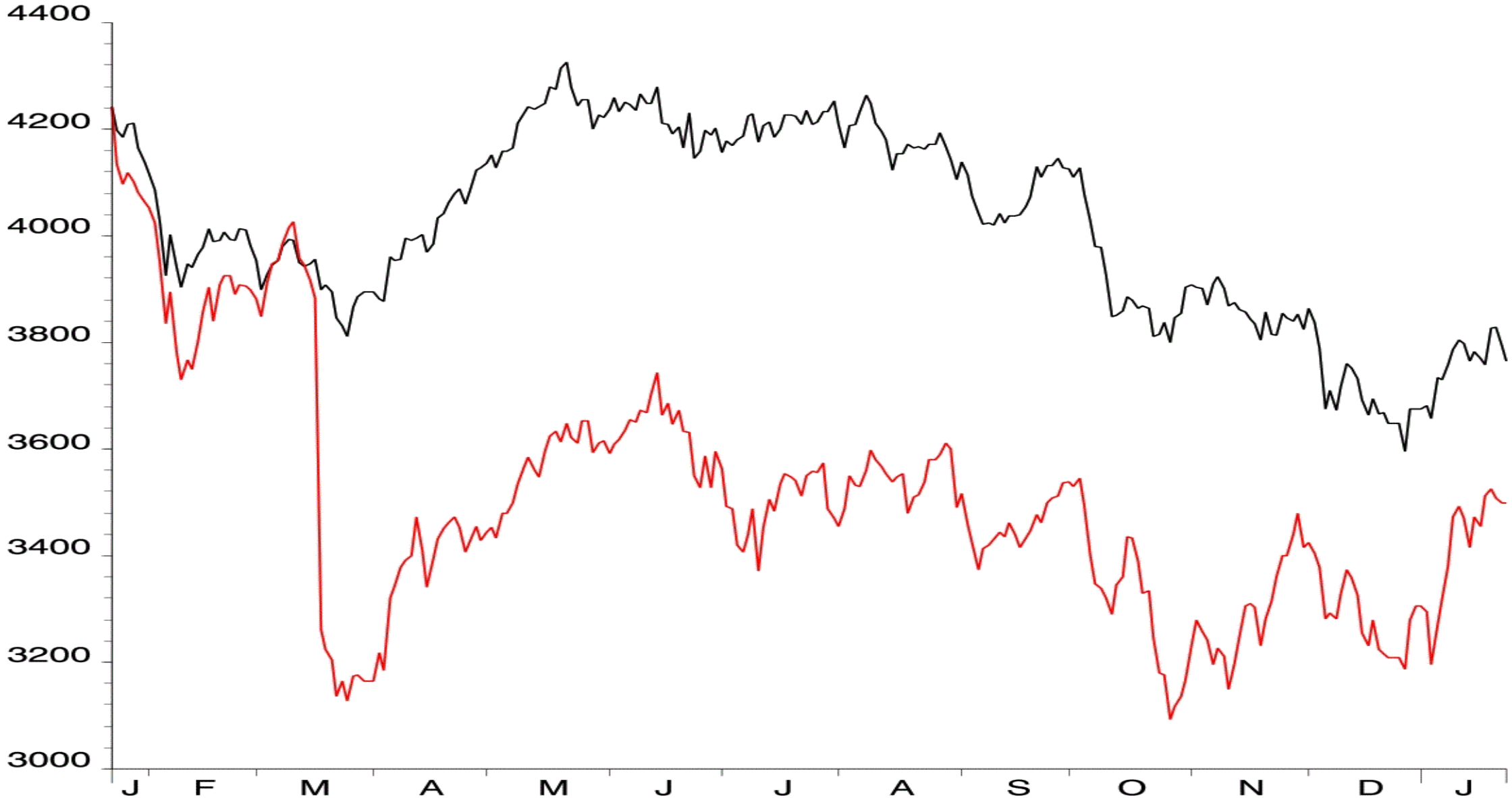
— FTSE ALL SHARE - PRICE INDEX

— FTSE ALL SHARE TECHNOLOGY £ - PRICE INDEX

Source: Thomson Reuters Datastream







— FTSE ALL SHARE - PRICE INDEX

— FTSE ALL SHARE TECHNOLOGY £ - PRICE INDEX

Source: Thomson Reuters Datastream

Walter Price, Allianz Technology Trust (ATT)

