PEEL HUNT

QUOTED COMPANIES ALLIANCE

THE NEW WORLD OF MIFID II

UNINTENDED CONSEQUENCES

QCA/Peel Hunt
Mid & Small-Cap Investor Survey

April 2018

YouGov
What the world thinks

The New World of MiFID II

UNINTENDED CONSEQUENCES

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Introduction from Peel Hunt

MiFID II is, without doubt, the most significant regulatory change to impact the financial markets since the 'Big Bang' in 1986.

However, despite long running preparations ahead of its implementation in January 2018, nobody quite knew the effect that MiFID II would have on the City of London and the companies and investors it serves, or just how far reaching its implications might be.

Before it came into force, we knew that MiFID II would transform the way that independent research was accessed, including tougher scrutiny of research costs for fund managers.

We were concerned about the unintended consequences of this regulatory change, particularly among mid and small cap quoted companies, who are usually the last to feel any impact.

Many believed it would lead to a decline in research spend and output across the industry, damaging market efficiencies and clouding transparency, with only the most relevant analysts in the City likely to survive.

As this survey shows, many of these fears are becoming a reality.

Despite only being in place for three months, there is already a perception among UK fund managers that MiFID II is having a detrimental impact on small to mid-cap quoted companies in particular, reducing the quality and volume of research written about them, impacting their visibility in the market and restricting liquidity in their shares, which will ultimately hinder their ability to access capital for future growth.

Corporates MUST ensure their corporate broker has the ear of the buy side to ensure broad distribution of their investment case.

Time will tell what other unintended consequences emerge.

Steven Fine
Chief Executive
Peel Hunt

Comment from The Quoted Companies Alliance

Our annual Investor Survey covering mid and small caps concentrates this year on the impact of MiFID II. MiFID II is the single most impactful change on the public markets for the last 10 years. As highlighted in the prescient report "Unintended Consequences" the changes are starting to have an influence over the way investors, brokers and companies interact.

We have interviewed 11 key investors to get their qualitative opinions and polled 100 more investors on a quantitative basis. This has created a wealth of data and opinion that shows that MiFID II is having a major impact on the way mid and small-cap fund managers are thinking and operating.

YouGov's study demonstrates that the impact of MiFID II is not going to be felt just in the short-term; there are far reaching implications for the volume and quality of research, for how much is paid for research and the health and number of the broking houses that intermediate between investors and issuers. But investors believe that the best analysts are likely to survive, even flourish in this new environment.

Investors see company websites becoming more important as a primary source of information and companies will need to ensure that they are closely connected to the investor community. Our investors pointed to several questions that they think mid and small-cap companies should be asking their brokers or investors in relation to MiFID II. These include:

"Have you got a decent analyst who writes a sensible note that gets the ear of credible investors? If not change broker."

"How can you spread the message wider? Can you engage more private investors?"

"How are you going to ensure that you keep those interested in your company up to date?"

It's important for every company to know whether their broker is able to send research under the new regime to their own, and to potential, investors. Investors are generally willing to disclose whether a company's broker can send research to them, but they are less likely to intervene in the relationship between a company and its incumbent broker to recommend moving to a broker whose research is more widely distributed.

We have also taken the opportunity to ask our investors about some wider issues including the Market Abuse Regulation, AIM, corporate governance and the quality of non-executive directors. Across these subjects it is clear that there are mixed feelings about the impact of the Market Abuse Regulation with broadly an equal proportion seeing a positive and a negative impact. On the particular issue of market soundings the views are slightly in favour of the change with one respondent describing it a "bit of a nightmare" and another pointing out that they have always had a rigorous process, so they haven't seen much change.

AIM is seen as a market that continues to improve as a venue for IPOs with its credibility improving over the last year or two. Overall fund managers are cautiously optimistic about what AIM can offer. "I'm very wary of AIM" contrasts with "It's a great platform for growth".

In line with this, fund managers are generally positive towards corporate governance amongst mid and small-caps with many thinking it has improved. Perhaps this is a major contributor to the way the AIM market is perceived.

There are very mixed views about the quality of non-executive directors and many sense that they do not have enough contact with investors to understand what they want. They rely too much on the executive team to tell them, so their knowledge is second hand.

Overall, MiFID II is causing everyone to consider their relationships with each other. Brokers are in the middle of this and it is clear that having the right business model, optimising interaction with both investors and companies, is essential for their future. Companies will need to be sure that they have engaged a broker that acts as an effective channel of distribution to both its existing and future shareholders. The unintended consequences of MiFID II are now becoming a reality; market change is inevitable.

Tim Ward
Chief Executive
The Quoted Companies Alliance

Comment from YouGov

YouGov is again delighted to have supported Peel Hunt and the Quoted Companies Alliance with the annual Investor Survey, conducting the research this year both qualitatively and quantitatively which has allowed us to form a clear picture of sentiment within the investor community. The combination of 11 in-depth qualitative interviews and 100 online quantitative interviews gives us a robust sample, providing reliability and validity to the findings.

It is clear from the data that feelings towards MiFID II are mixed but in general the view is negative. The regulation has been poorly received so far by many and there is frustration amongst investors particularly around how it is impacting the supply of research. Fund managers are already noticing a decrease in research and anticipate that this will continue, potentially making the market more opaque. This is also expected to lead to a decrease in the number of broking houses and the number of analysts publishing research on mid and small-caps in particular. There are challenges for corporates too and fund managers believe they need to engage better with the investor community, especially in light of MiFID II.

The London stock market has been quite resilient over the past year and smaller companies have performed well. We know investors were anticipating a very difficult 2017 due to several macro-economic trends so the market's growth was not foreseen. However, for many their concerns have simply been postponed with questions lingering over 2018.

We have also asked about investors' views on a number of other hot topics, such as AIM, corporate governance, non-execs, MAR and VCTs/EISs. The data gleaned from this research demonstrates a consensus of sentiment within the market.

We know from experience that the strength of agreement in this study is meaningful and paints a picture that reflects the anxiety prevalent within the investor community. It will of course be interesting to see how these concerns play out over the coming months.

Oliver Rowe
Director
Reputation Research

EXECUTIVE SUMMARY

1. MiFID II

Perceived as having a negative effect on the market

Overall, feelings towards MiFID II are mixed and mostly negative. The regulation has been poorly received and there is frustration within the investor community. Fund managers are already noticing a decrease in research and anticipate that this will continue. This is also expected to lead to a decrease in the number of broking houses and the number of analysts publishing research on mid and small-caps. There are challenges for companies too and fund managers believe they need to engage better with the investor community, especially in light of MiFID II.

