



Unlocking US equity markets

Your path to finding quality abroad

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We would like to draw your attention to the following important investment warnings:

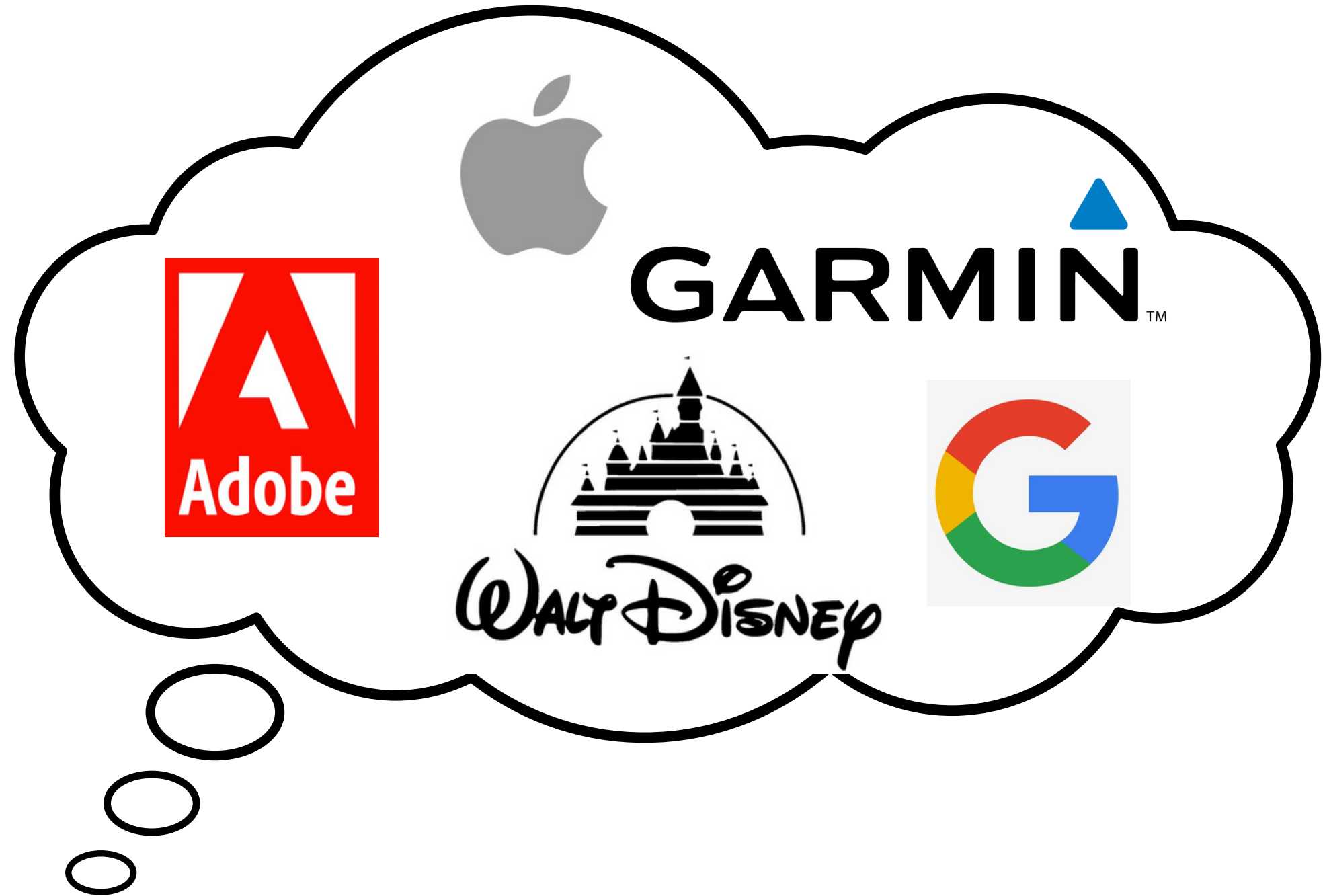
- The value of shares and investments and the income derived from them can go down as well as up
- Investors may not get back the amount they invested
- Past performance is not a guide to future performance
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Please note that all data in this document is historic and dated when this document went to print in June 2023.

