

JPMorgan European Smaller Cos

Finding exciting investment opportunities

Investment trusts

JPMorgan European Smaller Companies Trust (JESC) aims to generate long-term capital growth from a portfolio of European (ex-UK) small-cap equities. Despite a period of underperformance versus the Euromoney Smaller Europe ex-UK benchmark in 2016 due to conservative portfolio positioning, JESC's longer-term performance record remains intact. It has outperformed the benchmark over three, five and 10 years. The managers believe that the European economic backdrop is favourable, political risk has been reduced and they are finding plenty of investment opportunities, across a range of industries, including companies that are adapting in a period of rapid technological change.

12 months ending	Share price (%)	NAV (%)	Euromoney Smaller Europe ex-UK (%)	FTSE World Europe ex-UK (%)	FTSE All-Share (%)
31/05/13	44.2	41.6	42.7	43.3	30.1
31/05/14	32.8	28.6	24.9	13.4	8.9
31/05/15	12.4	5.8	2.7	4.7	7.5
31/05/16	10.5	14.7	6.3	(3.7)	(6.3)
31/05/17	38.6	35.1	39.9	35.7	24.5

Source: Thomson Datastream. Note: All % on a total return basis in GBP.

Investment strategy: Value, quality and momentum

There are three pillars to JESC's investment process: value, quality and momentum. The trust's three highly experienced managers use a proprietary multi-factor model to screen the 1,000 companies in the benchmark. Potential investments then undergo thorough fundamental research with the managers seeking companies that are attractively valued, high quality (which may be assessed in terms of market leadership, high returns or disciplined capital allocation), and which have positive operating momentum. The resulting portfolio of 50-75 stocks is diversified by sector and geography, and the managers are unconstrained by benchmark allocations. JESC may employ gearing or run a net cash position up to a maximum of 20%.

Market outlook: Favourable economic environment

The European economic backdrop is becoming more favourable, as evidenced by the European Union Economic Sentiment Indicator and global purchasing manager surveys. Despite a positive rerating of global equities in recent months, including European small-cap companies, for investors wishing to gain exposure to the region, a fund with a good investment track record over the long term may appeal.

Valuation: Near-term narrowing discount

JESC's current 10.3% share price discount to cum-income NAV is narrower than the average discounts of the last one, three, five and 10 years (range of 12.1% to 14.8%). The discount has narrowed meaningfully since late 2016 and there is scope for it to narrow further if JESC can build on its positive medium- and long-term investment track record or if there is greater investor appetite for European small-cap equities.

22 June 2017

Price	379.0p
Market cap	£606m
AUM	£708m

NAV*	417.3p
Discount to NAV	9.2%
NAV**	422.7p
Discount to NAV	10.3%

*Excluding income. **Including income. As at 20 June 2017.

Prospective yield	1.2%
Ordinary shares in issue	160.0m

Code	JESC
Primary exchange	LSE

AIC sector	European Smaller Companies
Benchmark	Euromoney Smaller Europe ex-UK

Share price/discount performance



Three-year performance vs index



52-week high/low	383.8p	250.0p
NAV** high/low	424.2p	304.0p

**Including income.

Gearing

Net cash*	3.6%
-----------	------

*As at 31 May 2017.

Analysts

Mel Jenner	+44 (0)20 3077 5720
Sarah Godfrey	+44 (0)20 3681 2519

investmenttrusts@edisongroup.com

[Edison profile page](#)

JPMorgan European Smaller Companies Trust is a research client of Edison Investment Research

Exhibit 1: Trust at a glance
Investment objective and fund background

JESC aims to achieve capital growth from a diversified portfolio of shares in smaller European companies (excluding the UK). Liquidity and borrowings are actively managed (investments 80-120% of net assets) with a view to enhancing returns to shareholders. As JESC's investment policy emphasises capital growth, rather than income, the dividend is expected to vary from year to year. JESC is benchmarked against the Euromoney (formerly HSBC) Smaller European ex-UK total return index in sterling terms.