- Nearly two-thirds (63%) of fund managers see the overall impact of MiFID II to be negative.
- 70% think MiFID II will result in less research being produced on small and mid-cap companies in the future, and nearly half (48%) already see less research being produced in these companies.
- 45% think that MiFID II will result in lower quality research on small and mid-cap companies.
- 74% believe that MiFID II will directly lead to company websites becoming more important sources of information for investors.
- 54% believe that MiFID II will negatively impact liquidity in small and mid-size companies. Only 16% think this will be positive.

Companies should be asking their broker or investors:
'How many investors receive your research?'
'Are you speaking to as many fund managers as you were before MiFID II?'
'How will the independent research model evolve over the foreseeable future?'

2. Market Review

Investors have a positive perception on market outlook

The market has been relatively buoyant over the past year with smaller companies faring particularly well. Looking back at last year's report, investors were expecting 2017 to be very difficult due to a number of macro-economic trends so the market's growth was not predicted. AIM, corporate governance and quality of non-execs have shown signs of improvement, MAR is positively regarded by some and the effects of changes to VCTs/EIS are seen to be minimal.

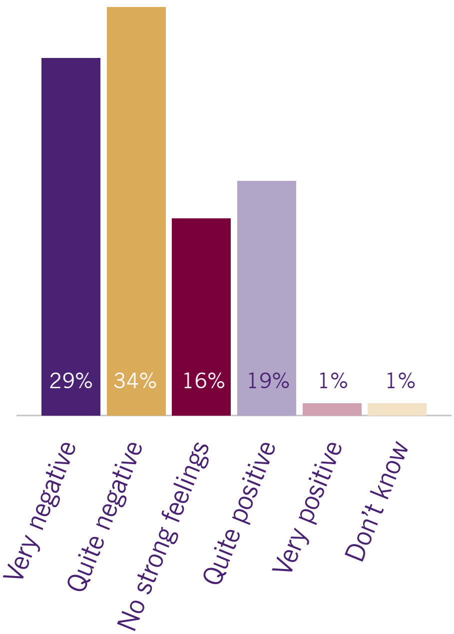
Companies should be asking their broker or investors:
'How do your investors view Brexit, and the potential impact it could have on your businesses?'
'Can we arrange reassurance meetings with investors who have had no contact in the last year?'
'How do we get the breadth and depth of investors we need to ensure liquidity and access to the type of investor base the company requires?'

MIFID II

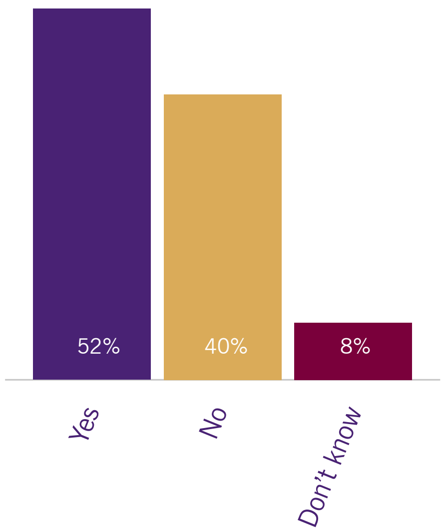
FUND MANAGERS' VIEWS ON THE NEW REGULATIONS

63% of views stated MiFID II has had a negative impact so far

What is your overall assessment of the impact that MiFID II has had so far?



Has your decision making process been impacted by MiFID II?



"Ill thought-out and lots of unintended consequences which the regulators have got no idea about at the moment."

"It is what it is!"

"Life will go on"

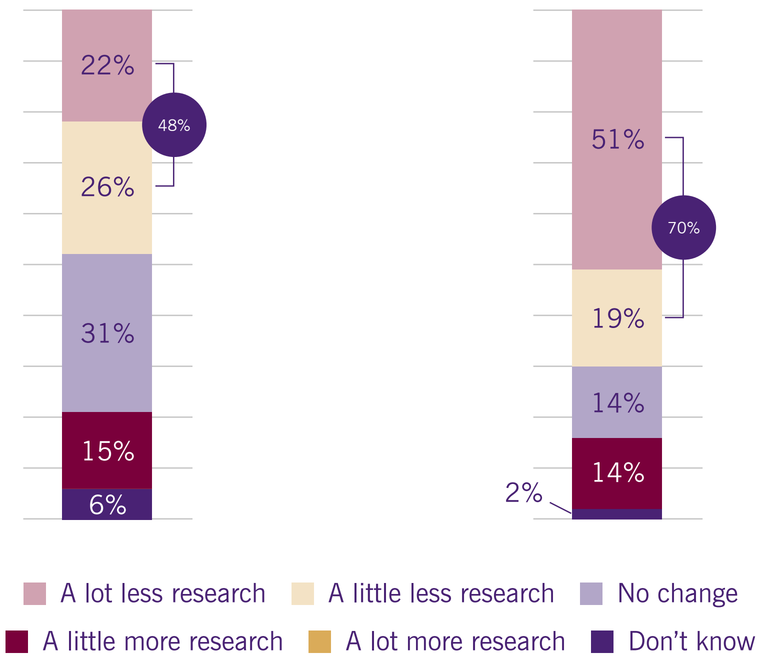
There is clear consensus that volume and quality of research will continue to decline

Less research now

Since MiFID II came into effect, have you started to notice a change in the amount of research that is being produced on mid and small-cap companies? There has been...

Less research in future

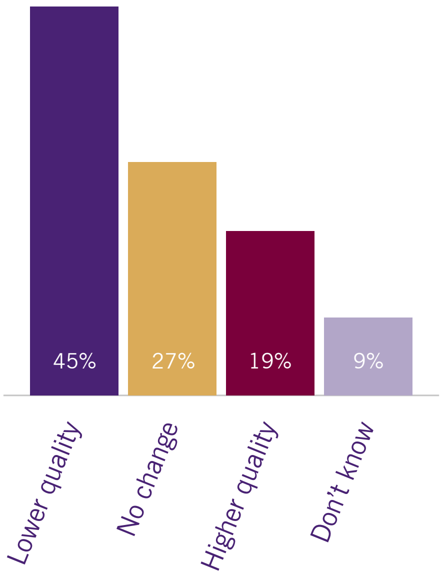
Looking ahead to the next couple of years, what impact do you think there will be on the volume of research that is available on mid and small-cap companies? There will be...