Welcome from your host

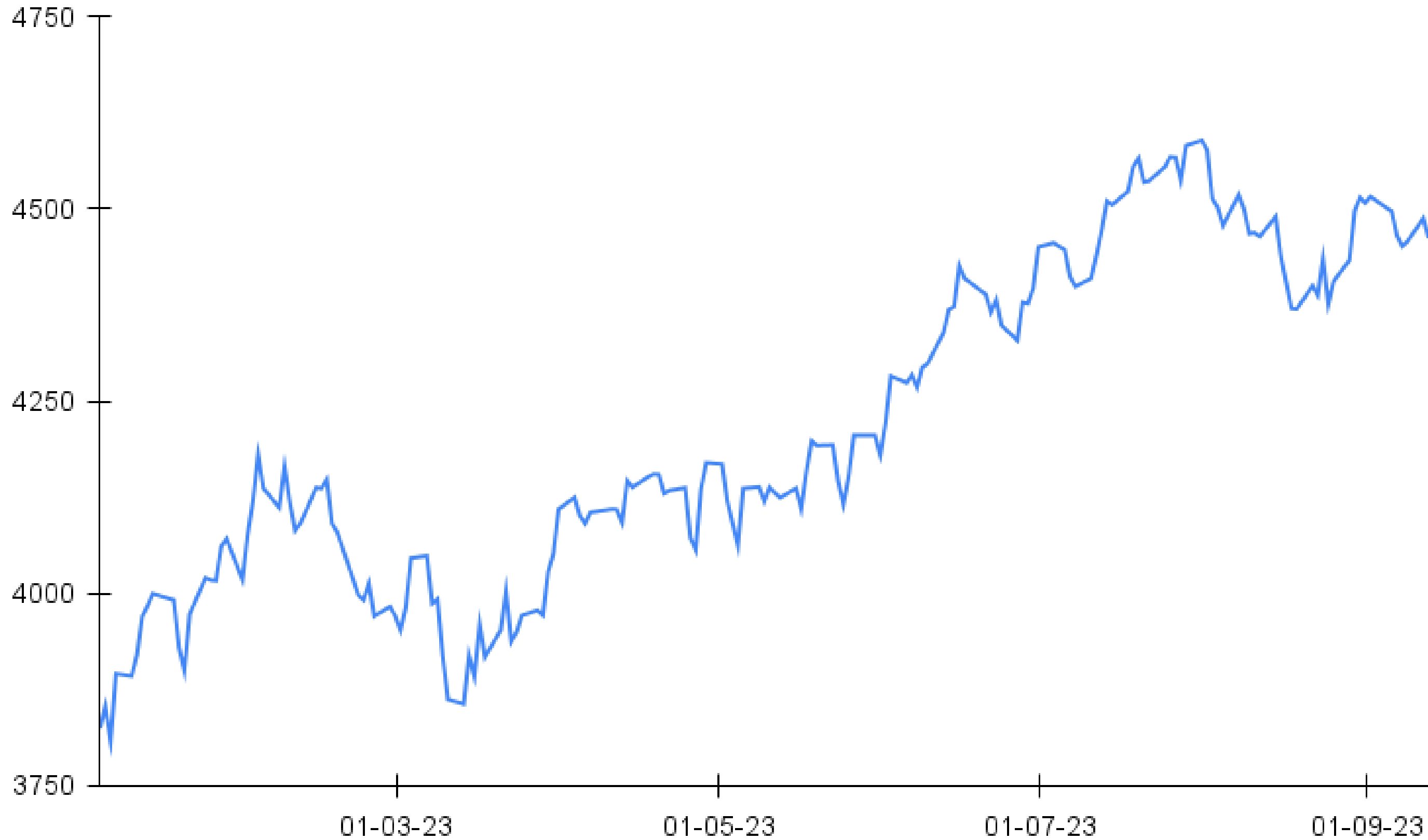


Megan Boxall
Education Editor, Stockopedia



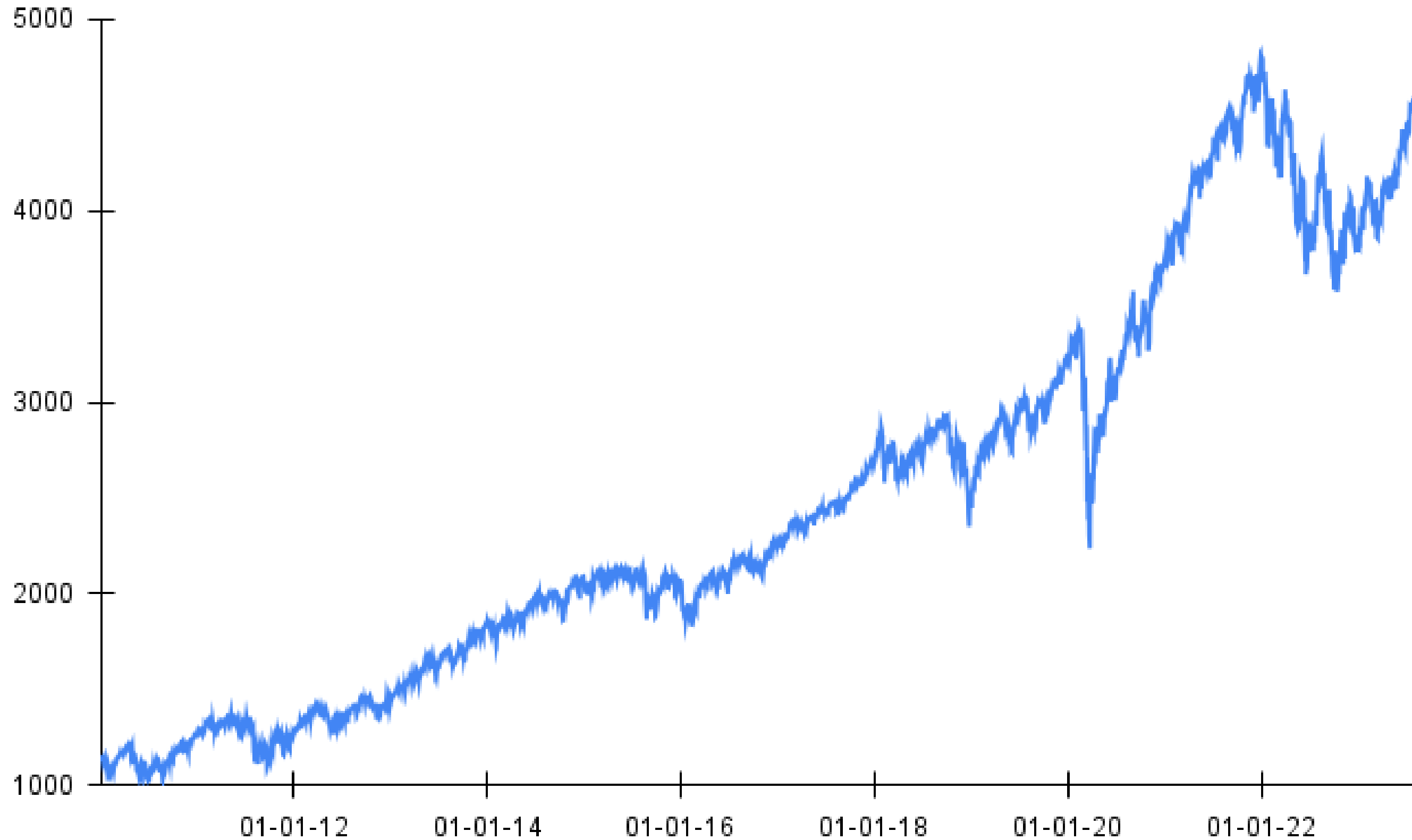
Why invest in the US?