Recent developments

- 2 June 2017: final results to 31 March 2017. NAV TR +26.7% versus benchmark TR +29.0%. Share price TR +22.4%. Declaration of 3.5p final dividend.
- 21 March 2017: announcement that co-portfolio manager Jim Campbell is currently on personal leave.
- 23 February 2017: change to investment management fee: 1.0% on first £400m of net assets and 0.85% of net assets in excess of £400m.

Forthcoming

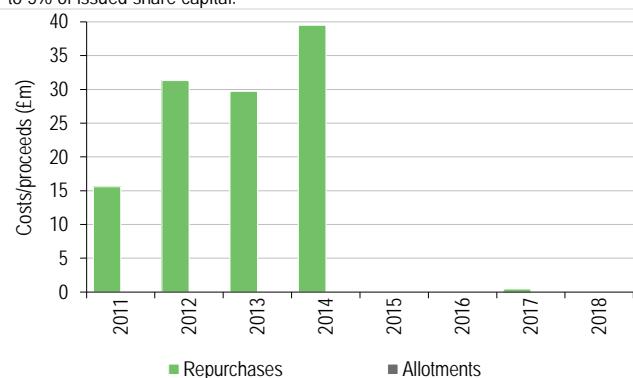
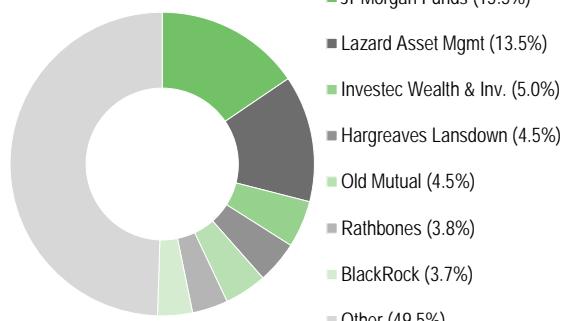
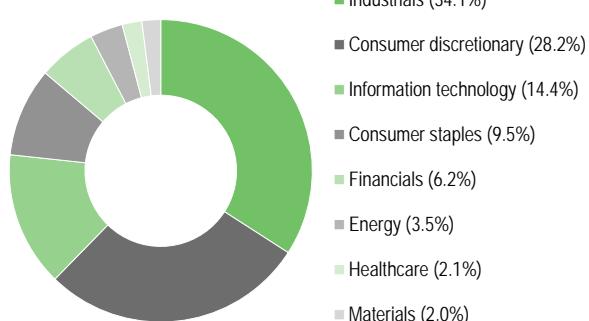
		Capital structure		Fund details	
AGM	July 2017	Ongoing charges	1.18%	Group	JPMorgan Asset Management (UK) Ltd
Interim results	November 2017	Net cash	3.6%	Manager	Jim Campbell, Francesco Conte, Edward Greaves
Year end	31 March	Annual mgmt fee	Tiered (see above and page 7)	Address	60 Victoria Embankment, London EC4Y 0JP
Dividend paid	January, July	Performance fee	None	Phone	+44 (0)800 731 1111
Launch date	April 1990	Trust life	Indefinite	Website	www.jpmeuropesmallercompanies.co.uk
Continuation vote	None	Loan facilities	€100m		

Dividend policy and history (financial years)

Between zero and two dividends annually. Interims, when paid, are in January. Finals, when paid, are in July. Numbers below have been adjusted for stock split.

Share buyback policy and history (financial years)

Renewed annually, the trust has authority to purchase up to 14.99% and allot up to 5% of issued share capital.


Shareholder base (as at 31 May 2017)

Portfolio exposure by sector (excluding cash, as at 31 May 2017)

Top 10 holdings (as at 31 May 2017)

