

## **Numis Corporation Plc takes over the Hoare Govett Smaller Companies Index**

The Board of Numis Corporation Plc (“Numis”) today announces that it is taking over the RBS Hoare Govett Smaller Companies Index (HGSC) Index. The index will be renamed “The Numis Smaller Companies Index” (“NSCI”) with immediate effect.

The index continues to be compiled by Professor Paul Marsh and Professor Elroy Dimson of London Business School, who have entered into consultancy and licensing agreements with Numis. Under these agreements, Numis will pay ongoing fees and may also pay certain performance based royalties to Professors Marsh and Dimson, but no initial consideration will be paid.

The Numis Smaller Companies Index is one of the most venerable stock market indices in the UK, having been first published in 1987 but with a back-history dating from 1955. The Index has become the leading benchmark for UK Small Cap investing, covering over 800 companies which make up the bottom 10% of the UK market by value. The companion index, the Numis Smaller Companies plus AIM index, has almost 2,000 constituent companies. The indexes are distributed to over 2,000 institutional investors across the UK and overseas.

UK smaller companies have significantly outperformed larger companies since the index’s inception; the cumulative value of a £1 investment in the Numis Smaller Companies Index in 1955 would now be worth £3,459, compared to £648 for the FTSE All Share. On 26 March 2012, the Numis Smaller Companies total returns index (excluding investment companies), the main benchmark used by institutional investors, hit a new all-time high of 10,635.45, beating its previous high of 10,576.98 achieved on 7 July 2011.

As at the close on Monday 26 March 2012, the NSCI was up 19.6% (including reinvested dividends) since the start of 2012, compared with 7.0% on the large-cap FTSE 100 and 8.3% on the FTSE All Share, representing outperformance of 12.6% and 11.3% respectively.

Globally, the outperformance of small caps has strengthened during 2012 as investors have re-examined the merit of small caps investing, in line with the return of investors’ risk appetite. Across the 30 largest stock markets globally, small caps have on average outperformed by 4% per annum, demonstrating a sharp reversal on the pattern of 2011.

### **Commenting on Numis taking over the index, Oliver Hemsley, Chief Executive, said:**

“The Numis Smaller Companies Index is the defining benchmark for the universe of UK Smaller Companies and this addition to our franchise reinforces our leading position in broking, advising and researching UK Smaller Companies.”

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**About the Numis Smaller Companies Index**

The Numis Smaller Companies Index, formerly the RBS HGSC Index, is produced by Professors Elroy Dimson and Paul Marsh of London Business School. It is the definitive benchmark for monitoring the performance of smaller companies in the United Kingdom. The main version of the Numis Smaller Companies Index covers the bottom tenth by value of the main UK equity market. It is unique in having been calculated on a consistent basis over a 57 year period, from 1955 to date. At the start of 2012, the Numis Smaller Companies Index had 803 constituent companies, with the largest constituent (Telecity Group) having a market capitalisation of £1,264 million. The average market capitalisation of companies within the Numis Smaller Companies Index is £230 million.