

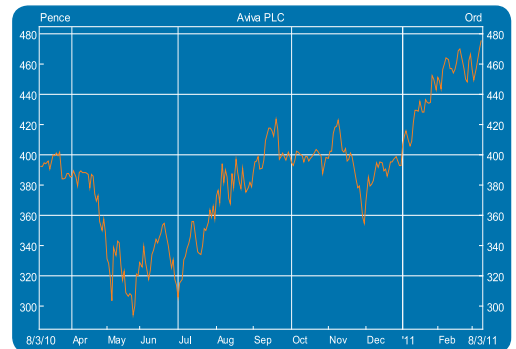
INVESTMENT IDEAS

10th March 2011



Aviva (AV) is engaged in the provision of financial products and services, focused on long-term insurance and savings business, fund management and general insurance and health. The group's focus is now on markets capable of generating either US\$100m of profit or US\$1bn in franchise value per year. Out of the 30 countries in which it operates, just 12 satisfy this new criteria and clearly raises the prospect of disposals as a way of either strengthening the balance sheet or funding growth in the core markets. 2010 profit before tax increased to £2.44bn from £1.8bn a year ago, underlining the strong financial position. The share price trades on a very modest p/e of 9.2 times. A yield of 5.7 per cent going forward makes this stock an attractive prospect for income seekers.

Index: FTSE 100 **Price:** 475.1p **52 Week High/Low:** 480.5p/290.2p **Yield:** 5.4%



Vodafone (VOD) is the world's largest mobile phone company operating in all corners of the globe. Recent third-quarter results demonstrated a financially strong company driven by expansion in regions such as India and Europe. The management now expect full-year operating profit to be at the upper end of the £11.8bn to £12.2bn range given in November. Also, the group's 45 per cent holding in US mobile giant Verizon could lead to a significant dividend payment in 2012, which could amount to £3.5bn a year. This is a phenomenal amount and a payment of this level could boost the company's free cashflow by about 40 per cent or more. Vodafone is a good, stable company, which for years has been looked at purely for income but now there are also growth prospects attached.



vodafone

The stock currently trades on a p/e ratio of eight, which looks very attractive versus sector peers

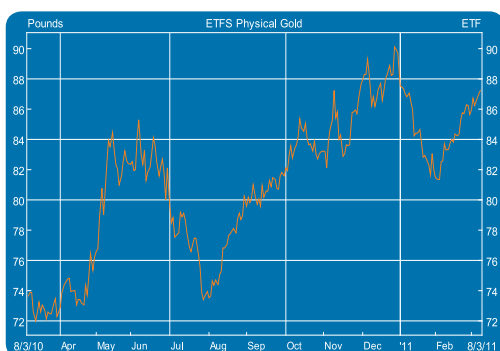
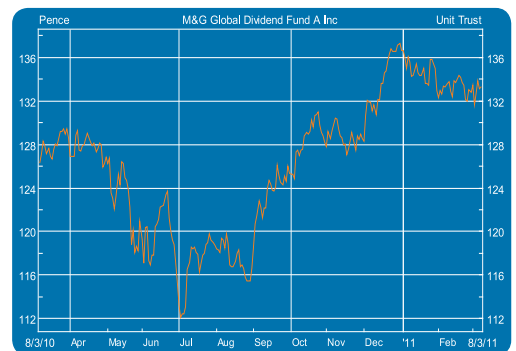
Index: FTSE 100 **Price:** 179p **52 Week High/Low:** 185p/126.5p **Yield:** 4.4%



The **M&G Global Dividend (B39R2M8)** fund is an £850m unit trust with the objective of delivering yield above the market average. Managed by Stuart Rhodes, the fund attempts to identify companies that understand capital discipline, have the potential to increase dividends consistently and are undervalued by the stock market. The fund has been given an 'A' rating by fund ratings firm, *OBSR*, giving investors assurance that this is a quality unit trust.

The M&G Global Dividend fund is a global offering which opens up the investment arena to a wider range of businesses. The fund offers investors the benefits of international diversification and active management.

Price: 133.31p **Yield:** 3.35%



Gold (PHGP) Gold looks set for another bumper year in 2011 as volatility prevails in the global equity markets. The London Bullion Market Association, which is traditionally rather conservative in its forecasts, believes that we could see gold above US\$1,600 per troy ounce ~ an increase of some 14 per cent from its current level. Reasons for holding gold at present are numerous and range from global inflation to concerns over the sustainability of the US Dollar as the international standard currency. Add into the mix quantitative easing, unsustainable deficits and the enormous problems in the EuroZone and it is not hard to see why gold is fast becoming a safe haven for all but the most high risk of investors! The **ETFs Physical Gold (PHGP)** offers investors a way to receive exposure to the underlying gold spot price.