S&P 500 performance YTD



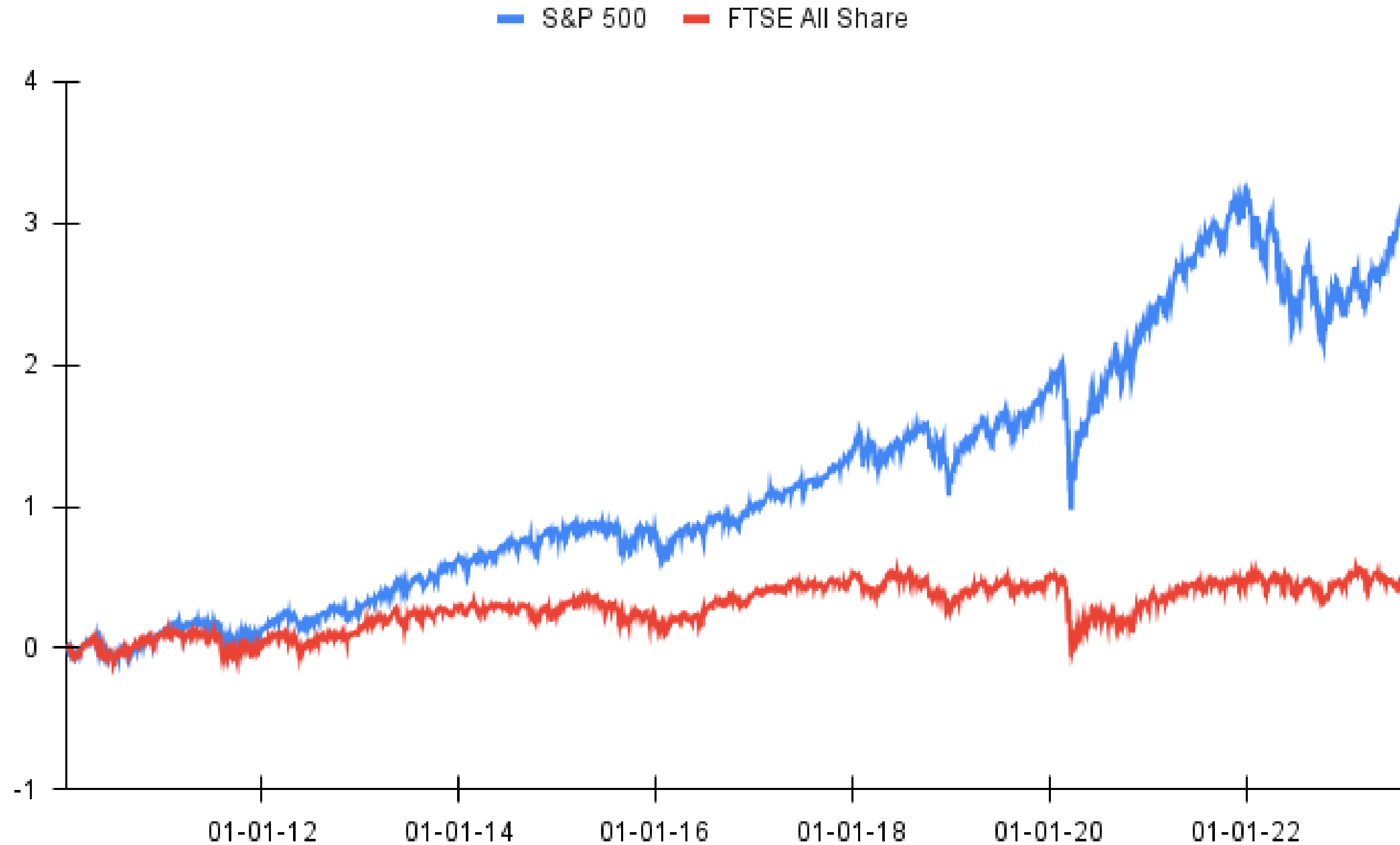
Why invest in the US?