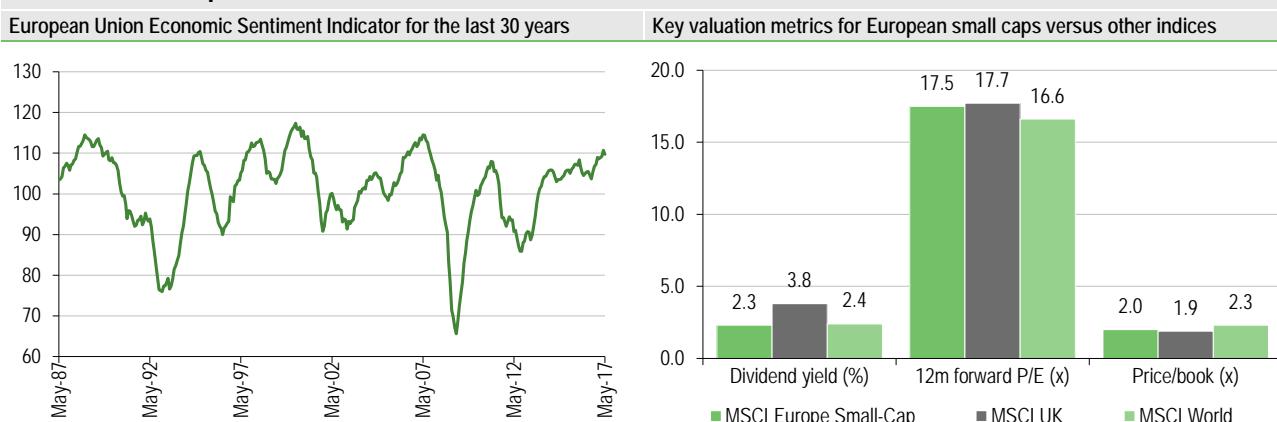
Company	Country	Sector	Portfolio weight %	
			31 May 2017	31 May 2016*
Ipsos	France	Consumer discretionary	2.2	1.9
Ubisoft Entertainment	France	Information technology	2.1	N/A
SalMar	Norway	Consumer staples	2.1	N/A
Stabilus	Germany	Industrials	2.1	N/A
Metsø	Finland	Industrials	2.0	N/A
Tarkett	France	Industrials	2.0	N/A
Alten	France	Information technology	2.0	2.0
Interpump Group	Italy	Industrials	2.0	N/A
ams	Austria	Information technology	2.0	N/A
Maisons du Monde	France	Consumer discretionary	2.0	N/A
Top 10			20.5	23.5

Source: JPMorgan European Smaller Companies, Edison Investment Research, Bloomberg, Morningstar. Note: *N/A where not in May 2016 top 10.

Market outlook: Positive economic backdrop

Since early 2015, the Euromoney Smaller Europe ex-UK Index has outperformed the FTSE World Europe ex-UK Index by c 20% in sterling terms. This may be as a result of an improving economic backdrop, which is illustrated by the European Union Economic Sentiment Indicator in Exhibit 2 (left-hand side). European equities have experienced a positive rerating in recent months as investors shook off a series of macro concerns such as Brexit and European political uncertainty. European small-cap equities continue to trade at a forward P/E premium to global equities, have a modestly lower dividend yield, but a lower price-to-book multiple. However, for investors wishing to gain exposure to smaller European companies that have the potential to benefit from an improving economic backdrop, a fund with a good medium- and long-term performance track record may be of some interest.

Exhibit 2: Market performance and valuation



Source: Edison Investment Research, MSCI, European Commission. Note: valuation data as at 31 May 2017.

Fund profile: Small-cap European equity investment

Launched in April 1990, JESC aims to generate long-term capital growth from a diversified portfolio of European small-cap equities (excluding the UK). It is benchmarked against the Euromoney Smaller Europe ex-UK Index, which comprises 1,000 companies (with market caps up to c €5.5bn as at end-May 2017) across 14 countries. JESC has been managed by Jim Campbell since 1995, Francesco Conte since 1998 and Edward Greaves since 2016 (Campbell is currently on personal leave). Small-cap European equities tend to be under-researched by sell-side analysts, so the managers are able to draw on the wide resources of J.P. Morgan Asset Management's European equities team. Over the last 20 years to the end of March 2017, JESC's NAV has achieved annualised total returns (net of fees) of 14.1%, which is 4.2pp per annum ahead of the benchmark's annual total return. There are no individual stock or geographical constraints and a maximum 35% of the portfolio may be invested in a single sector. Currency exposure is not hedged. JESC may gear up to 20% or run up to a 20% net cash position; as at end-May 2017, the trust had a net cash position of 3.6%.

