

press release

04 April 2011

Investors are missing opportunities as advisers fail to recommend AIM shares

- AIM trades dealt by self-directed investors is almost 8 times the number dealt through advisory and discretionary private client brokers
- Transactions in AIM shares have doubled over one year by execution-only trades, quadrupling since 2009

On behalf of execution-only broker, The Share Centre, Compeer specialists in benchmarking, competitor analysis and research services, has released striking information showing the extent of trading in AIM shares by self-directed investors in comparison to investors with brokers. During Q4 2010, the monthly total of trades averaged 451,000 by execution-only brokers, compared to 57,000 with private client brokers – over 7 times the volume - the value of these nearly 3 times as high.

Gavin Oldham, Chief Executive at The Share Centre, commented: “In light of this research, we feel that Nomads and AIM corporate brokers are failing their corporate clients by not addressing this vibrant market. When placings - either as new or secondary issues - are made for AIM companies, the advisers invariably direct their attention to institutional investors and private client brokers, but do not make their offerings available to the substantial execution-only market.

“The findings call for a fresh look at the way placings are made, as it is the investors themselves who make the decision as to whether to take up the offer. Because most investors operate via the internet, the timescale in which they make their decision can easily fit within the typical offer schedule.

“These findings are also significant to Government policy. Growth in the SME market is critical to the private sector recovery and the generation of new jobs. A strong secondary market is essential for encouraging investment into SMEs, and further attention needs to be given to:

- including AIM shares (and those traded on other junior markets) in ISAs, where many personal investors now base their investment in shares
- exempting SME purchases in the secondary market from stamp duty
- re-balancing the tax treatment of exiting entrepreneurs so as to remove the bias towards trade sales, which normally result in significant loss of employment.

“Corporate advisers in the City should take urgent note of the strength of self-directed trading in AIM companies through execution-only firms such as The Share Centre, and discuss with us how to make their share placings accessible. These findings lay bare the inadequacy of current arrangements, and SMEs seeking retail investors should contact us directly if they are not getting satisfactory answers from their corporate advisers.”

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Risk Warnings:

Investing in general, and the products and services mentioned above may not be suitable for all: if in doubt, individuals should seek independent financial advice. The value of investments and the income from them can go down as well as up and investors may not get back their original investment. Past performance is not a reliable indicator of future performance.

The bases and levels of taxation relating to ISAs, CTFs and SIPP are subject to change and the value of these tax allowances may depend upon the circumstances of the individual.

About The Share Centre:

The Share Centre was established in 1990 to provide value-for-money share services for private investors. Its range of services includes buying and selling shares (by Internet, telephone and post) and a comprehensive share administration and safe custody service. Tax-efficient investment 'wrappers' including ISAs, CTFs and SIPPs are also available.

The Share Centre's Advice team provides comment on market sectors, individual shares and funds on www.share.com. Access is available to customers and registered users of the site. Registration is free. To understand how our Advice team arrive at their views please read our [Investment Research Policy](#). The Share Centre blog is also available at <http://blog.share.com>.

In addition, account customers can receive individual telephone advice on UK-listed shares and on funds traded via the CoFunds trading platform.

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