S&P 500 performance 2010-2023



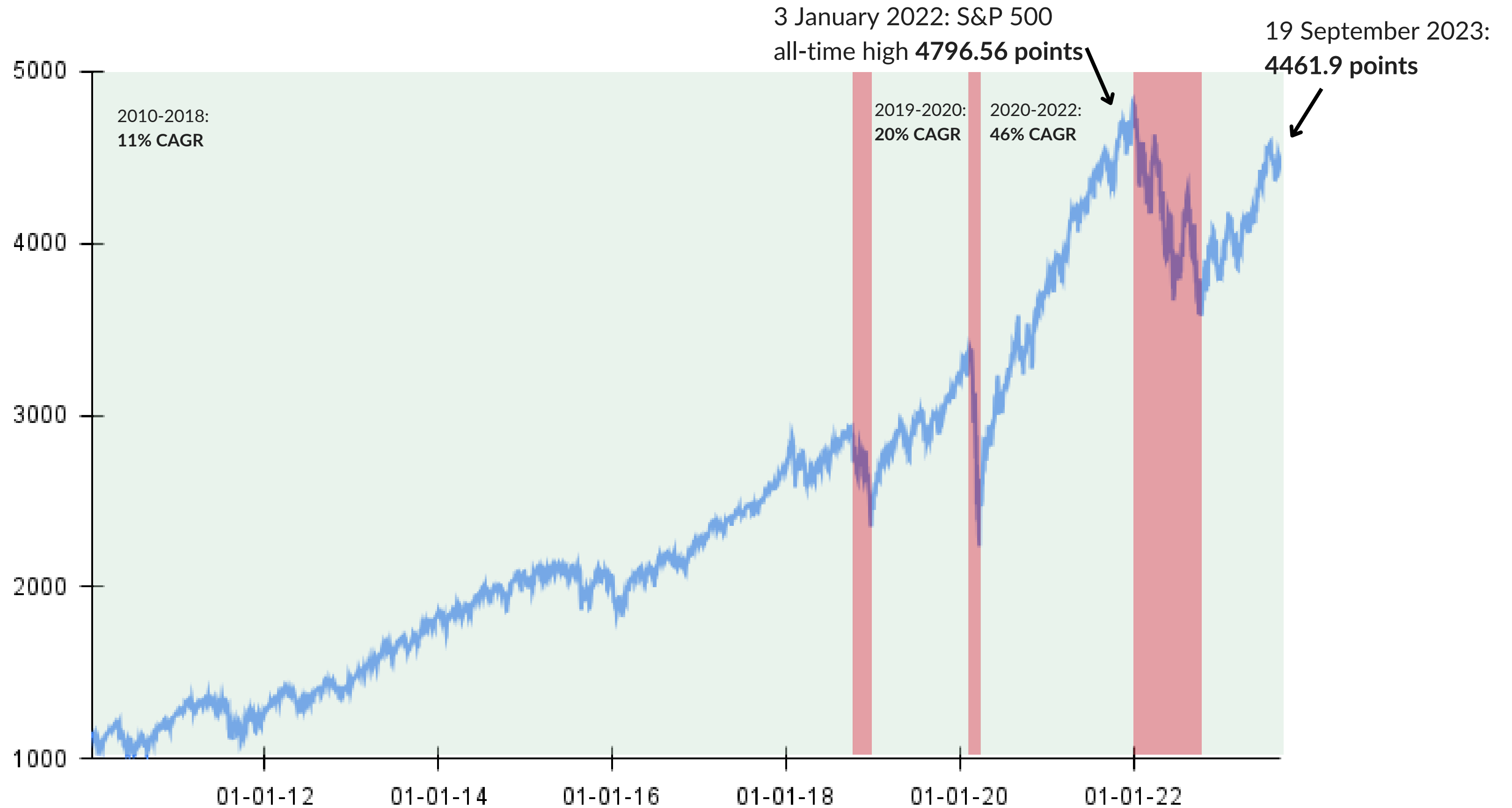
Why invest in the US?