The fund managers: Campbell, Conte and Greaves

The managers' view: Exciting time for investing

The managers are positive on the macro environment for European equities. They point to global purchasing manager indices, which indicate that there is a synchronised upswing in global

economic activity. They comment that this is especially important for Europe given that it is an “exporting powerhouse”. The economic improvement is reflected in corporate earnings; the managers state that Q117 was the strongest quarter in the last five years and one of the best on record. They point to strength in both sales and earnings, in addition to positive estimate revisions across the board, especially for cyclical companies. The managers suggest that this improving economic environment is especially positive for European small-cap equities. They also highlight that European political risk has diminished following the success of Emmanuel Macron in the French presidential election. While there were huge political concerns in late 2016, the managers suggest that Europe has taken a step back from the brink with the election of more pro-European candidates. As a result, the backdrop, both politically and economically, is viewed as very attractive, although the managers acknowledge the strong performance of European equities since late 2016, which means that economic momentum will need to be maintained for the investment backdrop to remain supportive.

Conte comments that it is a very exciting time to invest in European small-cap equities, as so much is changing due to technological advancement. He cites Italian company Datalogic, which is a world leader in barcode readers for retailers. Its business was growing steadily at 2-3% per year but following the introduction of new technology, which it is selling to logistics experts such as DHL and UPS, Datalogic is now growing revenues in the high single-digit range. The manager also points to the dramatic changes in the retail industry due to the shift to online rather than bricks-and-mortar operations. Companies such as Ikea are revamping their warehouses to enable fulfilment of online orders, which benefits companies such as German forklift manufacturer Jungheinrich. Like Datalogic, Jungheinrich has seen a material uptick in its revenue growth, helped by offering more high-end products such as warehouse-management systems. The managers are focusing on companies that are embracing technological change and say they are finding investment opportunities across a wide range of industries.

Asset allocation

Investment process: Bottom-up stock selection

JESC's investment philosophy is that attractively valued, high-quality companies with positive operating momentum have the potential to outperform the broader stock market. The managers employ a bottom-up stock selection process, starting with a screen of the benchmark using a proprietary multi-factor model. Stocks that pass the screen are subject to rigorous fundamental analysis. The resulting portfolio of 50-75 holdings is diversified by sector and geography. Holdings tend to fall into three buckets: companies that can grow organically regardless of the economic environment; those that are benefiting from secular growth; or companies that are currently out of favour, where the managers believe that the business can be turned around. Position sizes are determined by the level of the managers' conviction and a company's trading liquidity. Positions are sold if a company's market cap has significantly outgrown the benchmark index, on valuation grounds, or if the outlook for a company's operating environment has deteriorated.

Current portfolio positioning

At the end of May 2017, JESC's top 10 positions comprised 20.5% of the portfolio, which was a lower concentration than 23.5% at the end of May 2016. The managers state that portfolio holding Stabilus is a good illustration of the investment process as the company possesses value, quality and momentum attributes. Stabilus is an automobile supplier with a dominant global leadership position in its market niches. For instance, Stabilus controls c 70% of the global automotive gas spring market and is c 15x larger than the number two player. Stabilus's scale and high degree of production automation allows the company to benefit from lower costs than its peers, and its high

quality is illustrated by its leading return on invested capital. Strong operational momentum is driven by increasing vehicle penetration of its products as customers demand additional safety/comfort features such as automatic tailgates. Stabilus is also growing in adjacent industrial end-markets, such as woodworking and printing machines, which is helping to diversify sales further. In addition, the company has financing capacity to continue selectively adding bolt-on acquisitions. Its valuation is attractive as a result of Stabilus's strong free cash flow generation, especially given the high quality and growth prospects of the company.

