

Jupiter US Smaller Companies

New initiatives from US small-cap value specialist

Jupiter US Smaller Companies (JUS) has announced a number of new initiatives and enhancements to its investment process, aimed at boosting shareholder value and the potential for long-term growth and capital preservation. The manager intends to increase concentration in favoured holdings and be less keen to take profits in winning stocks, at the same time as acting more quickly to cut positions that are not proceeding as hoped. Meanwhile, the board has put in place the trust's first gearing facility, scrapped the performance fee and introduced a new, tiered management fee, alongside a commitment to growing the trust to a target £200m over the next two to three years. While JUS's value investment style has been out of favour in the US for the past decade, Fund Manager Robert Siddles says that with the bull market in growth stocks becoming more and more extended, the case for value is stronger than ever.

| 12 months ending | Share price (%) | NAV (%) | US small-cap equities (%) | FTSE All-Share (%) | S&P 500 (%) |
|------------------|-----------------|---------|---------------------------|--------------------|-------------|
| 31/10/13 | 34.1 | 33.8 | 34.7 | 27.5 | 22.8 |
| 31/10/14 | (2.2) | 6.4 | 7.1 | 17.8 | 1.0 |
| 31/10/15 | (6.2) | (3.4) | 2.6 | 9.0 | 3.0 |
| 31/10/16 | 26.2 | 30.2 | 29.7 | 32.2 | 12.2 |
| 31/10/17 | 10.8 | 6.4 | 16.0 | 13.7 | 13.4 |

Source: Thomson Datastream. Note: All % on a total return basis (capital return for US small-cap equities) in pounds sterling.

Investment strategy: Capital preservation and growth

JUS Manager Robert Siddles has a risk-aware, value-focused investment approach, aiming to find good-quality companies that are trading at a substantial discount to their true worth. Stocks identified by an initial value screen must pass a five-step 'good company test' to be considered for inclusion in the 50-60 stock portfolio. Siddles tends to avoid certain areas, such as high technology, biotech and fashion, but has increased JUS's weighting in consumer discretionary stocks over the past year. He divides the holdings into 'compounders' – those with valuable assets or earnings that offer great long-term growth potential – and recovery or turnaround situations, which will usually have a shorter (two- to three-year) holding period.

Market outlook: High valuations amid exuberance

Global equity markets have been exuberant in recent months, achieving new all-time highs on both sides of the Atlantic in spite of macroeconomic and geopolitical concerns. Against this backdrop, with historic P/E ratios for both large- and small-cap US equities at 10-year highs (according to Datastream data), and significantly above long-term averages, investors in the world's largest stock market may prefer to take a more selective, value-orientated approach in the pursuit of long-term returns.

Valuation: Discount sub-10%, supported by buybacks

At 31 October 2017, JUS's shares traded at an 8.7% discount to cum-income NAV. This is narrower than one- and three-year averages (9.1% and 10.2%, respectively) but wider than the averages over five and 10 years (6.0% and 6.5%). The board actively buys back shares to keep the discount below the target 10% maximum.

Investment trusts

2 November 2017

Price 850.0p
Market cap £151.2m
AUM £165.8m

NAV* 931.0p
 Discount to NAV 8.7%

*Including income. As at 31 October 2017.

Yield 0.0%
 Ordinary shares in issue 17.8m
 Code JUS
 Primary exchange LSE
 AIC sector North America Smaller Companies

Share price/discount performance



Three-year performance vs index



52-week high/low 925.0p 735.0p
 NAV* high/low 1,001.3p 825.5p

*Including income.

Gearing

Gross* 0.0%
 Net cash* 1.5%

*As at 30 September 2017.

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Exhibit 1: Trust at a glance

Investment objective and fund background

Jupiter US Smaller Companies' objective is to achieve long-term capital growth by investing in a diversified portfolio of quoted US smaller and medium-sized companies. It uses a [2,000-stock US small and mid-cap index](#) (capital returns, sterling adjusted) as a performance benchmark.