S&P 500 vs FTSE All Share 2010-2023

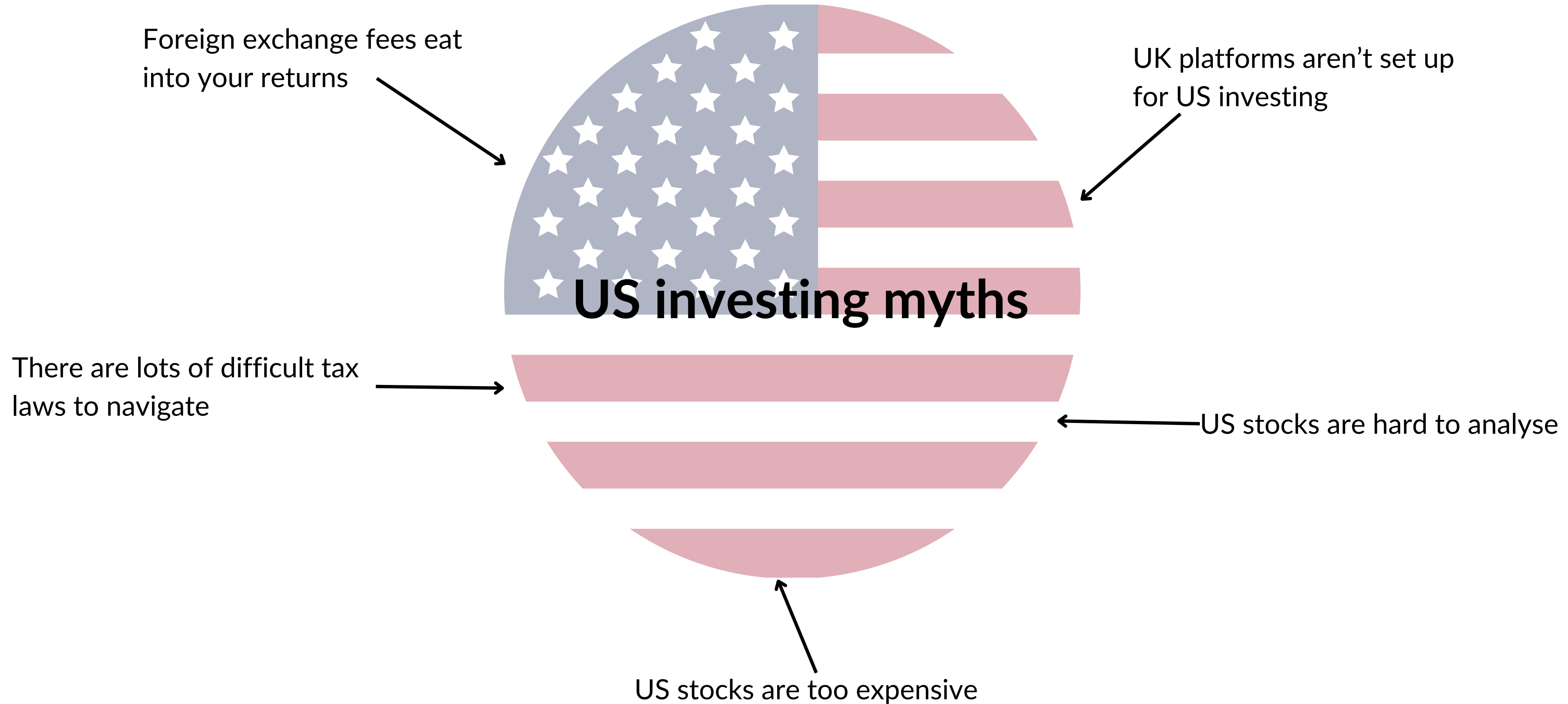


Why invest in the US?

US markets approaching all-time highs



How to invest in the US?



How to invest in the US?

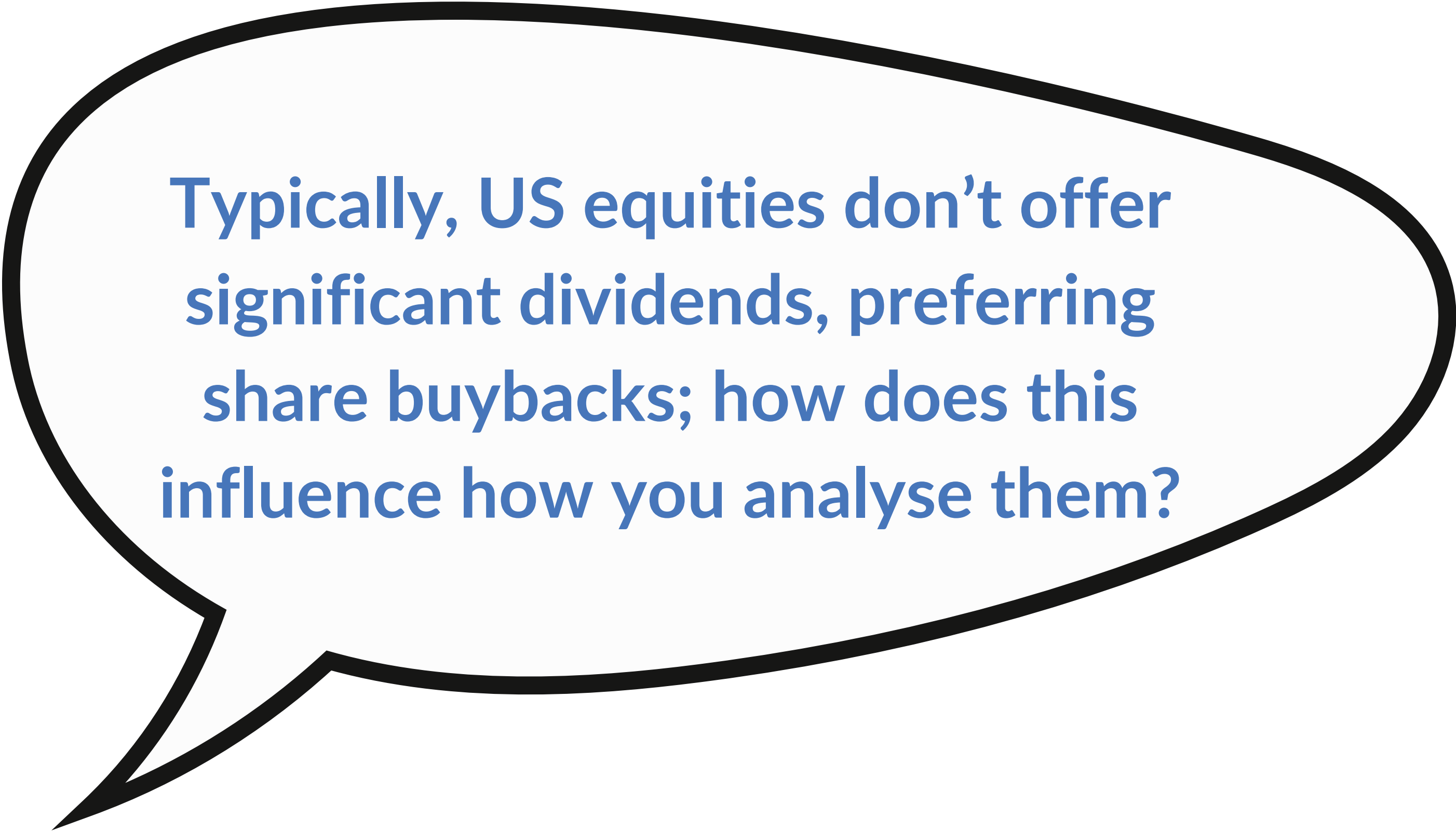
FX can eat into your returns

- Monitor the timing of your share purchases and sales to account for FX changes
- Chose your platform based on the FX fees

How to invest in the US?

Tax concerns

- Avoid income stocks
- Complete a W8-BEN form to avoid paying CGT twice
- You can hold US shares in your ISA



Typically, US equities don't offer significant dividends, preferring share buybacks; how does this influence how you analyse them?

How to invest in the US?