Exhibit 3: Portfolio geographical exposure vs benchmark (% unless stated)

	Portfolio end-May 2017	Index weight	Active weight vs index (pp)	Trust weight/index weight (x)
France	19.0	12.5	6.5	1.5
Italy	17.1	12.2	4.9	1.4
Germany	13.4	14.7	(1.3)	0.9
Switzerland	12.0	10.5	1.5	1.1
Sweden	10.1	14.1	(4.0)	0.7
Norway	8.3	4.4	3.9	1.9
Netherlands	7.3	4.5	2.8	1.6
Finland	6.3	4.6	1.7	1.4
Denmark	6.3	4.3	2.0	1.5
Spain	0.0	7.8	(7.8)	0.0
Belgium	0.0	4.3	(4.3)	0.0
Austria	0.0	3.7	(3.7)	0.0
Portugal	0.0	1.4	(1.4)	0.0
Ireland	0.0	0.9	(0.9)	0.0
United Kingdom	0.0	0.1	(0.1)	0.0
	100.0	100.0		

Source: JPMorgan European Smaller Companies, Edison Investment Research. Note: Excludes cash.

Exhibit 4: Portfolio sector exposure vs benchmark (% unless stated)

	Portfolio end-May 2017	Portfolio end-May 2016	Change (pp)	Index weight	Active weight vs index (pp)	Trust weight/index weight (x)
Industrials	34.1	32.1	2.0	24.1	10.0	1.4
Consumer discretionary	28.2	26.0	2.2	14.6	13.6	1.9
Information technology	14.4	20.2	(5.8)	9.8	4.6	1.5
Consumer staples	9.5	6.3	3.1	6.6	2.9	1.4
Financials	6.2	6.0	0.2	12.4	(6.2)	0.5
Energy	3.5	0.0	3.5	2.8	0.7	1.2
Healthcare	2.1	5.1	(3.0)	8.1	(6.0)	0.3
Materials	2.0	3.6	(1.6)	6.9	(4.9)	0.3
Real estate*	0.0	N/A	N/A	7.7	(7.7)	0.0
Utilities	0.0	0.7	(0.7)	3.7	(3.7)	0.0
Telecommunication services	0.0	0.0	0.0	3.3	(3.3)	0.0
	100.0	100.0		100.0		

Source: JPMorgan European Smaller Companies, Edison Investment Research. Note: Excludes cash. *Real estate was included in the financials sector in May 2016.

The managers were defensively positioned in Q416, as they were concerned about political risks. As a result, investment performance lagged the index as cyclical stocks meaningfully outperformed. As political risks have dissipated and the outlook for cyclical companies' earnings has improved, the managers have increased JESC's cyclical exposure. It is the first time in many years that they have invested in areas that had underperformed for a long time, such as offshore oil services. Other new positions in sectors that had been cyclically depressed include Danish cement plant manufacturer FLSmidth & Co, and Swiss agricultural machinery manufacturer Bucher Industries.

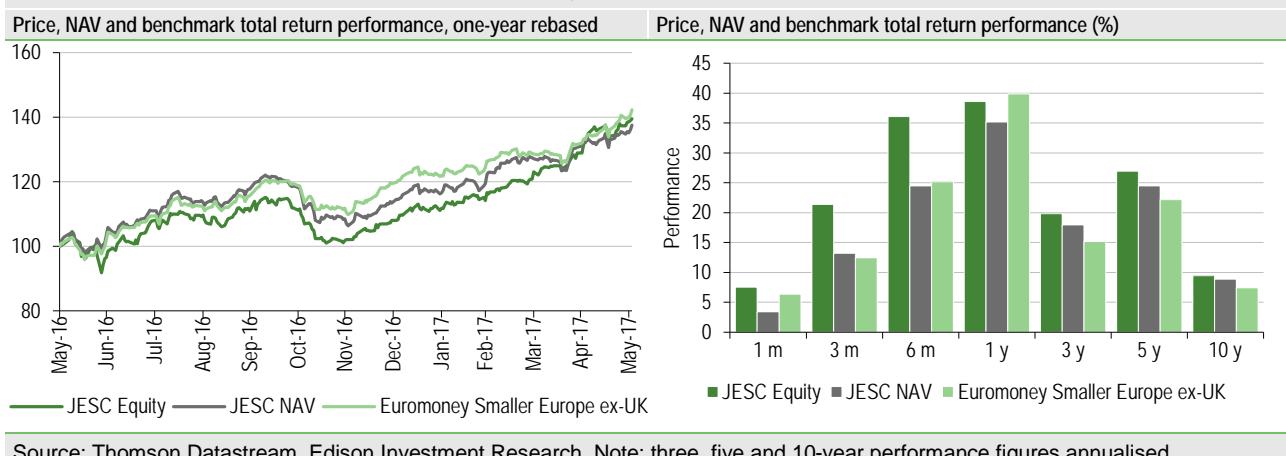
The managers have increased their exposure to the financial sector in recent months following signs of stabilisation in the industry. One of the new holdings is Skandiabanken, which is a Swedish challenger bank. It does not have legacy concerns unlike many of its competitors; the company is digitally enabled, cost efficient and has modern IT systems. Skandiabanken has very high customer satisfaction ratings and is able to undercut traditional banks. Low pricing plus high customer satisfaction means that the company has a growing market share. JESC's managers believe that Skandiabanken's stock is looking very attractive.