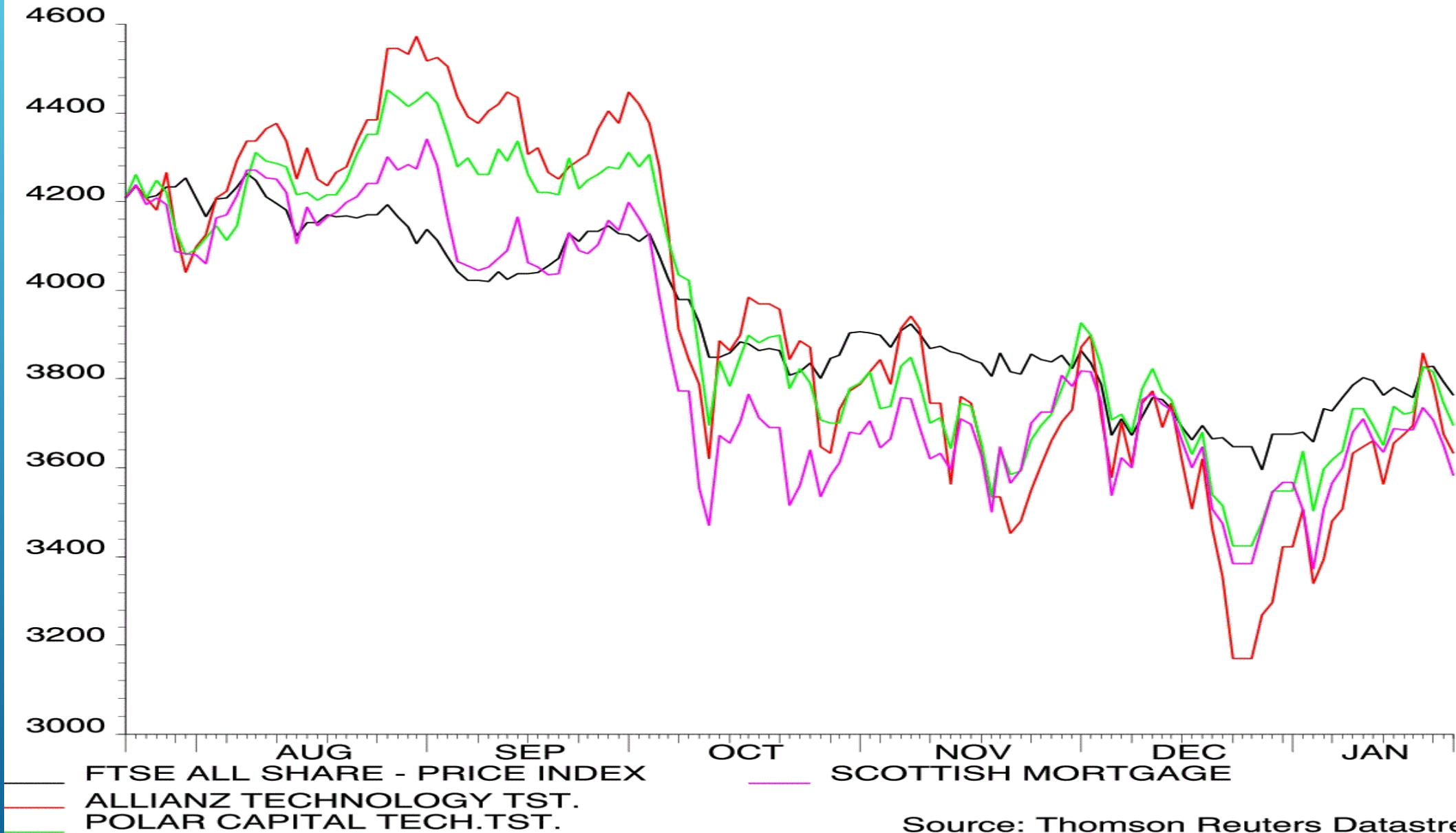


Ben Rogoff, Polar Capital Technology Trust (PCT)

James Anderson / Tom Slater,
Scottish Mortgage IT (SMT)

GROWTH EXPERTS YOU CAN
FOLLOW...





Source: Thomson Reuters Datastream

- ▶ Tesla
- ▶ Facebook
- ▶ Apple
- ▶ TSMC
- ▶ Samsung

DRAGS ON RECENT PERFORMANCE...