Almost half believe quality of research will decline

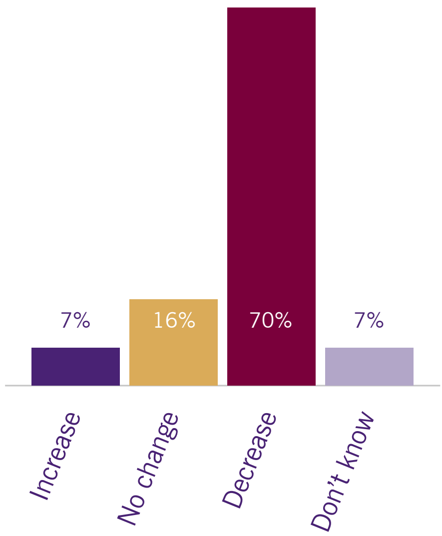
Lower quality research

Looking ahead to the next couple of years, what impact do you think there will be on the quality of research that is available on mid and small-cap companies?



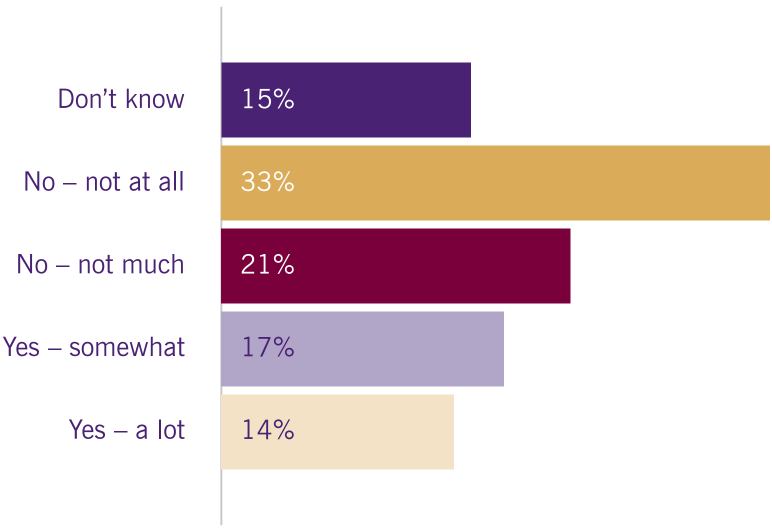
Decreased number of analyst publishing

Do you believe the number of analysts publishing on the average mid and small-cap firm will increase, decrease or stay the same as a result of MiFID II?



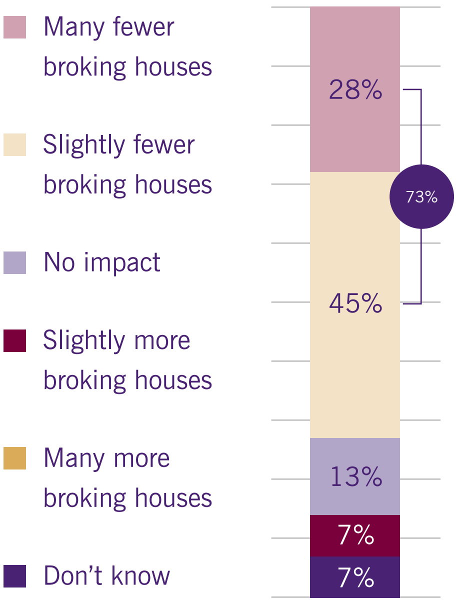
Despite an anticipated reduction in research, 54% have not reduced their research payments

Have you reduced your research payments as a result of MiFID II?



73% believe there will be a reduction in broking houses but there could be opportunities down the line

What impact do you think MiFID II will have on the number of broking houses? There will be...

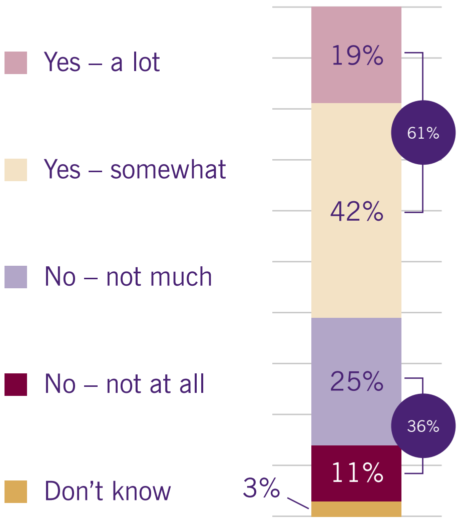


"I've been saying this for years, the market is 'over-broked', and the business models have changed. What's happening at the moment is that MiFID II is coming in and has made the broker try and keep its existing business model, and throw the costs back at the funds or the asset managers, and there's quite a lot of kick-back on that. So, something has to change, and that either means the business models or their underlying brokers have to change, or there's a bit of a shakeout and there becomes purer but stronger broking houses."

"I think there may be some consolidation and reduction in the number of broking houses and with some of the large UK small and mid-cap specialists gaining share, and some of those at the smaller end may lose out."

61% have reduced their broker lists

Have you reduced the number of brokers you engage with?



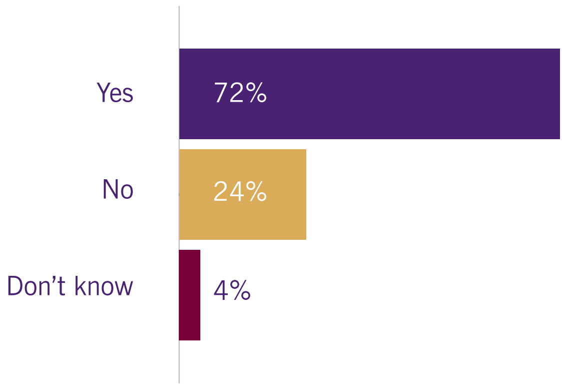
"No, I think the top people will still be the top people, I'm not sure that's going to change."

"It will become fairly obvious that they're the main generators of income and they'll get head-hunted out by other firms"

"There may be some movement but, generally, a lot of the people we speak to, they're industry veterans. We like the ones that have got a bit of grey hair and been around. Quite a few of those tend to find themselves in the specialist houses and tend to stay there for a reasonable amount of time."