Recent sales include defensive companies that became too large as a result of outperformance, such as pharmaceutical companies Recordati and Ipsen. Other companies with limited growth prospects and more defensive business models that were sold include Swedish retailer, KappAhl, Finnish information technology services company, Tieto, and Swedish bus operator, Nobina.

Performance: Behind the index over one year

Over the last 12 months, absolute total returns for UK-based investors in overseas assets have been boosted by sterling weakness (Exhibit 5). JESC's share price and NAV total return of 38.6% and 35.1% respectively are behind the benchmark's 39.9% total return. Factors include conservative portfolio positioning due to political uncertainties and some stock-specific weakness, such as Flow Traders (a Dutch financial company, where investors were concerned about market share losses) and Beter Bed (a Dutch bedroom furnishing retailer, which had weakness in its German operations due to a poor portfolio of products). Top contributors to performance include Oriflame (a Swedish cosmetics retailer, which has benefited from emerging market demand) and Maisons du Monde (a French furniture maker, which has been successfully operating its multi-channel distribution strategy since its IPO in May 2016).

Exhibit 5: Investment trust performance to 31 May 2017



Source: Thomson Datastream, Edison Investment Research. Note: three, five and 10-year performance figures annualised.

In relative performance terms, JESC's long-term positive record remains intact. Its NAV and share price total returns have outperformed the benchmark over three, five and 10 years. Of interest to UK investors, JESC has significantly outperformed the FTSE All-Share Index over one, three, five and 10 years. Its NAV has also outperformed the FTSE Europe ex-UK Index over three, five and 10 years, while performing broadly in line over one year.

Exhibit 6: Share price and NAV total return performance, relative to indices (%)

	One month	Three months	Six months	One year	Three years	Five years	10 years
Price relative to Euromoney Smaller Europe ex-UK	1.1	8.0	8.7	(0.9)	12.7	21.2	20.7
NAV relative to Euromoney Smaller Europe ex-UK	(2.7)	0.7	(0.5)	(3.4)	7.5	9.8	14.3
Price relative to FTSE World Europe ex-UK	1.9	9.0	11.2	2.1	25.7	48.1	38.2
NAV relative to FTSE World Europe ex-UK	(2.0)	1.6	1.7	(0.4)	19.8	34.2	30.9
Price relative to FTSE All-Share	3.0	15.3	19.8	11.3	37.3	85.6	44.1
NAV relative to FTSE All-Share	(0.9)	7.5	9.6	8.5	30.9	68.2	36.5

Source: Thomson Datastream, Edison Investment Research. Note: data to end-May 2017. Geometric calculation.

Exhibit 7: NAV total return performance relative to benchmark over three years


Discount: Recent narrowing trend

JESC's current 10.3% share price discount to cum-income NAV compares to the 8.7% to 18.4% range of the last 12 months. It is narrower than the averages of the last one, three, five and 10 years of 14.5%, 12.1%, 12.8% and 14.8%. There has been a noticeable narrowing in the discount since mid-November 2016 and there is scope for it to narrow further if JESC can build on its positive medium- and long-term investment track record, or if there is greater investor appetite for European small-cap equities.