000'S

22

20

18

16

14

12

10

8

6

4

2

0

2009

2010

2011

2012

2013

2014

2015

2016

2017

2018

FTSE ALL SHARE - PRICE INDEX

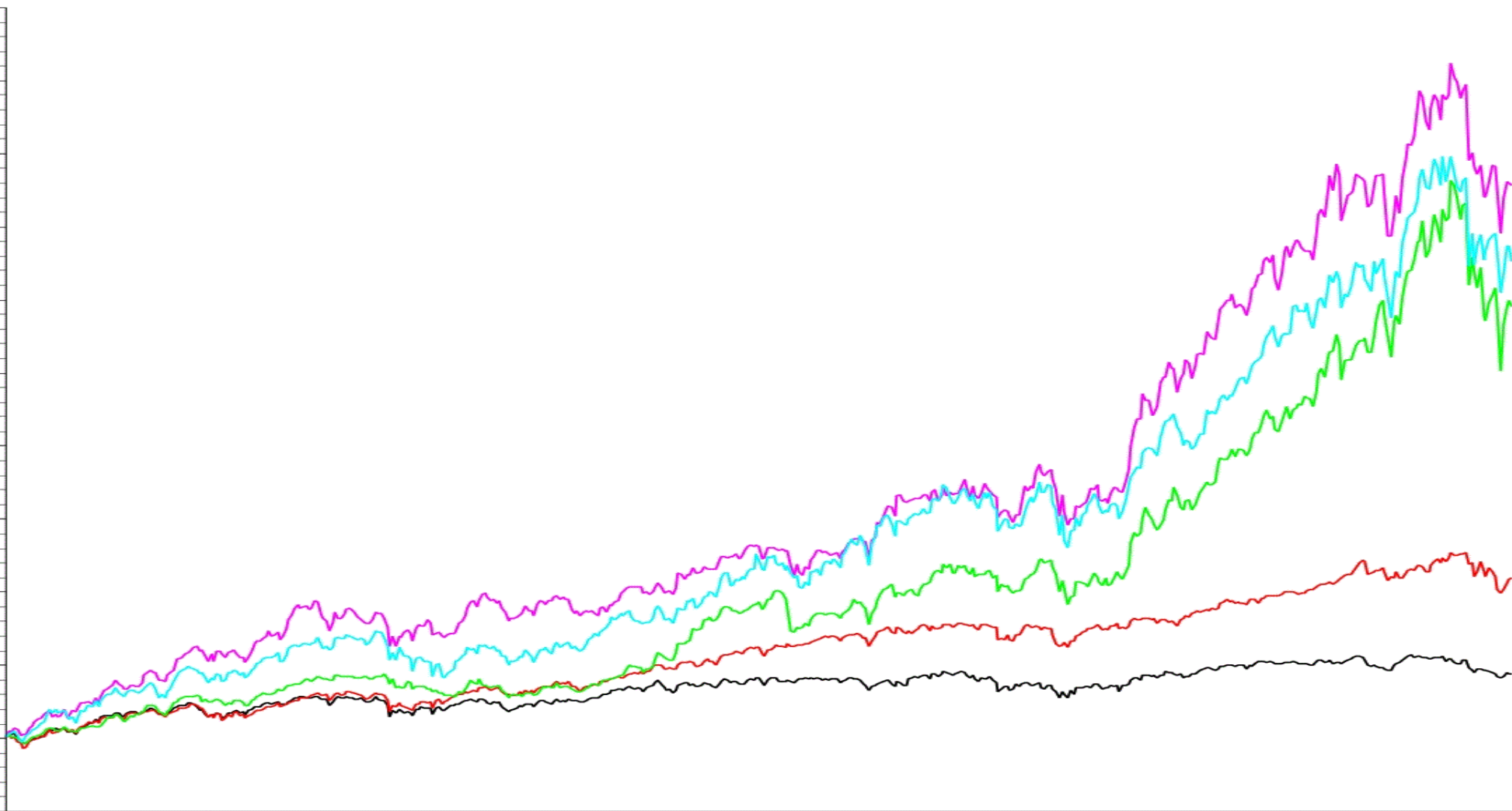
S&P 500 COMPOSITE - PRICE INDEX

ALLIANZ TECHNOLOGY TST.

POLAR CAPITAL TECH.TST.

SCOTTISH MORTGAGE

Source: Thomson Reuters Datastream



▶ Polar Capital Technology Trust	551%
▶ Allianz Technology Trust	534%
▶ Scottish Mortgage IT	530%
▶ -----	
▶ Dow Jones World Technology	423%
▶ FTSE All World Index	196%

BLISTERING ASSETS GROWTH...



- ▶ **Halma:** health, safety and red tape tech
- ▶ **Gamma Communications:** Bespoke telecoms kit
- ▶ **GB Group:** Digital identity verification and risk prevention
- ▶ **Softcat:** IT services, support and advice
- ▶ **Kainos:** Digital transformation, Workday ERP partner (NHS)
- ▶ **Blue Prism:** Robotic process automation (RPA)
- ▶ **XP Power:** Bespoke power switching tools design (AC/DC)

TOP UK GROWTH / TECH IDEAS...

