



Purchase of Melrose Industries plc – 10 June 2019

Melrose Industries is a United Kingdom-based company that is engaged in buying manufacturing businesses. The Company's businesses include Nortek, Brush Turbogenerators and GKN. It operates through four segments: Energy, which includes the Brush business that is engaged in supplying energy industrial products; Air Management, which includes the Air Quality & Home Solutions business that manufactures ventilation products and the Heating, Ventilation & Air Conditioning business that manufactures and sells split-system and packaged air conditioners, heat pumps, furnaces, air handlers and parts; Security and Smart Technology, which includes the Security & Control business along with the Core Brands and GTO Access Systems businesses; Ergonomics, which includes the Ergotron business that manufactures and distributes products designed with ergonomic features including wall mounts, carts, arms, desk mounts, and stands that attach to or support display devices.

Current trading at Melrose is in line with the Board's expectations. Consistent with the recent commentary given at the year-end results announcement in March and the Capital Markets Event on 3 April this year, good progress is being made in delivering the operational improvements required in their businesses and specifically to achieve the GKN margin objectives disclosed at the Investor Event.

Melrose is the UK's 53rd largest company by market capitalisation and the shares currently yield 2.6% gross per annum. Dividends are paid in May and October of each year. We hold Melrose as part of your income & recovery equity allocation and have a base target price of 230p.

This stock is typically (but not invariably) held within Income, Balanced, Growth, Adventurous and Bespoke portfolios.

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None of the statements or contents contained within this commentary should be taken or considered as advice and past performance is no guarantee of future returns.

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