72% of fund managers differentiate between independent and non-independent research

Do you differentiate between 'independent' and 'non-independent' research?

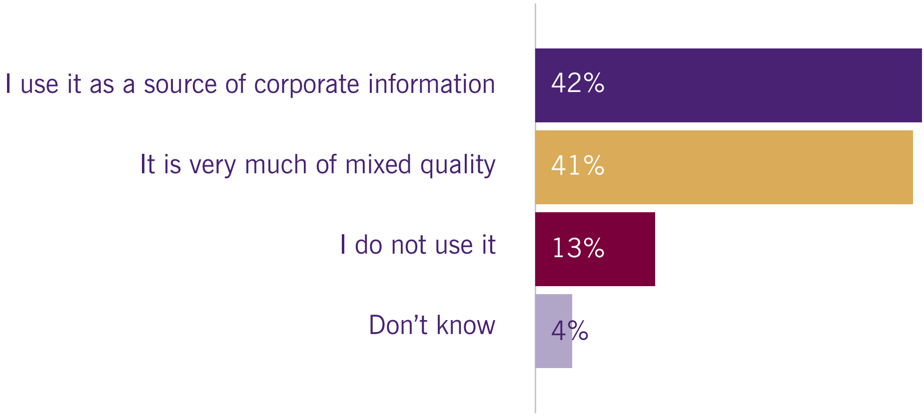


"Unless you're incredibly naïve, it is fairly obvious when an analyst is obviously compromised in terms of the recommendation they give and maybe their bullishness about numbers."

"We always read the research and then form our own views anyway."

Paid-for research is used by many but the quality of output can be variable, putting it under greater threat after MiFID II

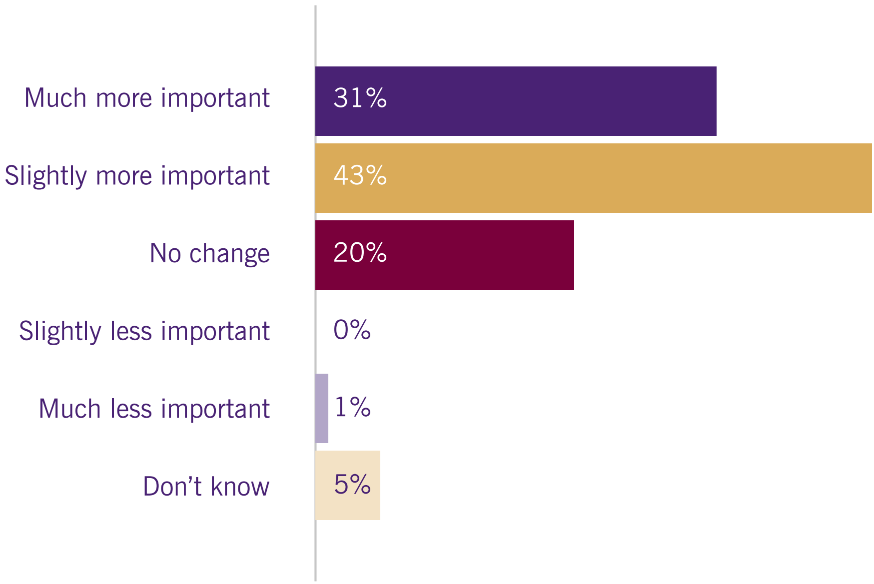
How do you feel about the quality and value of research paid for by companies?



"If we think that an analyst is able to add value to our investors then we're happy to pay for it. My fear is that many of them don't add value and there are a lot of people and a lot of resource necessity that don't really add much value and therefore, it's probably not going to get paid for under MiFID II. Whether by extension they don't know that much about the companies, I don't know."

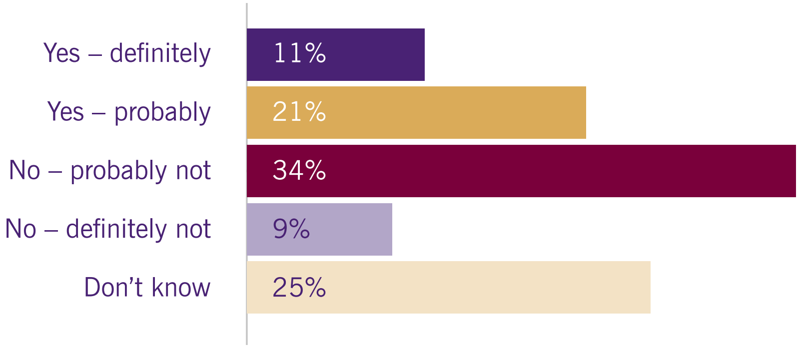
74% believe company websites will increasingly become more important as a source of information

Do you think MiFID II will directly lead to company websites becoming a more important source of information? Company websites will become...

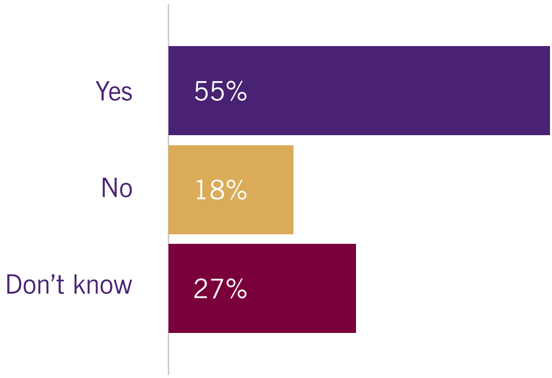


There is no clear consensus on whether research providers will be published

Under MiFID II, do you intend to publish the names of research providers that are on your research payments list?