Picking your platform

- Pick a platform which offers competitive FX fees and share dealing fees

Platform	Custody Fee	Share Trading	FX rate
AJ Bell Youinvest	0.25%	£9.95	0.25%
DEGIRO	0	€1	0.25%
Fineco Bank	0.25%	\$3.95	0
FreeTrade	£4.99	£0	0.45%
Hargreaves Lansdown	0.45%	£11.95	1.00%
IG	0	£10	0.50%
Interactive Brokers	£3 per month	\$0.0035 per share	0.02% (minimum \$2)
Interactive Investor	£9.99	£0	1.50%



Comparable costs for an investor with a £50k portfolio who buys 1 share a month

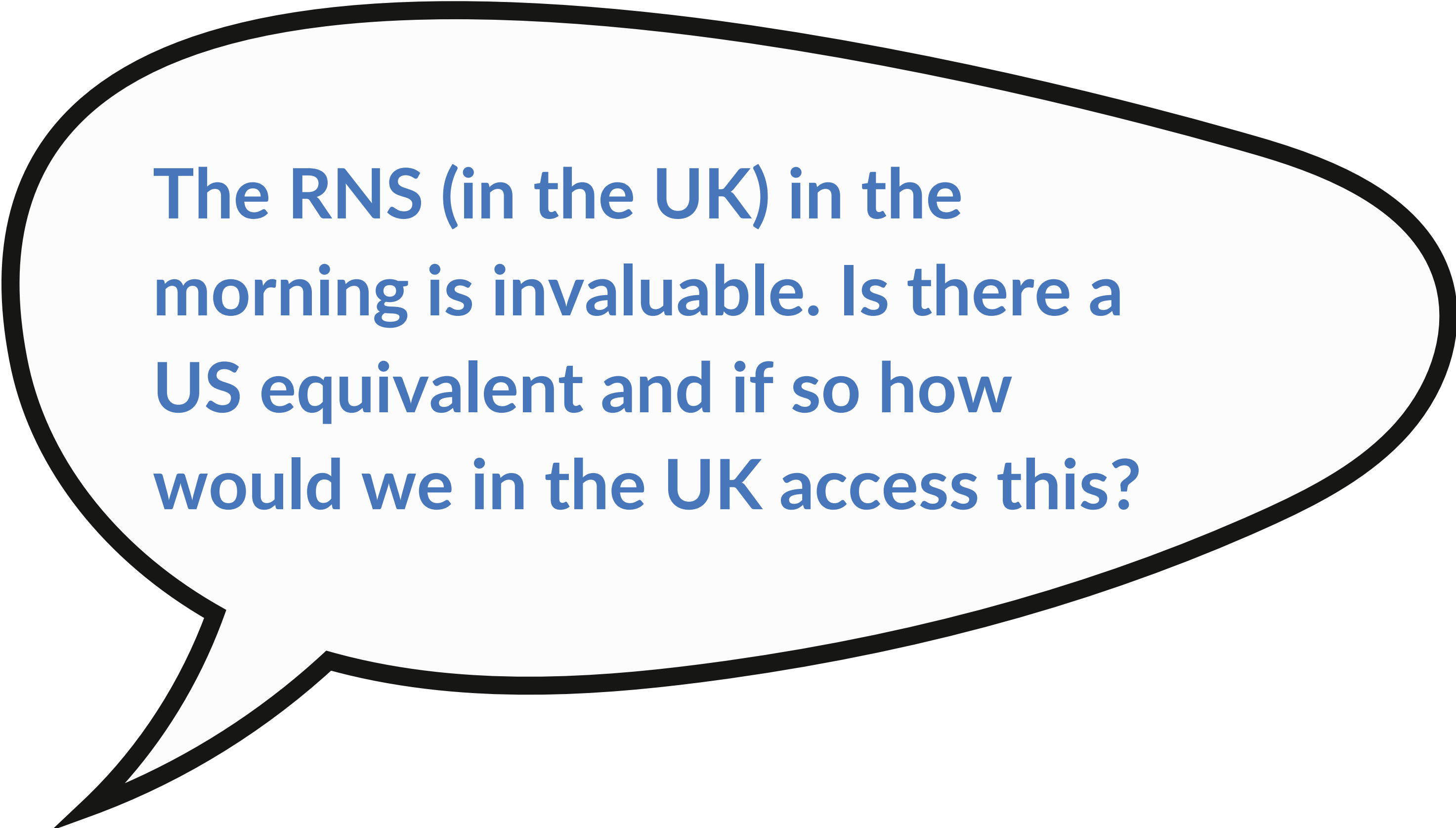
- Pick a platform which allows you to hold and trade in USD

How to invest in the US?

US stocks are too hard to analyse and too expensive

Average metrics for the top 10% of companies by market cap

Metric		
Operating Margin	19.8%	19.2%
ROCE	13.5%	12.0%
Sales 5yr CAGR	12%	5.6%
Earnings 5yr CAGR	13%	6.3%
P/E	26x	18x



The RNS (in the UK) in the morning is invaluable. Is there a US equivalent and if so how would we in the UK access this?



What should an average P/E ratio be considered reasonable when considering US stocks?