Exhibit 8: Share price premium/discount to NAV (including income) over three years (%)


Capital structure and fees

JESC is a conventional investment trust with one class of share; there are currently 160.0m ordinary shares in issue. The trust has a €100m lending facility with Scotiabank, which is split 50:50 between a fixed and floating rate. The board's policy is to limit gearing within the range of 20% net cash to 20% geared; at the end of May 2017, JESC had a net cash position of 3.6%.

Over time, the management fee has been reduced. Prior to 1 April 2015 it was 1.3% of net assets, which was then reduced to 1.0%. On 23 February 2017 it was announced that the fee structure would be reduced further. Effective from 1 April 2017, the management fee is 1.00% of net assets up to £400m and 0.85% of net assets above £400m. In FY16, the ongoing charge was 1.18%, which was a 14bp reduction versus the prior financial year.

Dividend policy and record

JESC's investment objective is capital growth rather than income; however, the board's dividend policy is to pay out the majority of income, which will fluctuate from year to year. Between zero and two dividends are paid each year; interims, when paid, are in January and finals, when paid, are in July. In FY17 (if the final dividend of 3.5p is approved at the July 2017 AGM), the annual dividend of 4.7% will be a 46.9% increase versus the prior year, while FY16 was flat with FY15. Based on its current share price, JESC has a prospective dividend yield of 1.2%.

Peer group comparison

JESC is the largest trust in the relatively small AIC European Smaller Companies sector. Its NAV total return is ranked highest out of the four funds over 10 years, second over three and five years and third over one year. JESC has one of the widest discounts in the sector and the second-highest ongoing charge, although no performance fee is payable. Reflecting its mandate for capital growth rather than income, JESC has a lower than average dividend yield; however, the average is skewed by European Assets Trust, which pays out an annual distribution of 6% of year-end NAV.

Exhibit 9: AIC European Smaller Companies sector peer group as at 21 June 2017*

% unless stated	Market cap £m	NAV TR 1 year	NAV TR 3 year	NAV TR 5 year	NAV TR 10 year	Discount (ex-par)	Ongoing charge	Perf. fee	Net gearing	Dividend yield (%)
JESC	606.4	39.7	71.0	205.3	144.8	(9.1)	1.18	No	96	1.2
European Assets Trust	435.6	34.8	62.0	178.0	123.4	0.9	1.16	No	100	5.1
Montanaro European Smaller Companies	133.9	47.3	65.2	123.9	118.3	(11.2)	1.39	No	103	1.0
TR European Growth Trust	536.9	63.5	86.4	239.4	135.2	(6.6)	0.78	Yes	107	0.8
Weighted average	46.5	73.1	202.7	134.3	(5.9)	1.07			101	2.1
JESC's rank in sector	1	3	2	2	1	3	2		4	2

Source: Morningstar, Edison Investment Research. Note: *Performance to 20 June 2017. TR=total return. Net gearing is total assets less cash and equivalents as a percentage of net assets.

The board

There are five directors on JESC's board; all are non-executive and independent of the manager. Chairman Carolan Dobson was appointed in September 2010 and assumed her current role in 2013. The other board members and their dates of appointment are: Stephen White (April 2012), Ashok Gupta (January 2013), Nicholas Smith (May 2015) and Marc van Gelder (August 2016).

Edison is an investment research and advisory company, with offices in North America, Europe, the Middle East and AsiaPac. The heart of Edison is our world-renowned equity research platform and deep multi-sector expertise. At Edison Investment Research, our research is widely read by international investors, advisers and stakeholders. Edison Advisors leverages our core research platform to provide differentiated services including investor relations and strategic consulting. Edison is authorised and regulated by the Financial Conduct Authority ([Financial Conduct Authority](#)). Edison Investment Research (NZ) Limited (Edison NZ) is the New Zealand subsidiary of Edison. Edison NZ is registered on the New Zealand Financial Service Providers Register (FSP number 247505) and is registered to provide wholesale and/or generic financial adviser services only. Edison Investment Research Inc (Edison US) is the US subsidiary of Edison and is regulated by the Securities and Exchange Commission. Edison Investment Research Limited (Edison Aus) [46085869] is the Australian subsidiary of Edison and is not regulated by the Australian Securities and Investment Commission. Edison Germany is a branch entity of Edison Investment Research Limited [4794244]. [www.edisongroup.com](#)