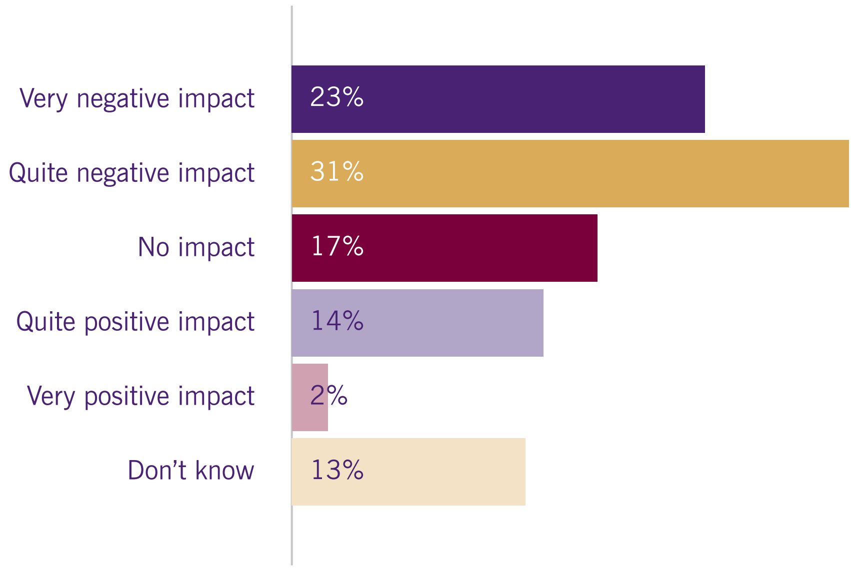
If they ask, will you tell companies which research analysts/brokers are on your MiFID II research providers' panel?



55% think that, if they ask, companies will be told which analysts are on their research

A majority of fund managers believe MiFID II will negatively impact liquidity of mid and small-caps, though a portion are unsure

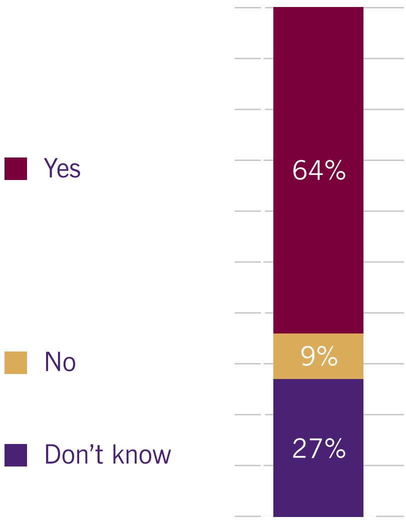
What impact, if any, do you think MiFID II will have on the liquidity in UK mid and small-cap stocks?



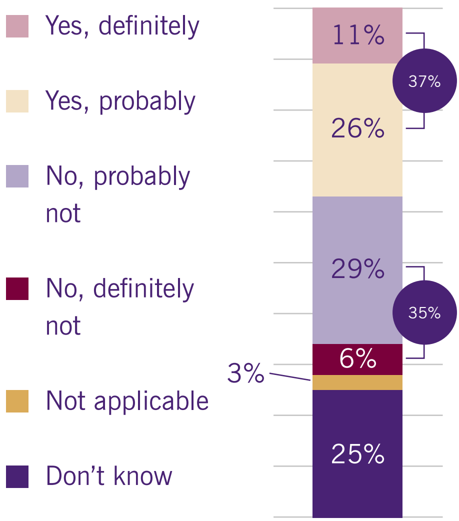
"The jury is out. I think the most likely expectation is less liquidity initially but that's not a given. There are clearly some unintended consequences, we know the research projects will fall by the wayside. We know the research costs or the responsibility for research and marketing will fall increasingly on the companies and so there is clearly a risk that there is less research, ergo less knowledge, ergo less liquidity."

64% will disclose whether their broker is able to send research but an even split on recommendations to change broker

Will you disclose to companies whether their incumbent house broker is able to send research to you?



Are you likely to recommend companies change to brokers whose research is more widely distributed?



Companies need to be ensuring engagement with the investor community

Are there any particular questions that mid and small-cap companies should be asking of their broker or investors in relation to MiFID II?

"Can research be made available on my corporate website?"

"Have they got a decent analyst who writes a sensible note that gets the ear of credible investors? If not they should change broker."

"How can you spread the message wider? Can you engage more private investors?"

"Is the company engagement with the investment community strong enough?"

"How are you going to make sure that you keep those interested in your company up to date?"

"How do we avoid being marginalised, and stay on investors' minds?"

MARKET REVIEW

Business outlook, fund performance and more

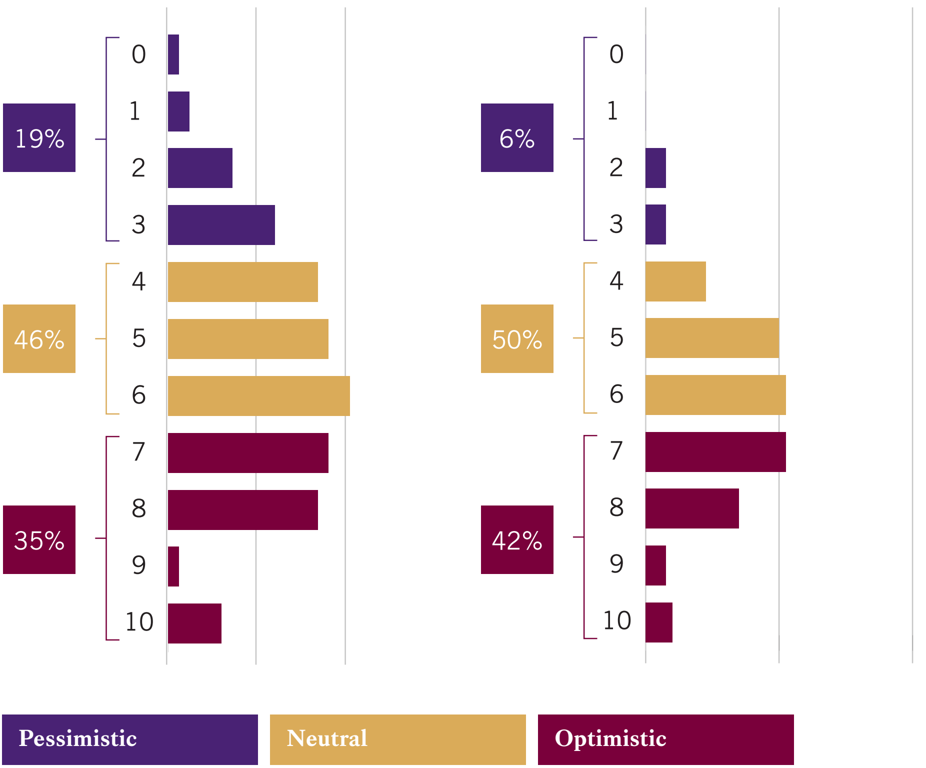
Fund managers are more pessimistic about the UK economy than they are about the mid to small-cap sector over the next 12 months

How optimistic or pessimistic do you feel about the UK economy over the coming 12 months?

