

Standard Life Inv. Property Income Trust

Strong track record in UK commercial property

Standard Life Investments Property Income Trust (SLI) holds an actively managed portfolio of UK commercial property. Since September 2006, the trust has been managed by Jason Baggaley, who aims to generate an attractive level of income with the potential for income and capital growth. SLI has a strong performance track record – its NAV total return has outperformed its benchmark IPD Monthly Index Funds (quarterly version) over one, three, and five years, while its share price total return has also outperformed over 10 years. SLI regularly trades at a premium, which the board aims to manage via share issuance.

12 months ending	Share price (%)	NAV (%)	Benchmark (%)	FTSE All-Share (%)	UK real estate index (%)
30/09/13	20.6	10.4	5.7	18.9	24.8
30/09/14	22.0	28.7	18.1	6.1	18.1
30/09/15	13.5	19.4	14.4	(2.3)	25.2
30/09/16	2.9	3.4	2.7	16.8	(10.4)
30/09/17	18.1	15.2	9.6	11.9	4.7

Source: Thomson Datastream. Note: All % on a total return basis in pounds sterling, up to last reported NAV.

Investment strategy: Active portfolio management

Baggaley invests in a diversified portfolio of UK commercial property across the three main sectors of industrial, office and retail. He actively manages the portfolio by signing new leases with existing or new tenants on improved terms, and completing refurbishments to enhance rental income or capital appreciation potential. SLI collects its own rent, enabling closer relationships with its tenants and currently has a 100% record of rent collection within 21 days. SLI has announced an above-average level of purchases and sales in recent months, with the manager aiming to reposition the portfolio as much as possible to provide resilience to any slowdown in the UK commercial property market. At end-September 2017, SLI's loan-to-value was 21.6%, which is towards the low end of the historical range.

Market outlook: Attractive yields offset uncertainty

There is macro uncertainty in the UK commercial property market as a result of ongoing Brexit negotiations. However, so far, the property industry supply/demand dynamic has generally remained benign. UK property returns over the last three and five years have outpaced those of both UK equities and UK government bonds. Despite a recent UK interest rate rise, government bond yields remain very low by historical standards, so investors seeking income may be attracted to commercial property, which offers a significantly more attractive yield.

Valuation: Consistently trades at a premium

SLI's current 5.5% premium to NAV compares to the average premiums of 8.0%, 6.6% and 7.7% over the last one, three, and five years respectively. The board issues equity, aiming to limit the premium; so far in 2017, an additional 3.5% of ordinary shares have been issued. Over each of the last five years, the annual dividend has either grown or held steady, compounding at an average annual rate of 1.3%. Based on the current share price, SLI has a dividend yield of 5.2%.

Investment trusts

7 December 2017

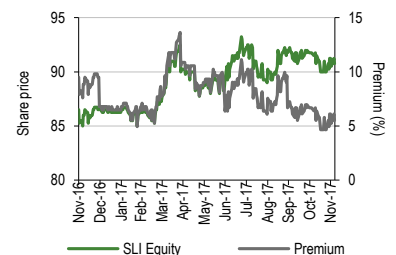
Price	90.8p
Market cap	£358m
AUM	£465m

NAV*	86.0p
Premium to NAV	5.5%

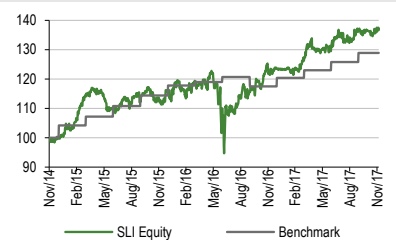
*IFRS NAV (including income), as at 30 September 2017.

Yield	5.2%
Ordinary shares in issue	394.4m
Code	SLI
Primary exchange	LSE
AIC sector	Property Direct – UK
Benchmark	IPD Monthly Index Funds (quarterly version)

Share price/premium performance



Three-year performance vs index



52-week high/low	93.3p	85.0p
NAV** high/low	86.0p	79.0p

**IFRS including income.

Gearing

Loan to value*	21.6%
----------------	-------

*Borrowings less cash divided by value of property portfolio. As at 30 September 2017.

Analysts

Mel Jenner	+44 (0)20 3077 5720
Gavin Wood	+44 (0)20 3681 2503

investmenttrusts@edisongroup.com

[Edison profile page](#)

Standard Life Investments Property Income Trust is a research client of Edison Investment Research Limited

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

Standard Life Investments Property Income Trust's objective is to provide shareholders with an attractive level of income together with the prospect of income and capital growth through investing in a diversified portfolio of UK commercial properties. The majority of the portfolio will be invested in direct holdings within the three main commercial property sectors of retail, office and industrial.

Recent developments

- 21 November 2017: Completed the purchase of a multi-let office in Bracknell for £12m, reflecting a yield of 6.9%.
- 9 November 2017: Announcement of third interim dividend of 1.19p.
- 19 September 2017: Deferred sale of Elstree Tower in Borehamwood for £20m, 11% higher than end-June 2017 valuation.
- 31 August 2017: Six-month results to 30 September 2017 – NAV TR +6.6%.

