

## January Illuminator update

The Illuminator is a proprietary database and stock selection tool that identifies high-quality companies [based on 10 characteristics](#). We have now published The Illuminator for over ten years. We adhere to the fundamental premise that, over the medium to long term, quality companies outperform the market. Since its inception in July 2008, the Illuminator has returned more than 1,000% compared to the UK All Share index return of 129% over the same period.

Last month the Illuminator has outperformed the broader market by 2.2%. In the four weeks to 13 January 2020, the main Illuminator screen of 10 stocks gained 5.5% compared to a 3.3% increase in the UK All Share index. Since the beginning of the year, the Illuminator has slightly underperformed the overall market, having delivered a relative outperformance of 971% since its inception. Since our last update in December 2019, there was one change in the list of the top 10 names that make up the Illuminator, with Avon Rubber replacing Plus500.

### Illuminator performance: Cumulative returns

|                      | Year to date | One month | Three months | Six months | One year | Three years | Since inception |
|----------------------|--------------|-----------|--------------|------------|----------|-------------|-----------------|
| Illuminator UK       | 0.42%        | 5.51%     | 19.34%       | 20.77%     | 58.26%   | 72.05%      | 1100.00%        |
| UK All Share         | 0.72%        | 3.30%     | 6.55%        | 5.22%      | 16.13%   | 19.77%      | 128.75%         |
| Illuminator relative | -0.30%       | 2.21%     | 12.79%       | 15.55%     | 42.13%   | 52.28%      | 971.25%         |

### Top 10 Illuminator Stocks

| Company              | Ticker | Sector                 | Market cap (£m) | Free float, % | YTD, % |
|----------------------|--------|------------------------|-----------------|---------------|--------|
| Coats Group          | COA    | Divers. Industrials    | 1107            | 99.8          | 5      |
| 4Imprint Group       | FOUR   | Media Agencies         | 932             | 98.2          | -3     |
| Rightmove            | RMV    | Consumer Digital Svs   | 5665            | 99.5          | 3      |
| Fdm Group            | FDM    | Computer Services      | 1120            | 80.1          | -4     |
| Gamma Communications | GAMA   | Telecom. Services      | 1256            | 67.6          | 3      |
| Jd Sports Fashion    | JD/    | Apparel Retailers      | 8183            | 44.1          | 1      |
| Games Workshop       | GAW    | Toys                   | 2083            | 95.7          | 9      |
| Hilton Food Group    | HFG    | Food Products          | 870             | 99.8          | -7     |
| Serco Group          | SRP    | Prof. Business Support | 1960            | 95.8          | -1     |
| Avon Rubber          | AVON   | Defence                | 771             | 99.6          | 17     |

### Weighted Factor Illuminator

We have put together an updated illuminator screen that has a somewhat more forward looking angle compared to our headline illuminator portfolio presented above. Among other things, the key difference is that the updated illuminator algorithm is designed to better capture changes in investor sentiment as it monitors fluctuations in consensus earnings expectations for each stock in the UK All Share index. It also applies different weights to different screening factors.

### Top 10 Weighted Factor Illuminator Stocks

| Company              | Ticker | Sector               | Market cap, £m | Free float, % | YTD, % |
|----------------------|--------|----------------------|----------------|---------------|--------|
| JD Sports Fashion    | JD/    | Apparel Retailers    | 8,183          | 44            | 6      |
| Boohoo Group         | BOO    | Consumer Services    | 3,706          | 74            | 10     |
| Gamma Communications | GAMA   | Telecom. Services    | 1,256          | 68            | 2      |
| Kainos Group         | KNOS   | Technology           | 970            | 67            | 12     |
| Rightmove            | RMV    | Consumer Digital Svs | 5,665          | 100           | 3      |
| Greggs               | GRG    | Food Retail & Wsale  | 2,424          | 100           | 6      |
| Softcat              | SCT    | Technology           | 2,417          | 60            | 8      |
| 4Imprint Group       | FOUR   | Media Agencies       | 932            | 98            | (3)    |
| Fevertree Drinks     | FEVR   | Consumer staples     | 2,264          | 85            | (3)    |
| Hargreaves Lansdown  | HL/    | Financials           | 8,680          | 90            | (6)    |