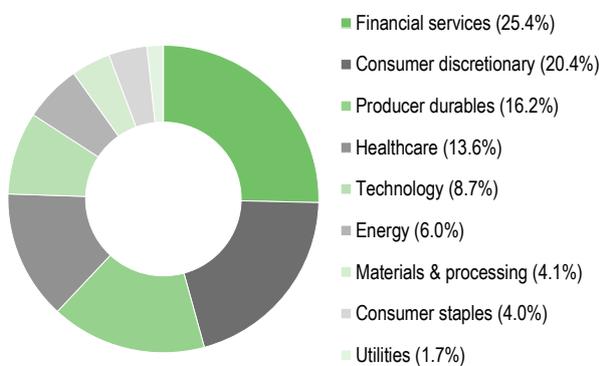
Recent developments

- 10 October 2017: Annual results for the year ended 30 June 2017. NAV return +15.7% and share price return +19.2% versus +26.2% for the benchmark. Fee reduction and new gearing facility announced (see page 3).
- 6 March 2017: Results for the six months ended 31 December 2016. NAV return +22.2% and share price return +30.1% versus +27.5% for the benchmark (all in sterling terms).
- 15 November 2016: All resolutions passed at AGM

| Forthcoming | | Capital structure | | Fund details | |
|-------------------|-------------------------|-------------------|-----------------------------|--------------|--|
| AGM | November 2017 | Ongoing charges | 1.01% | Group | Jupiter Unit Trust Managers |
| Interim results | March 2018 | Net cash | 1.5% | Manager | Robert Siddles |
| Year end | 30 June | Annual mgmt fee | Tiered (see page 7) | Address | The Zig Zag Building, 70 Victoria St, London, SW1E 6SQ |
| Dividend paid | N/A | Performance fee | No (see page 7) | Phone | 020 3817 1000 |
| Launch date | 10 March 1993 | Trust life | Indefinite, subject to vote | Website | www.jupiteram.com/JUS |
| Continuation vote | Three-yearly, next 2017 | Loan facilities | £20m | | |

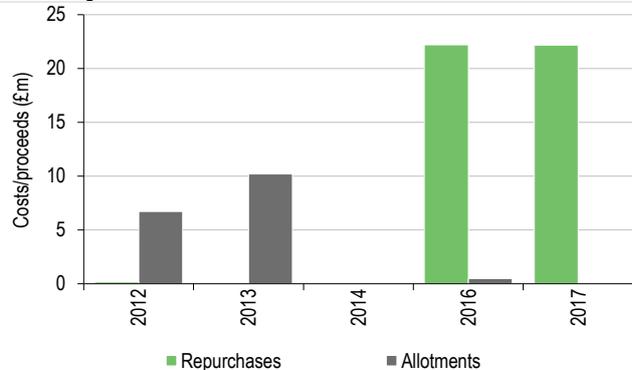
Portfolio exposure by sector (as at 30 September 2017)

Weightings are adjusted for cash (1.5% at 30 September 2017).

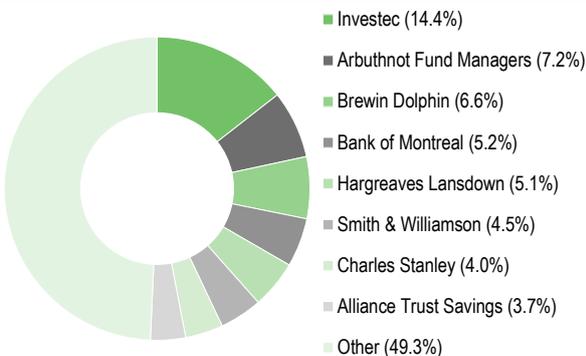


Share buyback policy and history (calendar years)

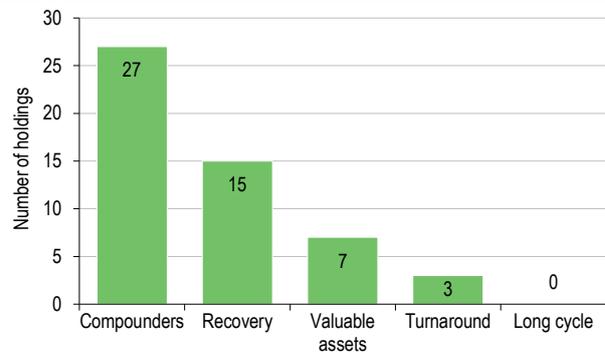
JUS has the authority to allot up to 10% and buy back up to 14.99% of shares to manage a premium or a discount. Buybacks are employed with the aim of maintaining the discount at a maximum of c 10%.