DISCLAIMER

Copyright 2017 Edison Investment Research Limited. All rights reserved. This report has been commissioned by JPMorgan European Smaller Companies Trust and prepared and issued by Edison for publication globally. All information used in the publication of this report has been compiled from publicly available sources that are believed to be reliable; however we do not guarantee the accuracy or completeness of this report. Opinions contained in this report represent those of the research department of Edison at the time of publication. The securities described in the Investment Research may not be eligible for sale in all jurisdictions or to certain categories of investors. This research is issued in Australia by Edison Aus and any access to it, is intended only for "wholesale clients" within the meaning of the Australian Corporations Act. The Investment Research is distributed in the United States by Edison US to major US institutional investors only. Edison US is registered as an investment adviser with the Securities and Exchange Commission. Edison US relies upon the "publishers' exclusion" from the definition of investment adviser under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. As such, Edison does not offer or provide personalised advice. We publish information about companies in which we believe our readers may be interested and this information reflects our sincere opinions. The information that we provide or that is derived from our website is not intended to be, and should not be construed in any manner whatsoever as, personalised advice. Also, our website and the information provided by us should not be construed by any subscriber or prospective subscriber as Edison's solicitation to effect, or attempt to effect, any transaction in a security. The research in this document is intended for New Zealand resident professional financial advisers or brokers (for use in their roles as financial advisers or brokers) and habitual investors who are "wholesale clients" for the purpose of the Financial Advisers Act 2008 (FAA) (as described in sections 5(c) (1)(a), (b) and (c) of the FAA). This is not a solicitation or inducement to buy, sell, subscribe, underwrite any securities mentioned or in the topic of this document. This document is provided for information purposes only and should not be construed as an offer or solicitation for investment in any securities mentioned or in the topic of this document. A marketing communication under FCA rules, this document has not been prepared in accordance with the legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of the dissemination of investment research. Edison has a restrictive policy relating to personal dealing. Edison Group does not conduct any investment business and, accordingly, does not itself hold any positions in the securities mentioned in this report. However, the respective directors, officers, employees and contractors of Edison may have a position in any or related securities mentioned in this report. Edison or its affiliates may perform services or solicit business from any of the companies mentioned in this report. The value of securities mentioned in this report can fall as well as rise and are subject to large and sudden swings. In addition it may be difficult or not possible to buy, sell or obtain accurate information about the value of securities mentioned in this report. Past performance is not necessarily a guide to future performance. Forward-looking information or statements in this report contain information that is based on assumptions, forecasts of future results, estimates of amounts not yet determinable, and therefore involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of their subject matter to be materially different from current expectations. For the purpose of the FAA, the content of this report is of a general nature, is intended as a source of general information only and is not intended to constitute a recommendation or opinion in relation to acquiring or disposing (including refraining from acquiring or disposing) of securities. The distribution of this document is not a "personalised service" and, to the extent that it contains any financial advice, is intended only as a "class service" provided by Edison within the meaning of the FAA (ie without taking into account the particular financial situation or goals of any person). As such, it should not be relied upon in making an investment decision. To the maximum extent permitted by law, Edison, its affiliates and contractors, and their respective directors, officers and employees will not be liable for any loss or damage arising as a result of reliance being placed on any of the information contained in this report and do not guarantee the returns on investments in the products discussed in this publication. FTSE International Limited ("FTSE") © FTSE 2017. "FTSE®" is a trade mark of the London Stock Exchange Group companies and is used by FTSE International Limited under license. All rights in the FTSE indices and/or FTSE ratings vest in FTSE and/or its licensors. Neither FTSE nor its licensors accept any liability for any errors or omissions in the FTSE indices and/or FTSE ratings or underlying data. No further distribution of FTSE Data is permitted without FTSE's express written consent.