Mean score: 5.53

How optimistic or pessimistic do you feel about the prospects of mid to small-cap UK quoted companies over the next 12 months?

Mean score: 6.03



There is general positivity about fund performance over the last twelve months amongst the investor community

Rising market

"Performance has been strong relative to the benchmark. We're strongly ahead of the benchmark, year-to-date. So we're probably about 6%, 7% ahead of benchmark. So that's been a strong performance. We're broadly middle of the pack versus our peer group, which is obviously the other thing we benchmark ourselves against."

"It's another year of decent returns without taking mega risks. I would imagine there's some funds out there where you're taking some really big sector risk, or tech risk, or some position risk, which could've done well this year, it's that sort of year."

Mix of inflows & outflows

"I think we're probably about net neutral. We had a lot of European investors leaving and we had quite a good presence in Europe so that was disappointing. In terms of performance, it's been very strong."

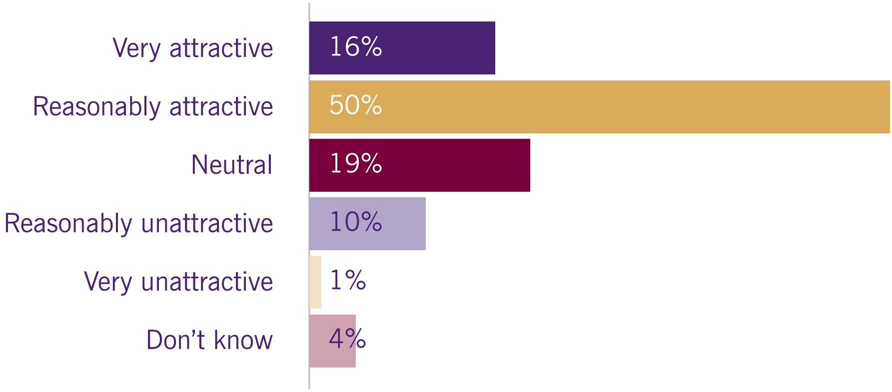
IPO opportunities

"In terms of IPOs, there have been quite a few of them coming through. A lot of private equity backed businesses looking for exits, which aren't always the most attractive of reasons for a float, because PE have a habit of dressing these things up for flotation in the market. We're always very selective over what IPOs we've gone for, and we've probably gone for less than one in ten of those. Of late, the IPOs have started to struggle and we've seen a number of those pulled. There'll always be interesting, good quality, businesses that are on the right valuation, and not being overmarketed, but, sadly, a lot of them aren't ticking those boxes. You'll have deals that have got six or eight houses on them. So a myriad of research and they're not necessarily the standard UK small and mid-cap specialists, they're global banks, who don't generally have a strong franchise in small cap, which I think doesn't help some of the IPOs."

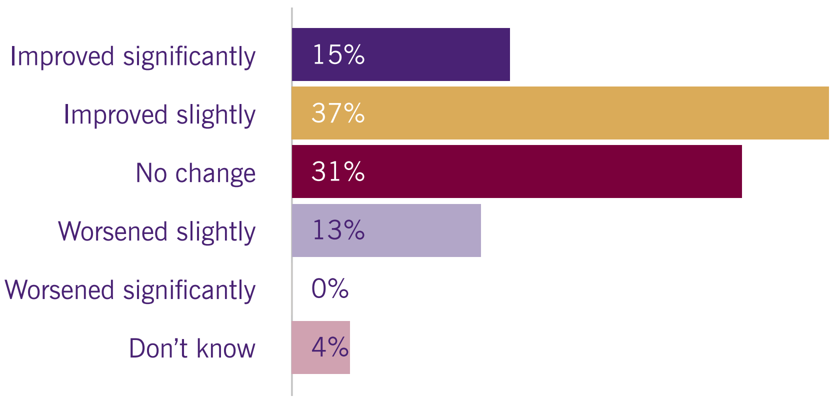
AIM

AIM is seen as attractive and, though not without its faults, has improved in recent years

Currently, how would you rate the attractiveness of AIM for companies thinking of floating?



Over the last year or two do you think the credibility of AIM has improved or worsened?



Fund managers are cautiously optimistic about what AIM can offer

"I think it's probably improved, actually. I think there are some very high quality businesses on AIM. Historically, there have been issues in the past with its overseas businesses. The mining and commodities went through a phase of having some listings that were of more dubious quality, but I think, generally, that's all washed through over the last few years."

"It's cheaper, it's easier and it's more flexible, it's had a good year this year. I think the AIM IT stuff's been really good."

"I'm very wary of AIM to be honest."

"This year it's done okay, I'd rather a company remain listed, but it's the quality of the company that counts rather than the listing. You go into AIM with your eyes wider open than you would a fully-listed company."

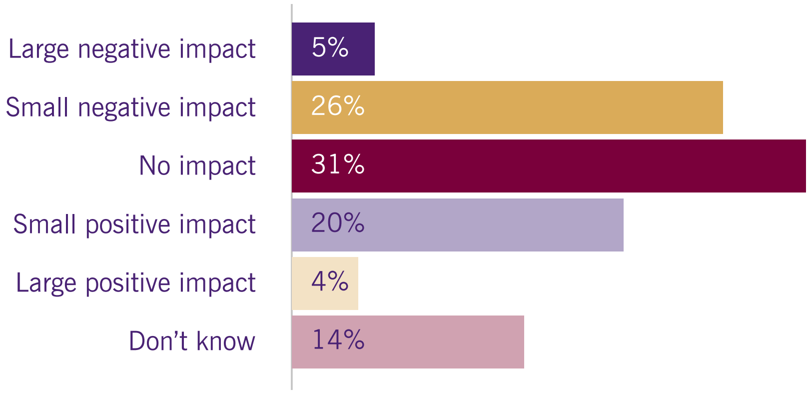
"I think what's been interesting over the last eight years, is that the number of companies coming to AIM with regular turnover, ongoing profit, cash flow, and the ability to generate a good and growing income, has greatly increased. I think that's changed how the nature of AIM, which was probably more defined by speculative companies previously (some of the mining companies drilling potential new mines, or some of the dot-com boom. Stocks which were, obviously, not generating any cash either). So, I think that's led to the AIM market being much more soundly footed, over the last eight years."

"It's a great platform for growth."