Shareholder base (as at 22 August 2017)



Portfolio exposure by theme (as at 30 September 2017)



Top 10 holdings (as at 30 September 2017)

| Company | Exchange | Sector | Portfolio weight % | |
|---------------------------|----------|---------------------------------|--------------------|--------------------|
| | | | 30 September 2017 | 30 September 2016* |
| Ollie's Bargain Outlet | NASDAQ | Retailing | 3.2 | N/A |
| American Vanguard | NYSE | Materials | 2.8 | N/A |
| Genesee & Wyoming | NYSE | Transportation | 2.7 | 2.6 |
| Old Dominion Freight Line | NASDAQ | Transportation | 2.5 | 2.3 |
| Lions Gate Entertainment | NYSE | Media | 2.5 | N/A |
| LKQ | NASDAQ | Retailing | 2.5 | 2.5 |
| America's Car-Mart | NASDAQ | Retailing | 2.3 | 2.5 |
| Chef's Warehouse | NASDAQ | Food & staples retailing | 2.3 | N/A |
| Ensign Group | NASDAQ | Healthcare equipment & services | 2.3 | N/A |
| Service Corp | NASDAQ | Consumer services | 2.3 | N/A |
| Top 10 | | | 25.4 | 23.9 |

Source: Jupiter US Smaller Companies, Edison Investment Research, Bloomberg, Morningstar. Note: *N/A where not in September 2016 top 10.

Recent developments

In its annual results to 30 June 2017, published in October, the board of JUS announced a number of new initiatives designed to enhance shareholder value. In addition, the manager has indicated some small changes to the investment process in order to improve long-term performance potential.

- **Reduction in running costs:** a new, tiered fee structure has replaced the previous management fee of 0.80% of total assets. With effect from 1 October 2017, the fee will be 0.75% of adjusted net assets (net assets excluding any drawn down bank debt) up to £150m, 0.65% from £150m up to £250m, and 0.55% thereafter. Because of the October start date, FY18 will be a transitional year, with fees calculated on the old basis for the first quarter to 30 September 2017, and on the new basis thereafter.
- **Removal of performance fee:** the performance fee has been scrapped with retrospective effect from the beginning of FY18. The board sees the new charging structure as competitive both with comparable investment trusts and with the institutional share class of the open-ended Jupiter US Small and Midcap Companies Fund, also managed by Siddles.
- **New gearing facility:** in order to differentiate JUS from its open-ended stablemate, boost long-term return potential and take advantage of low interest rates, the board has arranged a flexible loan facility of £20m with Scotiabank, with an option to increase to £30m. Siddles says he is likely to use the facility opportunistically, for example to fund the purchase of a new holding, rather than to increase overall market exposure.
- **Commitment to growing the trust:** the board and manager have a stated objective of achieving an asset base for JUS of at least £200m within two to three years. Given the trust's short-, medium- and long-term performance record of NAV total returns exceeding 9% pa, this objective looks achievable. However, it is our view that in order to grow the trust successfully, it may be necessary to slow the pace of share repurchases. Over 12 months to 30 September 2017, JUS's NAV per share grew by 9.2%, but the number of shares in issue fell by 14.1%.
- **Running winners and cutting losers:** manager Robert Siddles aims to increase the impact of good stock selection by being less keen to take profits in holdings that have done well. At the same time, he intends to be less patient with poor-performing stocks, particularly in more volatile industries. The commitment to the 'good company test' and the trust's focus on capital preservation will remain unchanged.
- **Increasing concentration in favoured stocks:** historically, JUS's 50-60 stock portfolio has been broadly equal-weighted, with the top 10 holdings making up less than 25% of the portfolio. Siddles intends gradually to increase the concentration to c 30% or more in the top 10; this may come about partly as a side effect of holding on to winning stocks for longer.