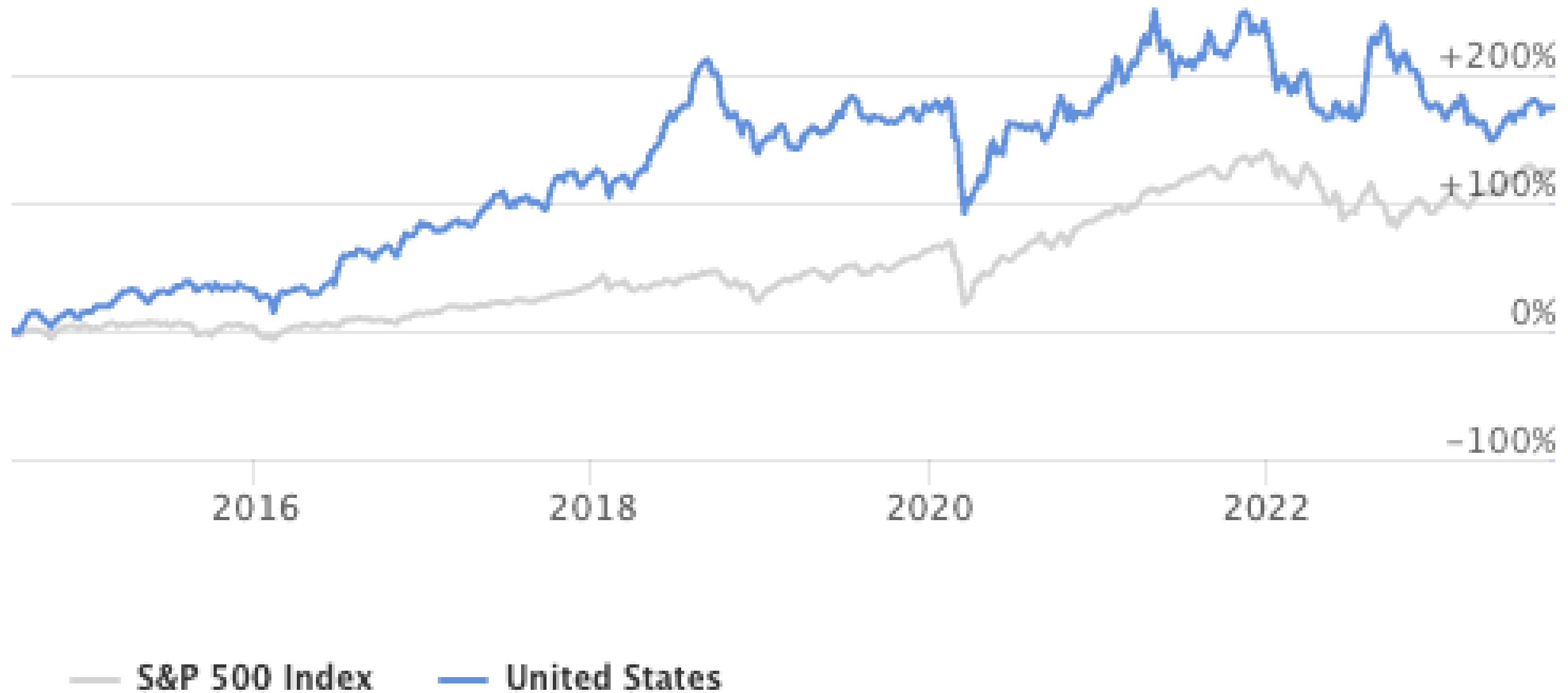
Identifying opportunities in the US



There are roughly 1900 countries listed in the UK with a combined market cap of £3.6trn