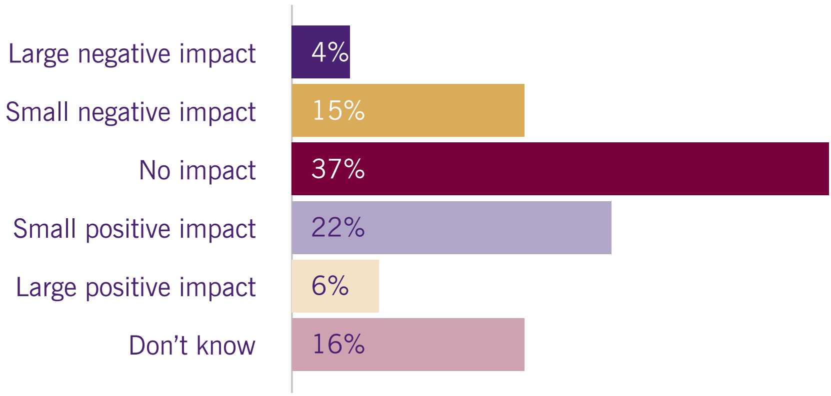
THE MARKET ABUSE REGULATION

Opinion is mixed over MAR's impact

In your view, what impact, if any, have the new MAR rules had on the market?



In your view, what impact, if any, have the new MAR rules on market soundings had on the comparative ease for companies to raise finance?



"I do take part in market soundings. I think the main thing is timeliness. One of the issues is obviously everything's centralised here through our compliance department. So somebody wanting to do a MAR has to go through that department and get hold of that person, and then come to me and go through that process, and that obviously causes a delay, especially if they're very time-sensitive subjects."

"We take part. It's a bit of a nightmare. It has been a bit of a steep learning curve, especially in our space. In the early days, and even now, some of the brokers were not following due process, which just creates headaches all the way down the line. We've become much closer to a compliance department, which is never a great thing, but I think generally they have been good for instilling a bit more discipline, and process, and there's nothing wrong with that. Still quite a long way to go to actually probably adhere to the spirit of it as much as anything else."

"I would say we always had a fairly rigorous process. We've had that in place for a long time, so actually on a day-to-day basis, I haven't really noticed a huge amount of difference in how we go through that process. We've always managed it fairly well. So it's not made a major difference to my day job."

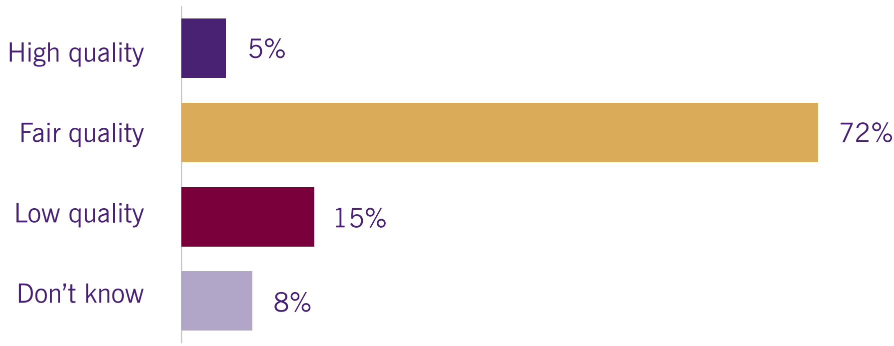
"The whole process is becoming much more rigorous and it's much more onerous, in terms of the documentation and the emails and the scripts that are going back and forth."

"Yes, we do take part in market soundings but it just depends on the situation and whether I think it's something that is relevant in that circumstance for us."

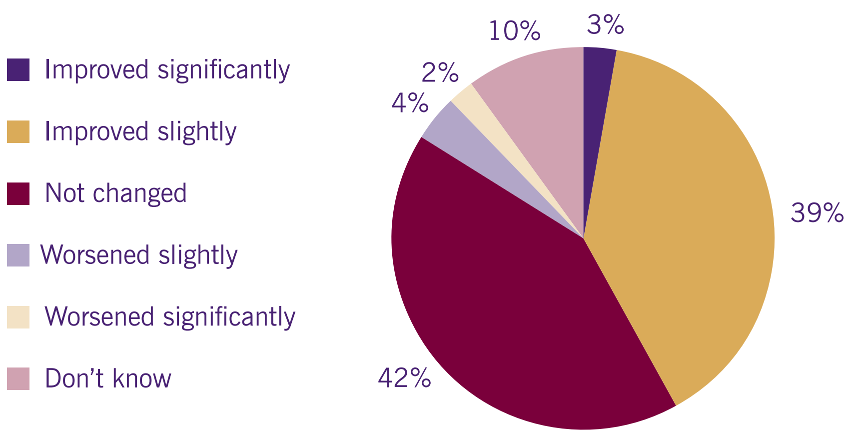
NEDS & CORPORATE GOVERNANCE

NEDS are felt to be of a varied quality but there is acknowledgement of recent improvements

How would you rate the overall quality of non-executive directors in mid and small-cap listed firms?



Over the last few years has the overall quality of non-executive directors in mid and small-cap listed firms improved, worsened or not changed in your opinion?



"There's enormous variance here. Absolutely enormous. I have come across many, excellent non-execs and many poor nonexecs, and yes, it's a real challenge to find good non-execs for small companies. I don't think it's that challenging to find bad non-execs for small companies."

"You don't want to have people who are just the CEO's mate from the golf club. It's important that we have people who are independent and could provide suitable challenge to the executive directors, can help support them on difficult decisions, and are willing to make difficult decisions themselves. So, if things don't go right, they're willing to roll their sleeves up and get involved with the business on a more executive basis."

"Not enough of them engage with shareholders, not enough of them truly understand the business in which they operate and many of them, I think, see their role increasingly in a technical one rather than a strategic one"

"The best non-execs, and this might be obvious but it isn't always the case, are clearly independent. They are not former executives, they're not former advisers, or anything like that. They are clearly independent, and they act independently. They bring experience of running PLCs, of running PLCs with integrity, and how shareholders in particular, should be treated. They are there to challenge but support the executive team, but in extreme circumstances, they're also there to stand up and take action, if they think things are not being run in the right way. That's what we want from non-execs. What we don't want, is people going around flexing 30-35, 40-grand cheques, so basically turning up six to twelve times a year, and bluntly, just being patsies for the executive directors."