Fund profile: Value-focused US small-cap fund

Jupiter US Smaller Companies (JUS) began life as the F&C US Smaller Companies investment trust in 1993, taking on its current identity in 2014 after its manager since launch, Robert Siddles, moved from F&C Investments to Jupiter Asset Management. The trust seeks to achieve long-term capital growth by investing in small and mid-cap US companies in the \$100m to \$5bn size bracket. The manager has a value-orientated approach, with a focus on capital preservation as well as growth. All holdings must pass a rigorous 'good company test' to be considered for inclusion in the portfolio of c 50-60 stocks. Siddles seeks to blend companies that can grow and compound returns over the long term, with recovery and turnaround situations, usually held for a shorter period of up to three years. Given that US small and mid-cap companies are not generally high yielding, JUS does not pay dividends. It has also historically not used gearing; however, it has recently put a borrowing facility (£20m, or c 12% of net assets) in place for the first time.

The fund manager: Robert Siddles

The manager's view: Signs of strain in growth bull market

Siddles notes that JUS's value style has been a relative headwind over most of the past decade, a period that has seen growth stocks – particularly those in high-tech areas – outperform. He points out that using the Fama-French high minus low model of measuring rolling 10-year value versus growth stock performance, since 2014 the cheapest US stocks have underperformed the most expensive to an extent seen only twice before in the past 80 years. This occurred during the Great Depression in the 1930s, and the tech bubble in the 1990s, and in both previous cases, value went on to outperform strongly. Studies suggest that over the very long term, stocks in the cheapest valuation quintiles have done significantly better than those that are more expensive.

The manager argues that with some of the big US tech stocks having struggled over the summer to achieve new highs, there may be cracks appearing in the growth stock bull market. Meanwhile, there are mixed signals on the US economy, with indicators such as purchasing managers' indices (PMIs) still strongly in expansionary territory, while an uptick in consumer credit delinquencies, at a time when interest rates and inflation are rising, could point in the other direction. Should markets be spooked by rate rises, geopolitics or overstretched valuations, Siddles points out that his strategy (both JUS and the open-ended Jupiter US Small and Midcap Companies fund) has tended to protect capital better than peers in more challenging market conditions. Meanwhile, an increased focus on maximising gains from winning stocks, by avoiding early profit taking, could stand the trust in good stead if the market continues to test new highs.

Asset allocation

Investment process: Disciplined and risk-aware

Siddles aims to blend two broad types of stock in JUS's value-orientated portfolio: 'Buffett compounders' and 'Graham recovery' stocks, named for two prominent US value investors, Warren Buffett and Benjamin Graham (see [our initiation note](#) for a full explanation). Compounders are core, long-term holdings with valuable assets or earnings, while recovery stocks (usually with a shorter holding period of up to three years) may be cyclically depressed, or corporate turnarounds recovering from structural challenges.

While the investment objective is to achieve capital growth, the manager also seeks to limit downside risk in the 50-60 stock portfolio, made up of stocks broadly in the \$100m to \$5bn size bracket (a universe of more than 2,000 companies). He does this by focusing on avoiding 'value traps' and concentrating on good-quality companies whose share prices are depressed. The first stage in the investment process is a quantitative screen to identify stocks that have experienced short- or long-term price weakness. These are then subjected to a risk assessment, focusing on industry, style, and company-specific factors.

Siddles analyses industry cycles and trends, past bubbles, global capital flows, commodity cycles and regional population trends to identify promising candidates for further research. He tends to avoid certain areas such as most technology stocks, biotechnology, fashion and restaurants, while favouring staple goods and services, transport and distribution, non-life insurers and custodians of capital. The manager travels frequently to the US to meet companies, which may have little or no analyst coverage, on their own ground.