Price: 8720.5p **52 Week High/Low:** 9041p/7193p

CORPORATE BONDS

PFG

**Provident
Financial Group**

Provident Financial 7.5% September 2016: Provident Financial recently announced that it is to raise a minimum of £50m through the issue of a 7.5% September 2016 bond, this will represent the second retail bond offered by the company within the space of one year. Interest will be paid semi-annually in March and September and investors should receive 100 per cent of their initial investment at issue on the maturity date, before any dealing costs or other charges are applied. More so, if held within an ISA or a SIPP, and depending on ones individual tax circumstances, the interest can be earned free of tax.

Established in 1880 the company has grown to become one of the UK's leading suppliers of personal credit products. The group focuses on the provision of small-sum, unsecured credit products tailored to the needs of customers on moderate incomes who are unable to access credit from mainstream providers in the UK and Ireland. Financially, a strong set of full-year results were reported for the year just gone as revenues grew by 6.2 per cent to £866.4m versus £815.6m in 2009. This translated into a pre-tax profit figure of £144.5m, significantly up from 2009's £130.1m. Going forward, there now appears to be a focus on a higher quality customer base and with a conscious aim to rein in costs which should offer support to strengthening financials.

The minimum investment is £2,000 and investors can apply for higher amounts in multiples of £100. Applications will open from 10th March and close at 2pm on 24th March or earlier. Following the issue, the bond can be bought and sold in the open market where the price of the bond will rise and fall during the life of the investment. Please contact your usual Redmayne-Bentley broker if you wish to take part in this new issue. Investors should be made aware that the bond is not covered by the Financial Services Compensation Scheme (FSCS) and in the event that Provident Financial becomes insolvent, customers may lose some or all of their investment.

**LLOYDS
BANKING
GROUP**




Lloyds TSB Bank Plc 5.5% September 2016: Lloyds TSB Bank Plc recently announced that it is to raise £50m through the issue of a 5.5% September 2016 bond, this follows their corporate bond offering to private bond investors last June. The bond is considered of high quality given that the three global rating agencies (*Moody's*, *Standard & Poor's* and *Fitch*) have all published investment grade ratings. Interest will be paid semi-annually in March and September and investors should receive 100 per cent of their initial investment at issue on the maturity date, before any dealing costs or other charges are applied. More so, if held within an ISA or a SIPP, and depending on ones individual tax circumstances, the interest can be earned free of tax.

The parent company, Lloyds Banking Group Plc, is one of the largest banking groups in the UK with a number of leading market positions covering retail, wholesale, insurance and wealth and international. The group returned to a profit of £2.21bn for 2010 compared to a loss of £6.3bn in 2009 aided by a reduction in impairment charges and improving retail net margins. Lloyds TSB Bank Plc covers personal, business, private, corporate and international banking services.

The minimum investment is £1000 and investors can apply for higher amounts in multiples of £100. Applications will open from the 8th March and close at 11am on 22nd March or earlier. Following the issue, the bond can be bought and sold in the open market where the price of the bond will rise and fall during the life of the investment. Please contact your usual Redmayne-Bentley broker if you wish to take part in this new issue. Investors should be made aware that the bond is not covered by the Financial Services Compensation Scheme (FSCS) and in the event that Lloyds Banking Group Plc becomes insolvent, customers may lose some or all of their investment.

Wealth Warning:

The price of investments and the income paid on them can fall as well as rise. All investments involve risk and you may not get back the full amount of your investment and it may fail altogether. Past performance is not necessarily a guide to future performance. There is an extra risk of losing money when shares are bought in some smaller companies, including penny shares, as there can be a big difference between the buying and selling price. Partners, employees and clients may have a position or engage in transactions in any of the securities mentioned. Redmayne-Bentley has taken every step to ensure the accuracy of the information and statistics in this literature but cannot accept any liability for errors or any direct or consequential loss arising from the use of this document or its contents. Before taking any action you should consult your adviser as to the suitability to you of the investments mentioned.

 For further service details or to discuss stocks of interest, call one of our brokers on:

0113 200 6400

**REDMAYNE
BENTLEY**
STOCKBROKERS

Members of the London Stock Exchange · Authorised and Regulated by the Financial Services Authority
Redmayne-Bentley LLP is a Limited Liability Partnership. Registered in England and Wales No: OC344361
Registered Office: Merton House, 84 Albion Street, Leeds LS1 6AG
Telephone: 0113 243 6941 · E-mail: info@redmayne.co.uk · VAT No: GB 613 139 763

Branches throughout the UK and Ireland, for details visit www.redmayne.co.uk