Fund managers worry that NEDs aren't strategic or focused enough but accept the inherent difficulties in the role

Focus diluted

"There are lots of rent-a-non-exec that have probably too wide a portfolio of businesses. To me, I always think of a non-exec as someone who offers business advice to the executive team, that's what I would want them mainly to be doing."

Need to see big picture

"I think, obviously, there's great range. There's some good, and some less good. I think the key issue is that very few of them ever meet the shareholders. It's normally the executive that meet the shareholders, and they listen to the executive's report back."

Inherent difficulties

"It's a thankless task, you don't get much credit for it but there's massive disparity and how do we improve the quality of non-execs?"

There is general positivity towards corporate governance amongst mid and small-caps with many thinking it has improved

"I think it's getting better. In the last two or three years, I think it's improved quite a bit. How do you get it better? I suppose greater engagement with shareholders. We're seeing more companies, more willing to engage on corporate governance issues than five years ago. So, more of the same I'd say."

"Ditch the corporate governance box-ticking approach, just try and find the right people for the company."

"I think corporate governance generally at smallcaps is not bad actually, you've got to remember there's four times more stocks in the UK per capita worth less than a billion than there are in the US. The people who are always saying about the US being an entrepreneurs' market, well actually, the UK has a heck of a lot more listed companies than anywhere else in the world per capita at the small end of the market. I think generally, you're always going to have some bad apples but I think generally, corporate governance is pretty good actually. The thing with small companies as well, they can't be affording expensive and complicated board structures because they need to get on with the day job and hope that creating value sells."

"Well, part of it goes back to non-execs, having proper non-execs would make corporate governance a lot tighter, that's probably the most important thing. I think, clearly, we prefer to invest in companies listed on the main market, not AIM, because we get more disclosure, and it brings more cost to the companies, but there's a price to pay for that."

"I don't think the disclosure's that bad. How could it be improved? I think it's all down to the quality of people. It can be great for the regulator to put in place rules-based governance. I think the other thing that helps is actually a more concentrated shareholder debate. I think it helps if fund managers are committed to their investments and therefore willing to take significant stakes and therefore willing to be quite active in the engagement in that governance. I think as soon as we become absent landlords or we're quiet minority shareholders and drift towards benchmark holdings then the management don't get held to account."

"We believe the non-exec structure is a very important part of governance. When I look at a board structure, I always look to see what non-execs are there, what experience they're bringing. You can see why they're on the board, so whether it's property experience, or they're an FD elsewhere. We like to see people with good reputations. Increasingly, you'll know the non-execs from their previous executive role. So, I think it's making sure that your non-execs are, you know, they're people that have got strong reputations, they're genuinely adding something. If you look through the structure, you can see that person is on this board because he's bringing that skill set."

"I think it's okay. I think, in terms of the quality, can it be improved? Yes, of course. My particular bug bears tend to be on small-caps, in particular, around less well thought through or less sophisticated remuneration schemes. Also, on the ability and/or challenge that the non-executives are able to offer to the executives, often who might be owner-managers at the smaller end of the scale in particular, particularly around things like accounting policies and accounts and estimates. So it can definitely be improved. I think that's one area where I'd like to see more challenge. It would be on accounting policies and judgments."

"We do spend quite a bit of time having conversations with boards on governance issues, working quite closely with the likes of the QCA, to try and educate on governance issues. Where we don't like what we're seeing, we are not scared of helping to make changes. Not enforcing directors on boards, but making sure the board knows the reason why we're asking for change, and then hoping that they do the right thing."

APPENDICES

PEEL HUNT

Peel Hunt is an independent corporate broking/advisory house with a focus on UK mid and small cap companies. Our partnership structure, over 25 years of profitability, extensive trading platform and focus on long-term client relationships set us apart from our peers.

We have expertise across a broad range of sectors offering high quality advice, ideas-led and highly rated research and flawless execution within a team-based and collegiate environment. Peel Hunt benefits from a powerful distribution platform that makes markets in c3,500 equity and fixed income products.

Since 2015 we have raised more than £10bn of equity raised for our clients – over 100 ECM transactions (including 31 IPOs). We have over 120 retained corporate clients with 36 analysts covering over 350 companies.

Peel Hunt ranked 1st in the 2017 Thomson Reuters Extel Survey of UK Small & Mid Cap Brokerage Firms with UK institutions, Wealth Managers and Continental European Institutions, being named top research house in its category, after achieving more first or second ranked sector teams than any other broker.

www.peelhunt.com

QUOTED COMPANIES ALLIANCE

The Quoted Companies Alliance is the independent membership organisation that champions the interests of small to mid-size quoted companies. They campaign, inform and interact to help their members keep their businesses ahead. Through their activities, they ensure that their influence always creates impact for their members.

The value of their members to the UK economy is vast – as is their potential. There are nearly 2,000 small and mid-size quoted companies in the UK, representing 85% of all quoted companies. They employ approximately 1.4 million people, representing 5.5% of private sector employment in the UK. So the QCA's goal is to create an environment where that potential is fulfilled.

www.theqca.com

YouGov
What the world thinks

YouGov plc is a global market research and data company built on a simple idea: The more people participate in the decisions made by the institutions that serve them, the better those decisions will be. YouGov completes thousands of interviews every year with senior politicians, business people, members of the media and other stakeholders, providing guidance for clients in how best to optimise their activities and communications.

The company was founded in 2000 and is now publicly listed on the London Stock Exchange's AIM market. It has over 800 employees in over 30 offices globally including several in the US but is headquartered in the UK. It is a member of the British Polling Council and is also registered with the UK Information Commissioner's Office.

www.yougov.co.uk

Methodology

YouGov undertook this study on behalf of Peel Hunt & The QCA, specifically looking at the impacts of MiFID II.

Between 28th November and 20th December 2017, YouGov interviewed 11 fund managers by telephone to get a temperature check on the mid and small-cap sector. The quotes that feature throughout this document are taken from these interviews.

Between 1st February and 9th March 2018, YouGov conducted an online survey of 100 UK-based fund managers to quantify and build on the insight gathered from the initial qualitative phase. The survey lasted approximately 10 minutes and was completed on YouGov's online platform. All data was collected confidentially. 92% of the sample manage equity funds; AIM (43%) and mid & small-caps (27%) are their main focus. 48% of the sample manage funds of less than £500m and the remaining 52% manage funds of more than £500m.

Peel Hunt LLP: FCA Disclaimer/Risk Warning

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