The core of the investment process is a rigorous, five-step 'good company test'. Stocks must pass all five stages of the test in order to be considered for inclusion in the portfolio:

- **A strong franchise** in order to gain market share and counter competitive risks;

- **Free cash flow**, preferably used to enhance value for existing shareholders;
- **High management share ownership**, to align interests with those of investors;
- **Pricing power**, to avoid the risk of over-powerful customer bases; and
- **Very cheap shares**, with at least 50% share price upside potential from the time of investment.

The first four tests are aimed at ensuring there is low business risk, while the fifth is intended to limit share price risk. Together the tests should provide a 'margin of safety', limiting potential downside. Relatively few companies can tick all five boxes, which means Siddles builds full financial models (the final stage of the stock selection process) on only a small number of stocks each year.

A strong sell discipline is employed to protect gains and limit losses. Companies may be sold for fundamental reasons, such as a change in corporate strategy or industry cycle, a failure to deliver growth over two to three years, or the investment thesis no longer applying (for example in the case of a recovery stock that has recovered); or market reasons, such as a very sharp upward share price move in a short period, or the market cap of a company becoming too large for a small- and mid-cap strategy. Positions may be trimmed to keep within informal limits of 5% in a single stock and 15% in an industry group.

Current portfolio positioning

At 30 September 2017, JUS had 52 holdings, a reduction from 58 at the 30 June 2017 year-end. The top 10 stocks made up 25.4% of the total, up from 23.9% at 30 September 2016. At a sector level, the biggest change in the portfolio over FY17 was a doubling of the consumer discretionary weighting, from 11.0% to 22.2% (20.1% at 30 September 2017). One stock (Big 5 Sporting Goods) was sold and seven were added, including Lions Gate Entertainment, now a top 10 position. Lions Gate is a film and TV company, known for franchises such as the *Hunger Games* films and the TV series *Mad Men*. Siddles says the shares were depressed when he bought the company in Q416 because of a slow period for film production; however, its acquisition of cable TV company Starz has brought in a more regular revenue stream, as well as reducing leverage and increasing distribution capability. Siddles believes the enlarged company could be a compelling takeover target for a content-hungry major media or telecom firm.

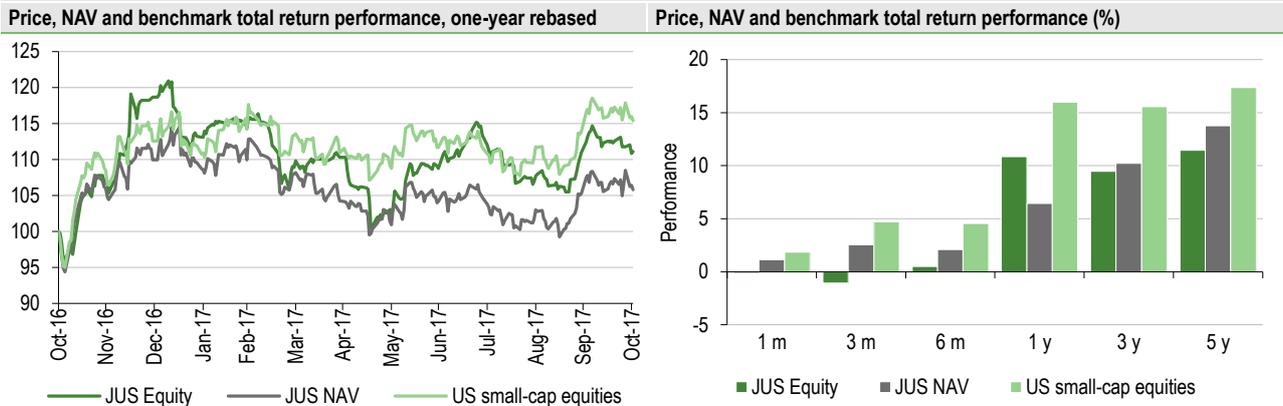
| Exhibit 2: Portfolio sector exposure (% unless stated) | | | |
|---|-------------------------------------|-------------------------------------|--------------------|
| | Portfolio end-September 2017 | Portfolio end-September 2016 | Change (pp) |
| Financial services | 25.0 | 23.7 | 1.3 |
| Consumer discretionary | 20.1 | 16.8 | 3.3 |
| Producer durables | 16.0 | 16.8 | (0.8) |
| Healthcare | 13.4 | 15.9 | (2.5) |
| Technology | 8.6 | 10.3 | (1.7) |
| Energy | 5.9 | 1.9 | 4.0 |
| Materials & processing | 4.0 | 2.2 | 1.8 |
| Consumer staples | 3.9 | 8.3 | (4.4) |
| Utilities | 1.7 | 2.1 | (0.4) |
| Cash | 1.5 | 2.0 | (0.5) |
| | 100.0 | 100.0 | |