Identifying opportunities in the US

Screening using Bill O'Neil



Identifying opportunities in the US

Screening using Buffettology

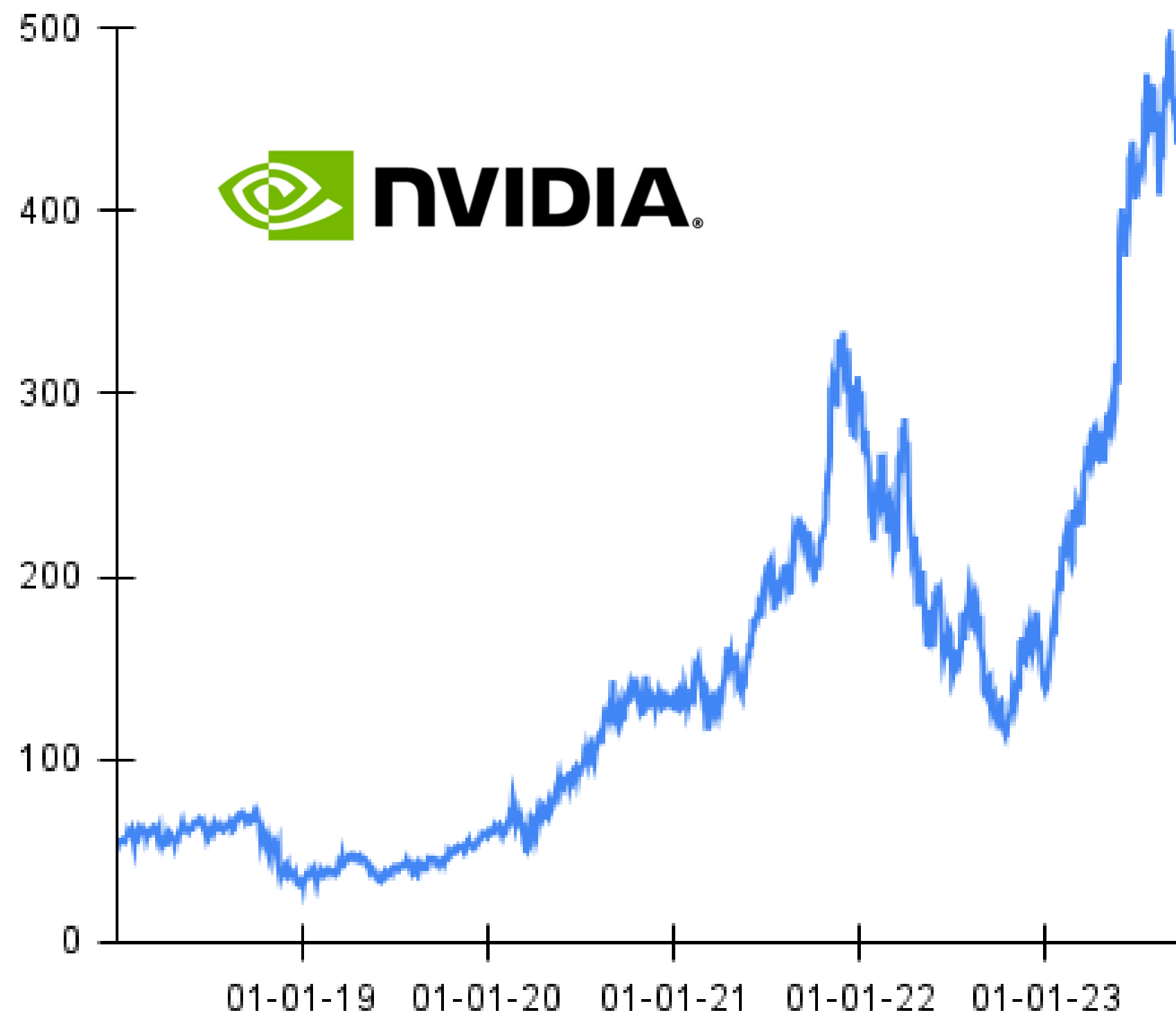


It would be great to hear some stats from the NAPS approach when applied to the US market

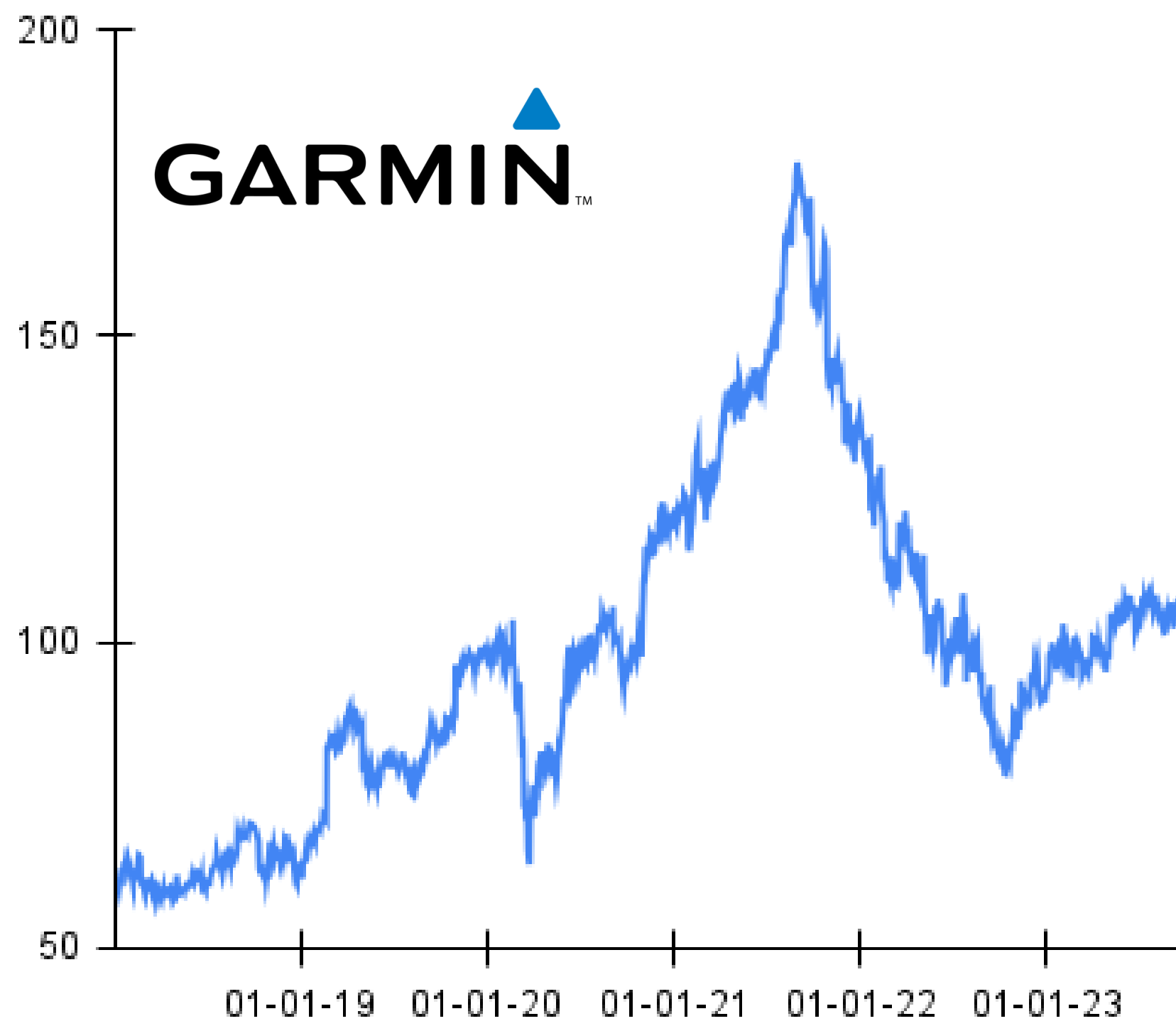
I have not found high QVM shares do as well in the USA. Am I unlucky or is there another reason?

USA Annual Rebalanced QVM Portfolio





	TTM	CAGR/Average
Revenue	\$32.7bn	22.7%
Operating Margin	33%	28.6%
EPS	\$4.14	14.7%
ROCE	27.5%	22.3%



	TTM	CAGR/Average
Revenue	\$4.9bn	9.3%
Operating Margin	20%	23.5%
EPS	\$5.18	6.1%
ROCE	15.5%	17.5%



Q&A