Source: Jupiter US Smaller Companies, Edison Investment Research

Since the FY17 year-end Siddles has continued to add to financial services stocks, focusing on low-cost, well-run regional business lenders and entrepreneurial investment banks. Consumer staples exposure has fallen following the sale of United Natural Foods, an organic food distribution firm that was a major customer of Amazon acquiree Whole Foods Market. Siddles is focused on companies that are undervalued because of perceived threats from Amazon, which they are in fact well placed to combat, such as off-price retailer Ollie's Bargain Outlets (the largest position in the portfolio; branded goods manufacturers are resistant to selling discounted ends-of-lines online, preferring a physical discount store), and recent purchase MSC Distribution, which makes specialist technical parts for the metalworking industry, and has a highly knowledgeable salesforce that will not be easily disintermediated by a self-service internet model.

Performance: Consistent long-term returns

Exhibit 3: Investment trust performance to 31 October 2017 in sterling



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

While JUS has produced creditable share price and NAV total returns of c 6-14% a year over one, three, five and 10 years, it has underperformed its US small-cap equity benchmark (except over 10 years) as a result of a prolonged period in which the value investment style has been out of favour. Adjustments to the investment process are aimed at building on the benefits of positive stock selection by increasing conviction in winning stocks and being less eager to take profits, while cutting losing stocks more quickly. The top contributors to performance over 12 months to 31 August 2017 were largest holding Ollie's Bargain Outlet (compounder), shipping operator Navigator Holding (recovery), senior health and fitness specialist Tivity Health (turnaround), food wholesaler/retailer Chef's Warehouse (compounder) and Addus Homecare (turnaround), which provides home care services to low-income older Americans. Together these holdings added 5.6pp to returns. The biggest detractors were Amplify Snack Brands, technology stocks Synchronoss Technologies and The Rubicon Project, and healthcare names Mednax and Kindred Healthcare. Together these detracted 4.4pp from returns, and all bar Amplify Snack Brands have now been sold.

Exhibit 4: Share price and NAV total return performance, relative to indices (sterling adjusted, %)

| | One month | Three months | Six months | One year | Three years | Five years | 10 years |
|---|-----------|--------------|------------|----------|-------------|------------|----------|
| Price relative to US small-cap equities | (1.9) | (5.5) | (3.9) | (4.4) | (14.9) | (22.8) | 9.5 |
| NAV relative to US small-cap equities | (0.7) | (2.1) | (2.3) | (8.2) | (13.2) | (14.4) | 6.0 |
| Price relative to FTSE All-Share | (1.9) | (3.8) | (5.1) | (2.2) | 0.1 | 5.8 | 81.8 |
| NAV relative to FTSE All-Share | (0.7) | (0.3) | (3.6) | (6.1) | 2.1 | 17.2 | 76.0 |
| Price relative to S&P 500 | (3.4) | (4.9) | (5.4) | (2.5) | (19.9) | (30.1) | (3.7) |
| NAV relative to S&P 500 | (2.2) | (1.4) | (3.9) | (6.4) | (18.3) | (22.5) | (6.8) |

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

Exhibit 5: NAV performance relative to US small-cap equities over 10 years, in sterling

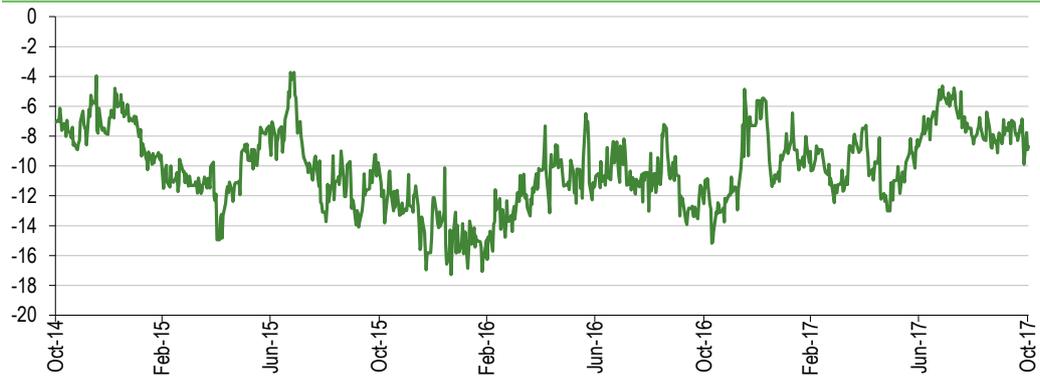


Source: Thomson Datastream, Edison Investment Research

Discount: Narrower than average, assisted by buybacks

At 31 October 2017, JUS's shares traded at an 8.7% discount to cum-income NAV. This compares with average discounts of 9.1%, 10.2%, 6.0% and 6.5%, respectively, over one, three, five and 10 years. The trust's board uses share buybacks with the aim of ensuring the discount does not exceed 10% in normal market conditions (see below). The discount has not been above 10% since 26 June 2017, having exceeded 10% on 34.5% of trading days in the 12 months to 27 October 2017.

Exhibit 6: Share price discount to NAV (including income) over three years (%)



Source: Thomson Datastream, Edison Investment Research

Capital structure and fees

A conventional investment trust with one class of share, JUS had 17.9m ordinary shares in issue at 27 October 2017. This is a reduction of 14.5% over 12 months as a result of JUS's active discount management programme (2.9m shares repurchased at a cost of £23.9m). The new borrowing facility announced in the FY17 results (up to £20m with Scotiabank) is equivalent to c 12% of net assets versus maximum permitted gearing of 20%; however, as at 30 September 2017, JUS was ungeared.

Under the amended fee arrangements also announced in the FY17 results, Jupiter Unit Trust Managers will receive a management fee of 0.75% of net assets up to £150m, reducing to 0.65% over £150m and up to £250m, and 0.55% above £250m. Previously a flat fee of 0.80% was paid. The performance fee structure has been removed, backdated to the beginning of FY18, although in practice a performance fee was last paid in respect of FY14.

Dividend policy and record

Because of its focus on capital growth and the fact that small and mid-cap US equities are not generally high yielding, JUS has never paid a dividend. What revenue income it receives (£1.3m in FY17) is more than offset by running costs, which are mainly charged to the revenue account.

Peer group comparison

JUS is a member of the Association of Investment Companies' North American Smaller Companies sector, a small peer group of three funds. JUS has a value focus while its closest peer, JPMorgan US Smaller Companies, has a growth bias. The third fund, North Atlantic Smaller Companies, invests on both sides of the Atlantic and holds a mixture of listed and private equity as well as fixed income investments. For a more representative peer group, in Exhibit 7 we also show a selection of peers for the open-ended Jupiter US Small and Midcap Companies fund.

JUS has outperformed the open-ended fund (launched in 2014) over one and three years. It ranks second for NAV total returns among the closed-ended peers over 10 years, and third over one, three and five years. However, returns over most periods – while respectable in absolute terms – are below the average for both the open- and closed-ended peer groups, reflecting a long period in which value investing has been out of favour. Charges are competitive (the lowest in the AIC sector) and will fall further under the new fee arrangements. JUS is currently ungeared and trades at a wider discount to NAV than its closest peer.

Exhibit 7: Selected peer group as at 27 October 2017 (all in sterling)*

| % unless stated | Market cap/ fund size £m | NAV TR 1 year | NAV TR 3 year | NAV TR 5 year | NAV TR 10 year | Ongoing charge | Perf. fee | Discount (ex-par) | Net gearing | Dividend yield (%) |
|-------------------------------------|-----------------------------|------------------|------------------|------------------|-------------------|-------------------|--------------|----------------------|----------------|-----------------------|
| Jupiter US Smaller Companies | 153.1 | 6.6 | 41.6 | 95.9 | 206.3 | 1.0 | No | (10.4) | 100 | 0.0 |
| JPMorgan US Smaller Companies | 160.4 | 18.4 | 85.0 | 170.1 | 221.3 | 1.5 | No | (4.1) | 107 | 0.0 |
| North Atlantic Smaller Cos | 393.1 | 9.7 | 56.8 | 127.2 | 155.0 | 1.1 | Yes | (18.7) | 100 | 0.0 |
| Weighted average | | 11.0 | 59.9 | 130.2 | 181.2 | 1.2 | | (13.6) | 102 | 0.0 |
| JUS rank in sector | 3 | 3 | 3 | 3 | 2 | 3 | | 2 | 2 | 1= |
| Open-ended funds | | | | | | | | | | |
| Allianz US Small Cap Equity | 4.3 | 19.4 | 43.1 | -- | -- | 2.10 | No | | | |
| Artemis US Smaller Companies | 186.3 | 16.1 | -- | -- | -- | 0.90 | No | | | 0.1 |
| F&C US Smaller Comp Fd | 70.5 | 8.9 | 60.9 | 127.2 | 243.4 | 0.81 | No | | | 0.1 |
| GS US Sm Cp CORE Eq | 322.8 | 15.6 | 72.6 | 137.5 | 234.1 | 0.85 | No | | | 0.3 |
| Hermes US Smid Equity | 666.6 | 7.0 | 64.8 | 138.0 | -- | 0.87 | No | | | |
| JPM US Smaller Companies | 96.2 | 25.1 | 78.3 | 139.4 | 205.0 | 0.93 | No | | | |
| Jupiter US Small and Midcap Cos | 18.7 | 3.1 | 34.6 | -- | -- | 1.06 | No | | | |
| Legg Mason IF Royce US Smr Cos | 223.1 | 16.9 | 46.5 | 93.2 | 153.9 | 0.98 | No | | | 0.5 |
| Legg Mason RY US Sm Cp Opp | 860.9 | 25.5 | 71.5 | 137.1 | 206.1 | 1.98 | No | | | |
| Neuberger Berman US Sm Cap | 300.2 | 13.4 | 63.4 | 113.7 | -- | 1.99 | No | | | |
| Schroder US Smaller Comp | 837.1 | 13.6 | 72.2 | 144.9 | 225.7 | 0.92 | No | | | 0.1 |
| T. Rowe Price US Smr Cos Eq | 980.1 | 14.1 | 68.8 | 147.0 | 283.7 | 1.11 | No | | | |
| Threadneedle Amer Smr Cos | 747.2 | 11.8 | 63.9 | 150.0 | 245.0 | 0.88 | No | | | 0.2 |
| Weighted average | | 15.0 | 67.5 | 138.9 | 235.5 | 1.17 | | | | 0.2 |

Source: Morningstar, Edison Investment Research. Note: *Performance data to 26 October 2017. TR=total return. Net gearing is total assets less cash and equivalents as a percentage of net assets (100 = ungeared).

The board

JUS has five independent, non-executive directors. The chairman (since 1998), Gordon Grender, has served on the board since launch in 1993. Peter Barton, chairman of the audit and management engagement committees, was appointed in 1998, while senior independent director Norman Bachop joined the board in 1999. Clive Parritt and Lisa Booth were appointed in 2007 and 2015, respectively. The directors have backgrounds in fund management, investment banking, accountancy and law.

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