Forthcoming

AGM	June 2018
Final results	March 2018
Year end	31 December
Dividend paid	Mar, May, Aug, Nov
Launch date	19 December 2003
Continuation vote	No

Capital structure

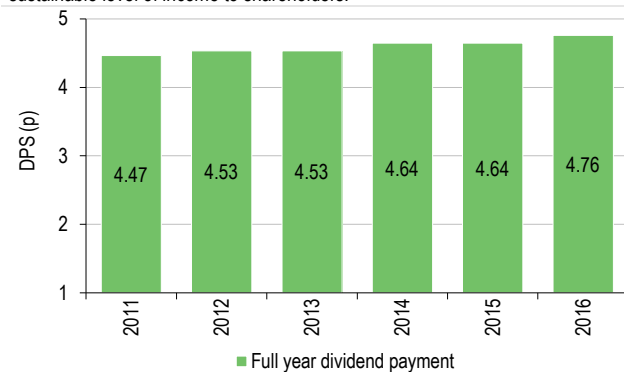
Ongoing charges	1.7%
Loan to value	21.6%
Annual mgmt fee	Tiered – 0.65% to 0.75% of total assets
Performance fee	None
Trust life	Indefinite
Loan facilities	£145m (£110m drawn)

Fund details

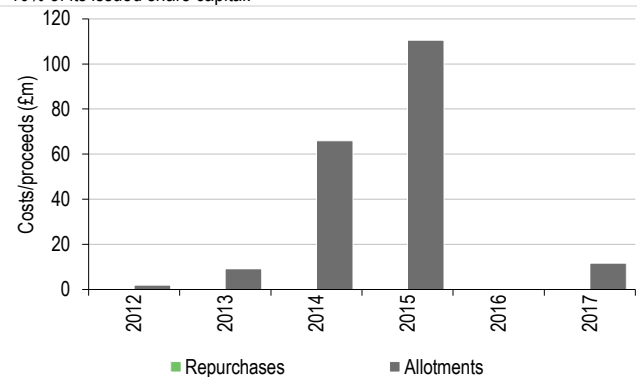
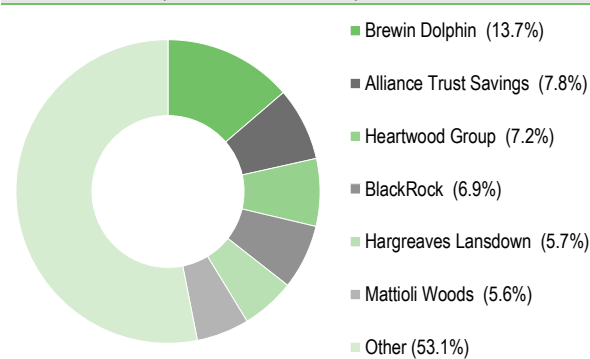
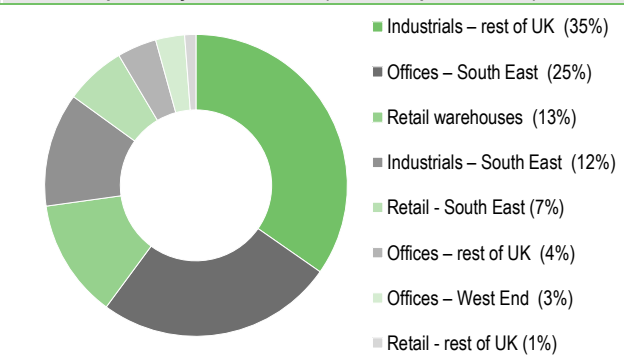
Group	Aberdeen Standard Investments
Manager	Jason Baggaley
Address	1 George Street, Edinburgh EH2 2LL
Phone	0845 60 60 062
Website	www.slipit.co.uk

Dividend policy and history (financial years)

SLI pays dividends quarterly. A key objective is to provide an attractive sustainable level of income to shareholders.


Share buyback policy and history (financial years)

Renewed annually, SLI has authority to purchase up to 14.99% and allot up to 10% of its issued share capital.


Shareholder base (as at 4 December 2017)

Portfolio exposure by IPD sub-sector (as at 30 September 2017)

Top 10 holdings (as at 30 September 2017)

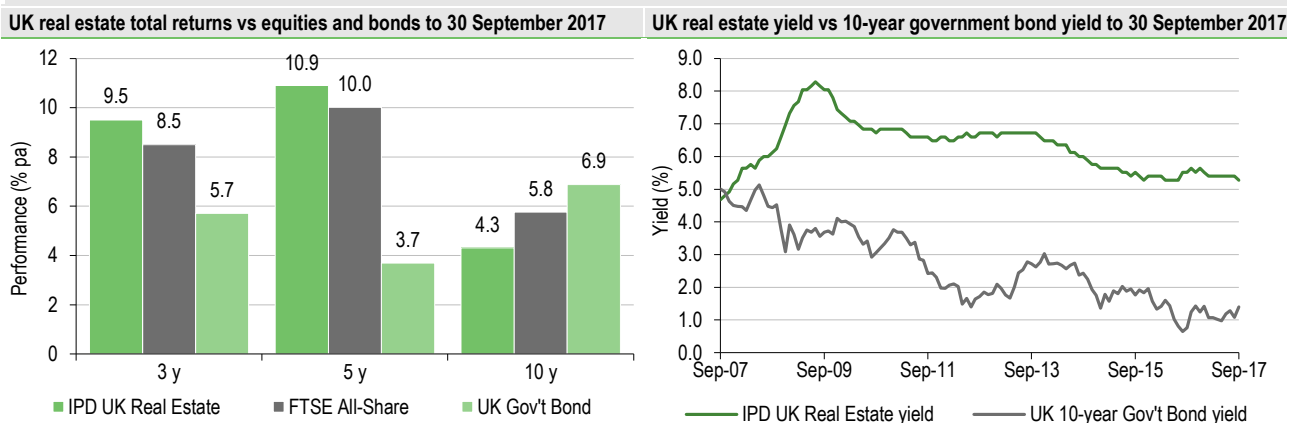
Property	Location	Sector	Value band (£m)	
			30 September 2017	30 September 2016**
Elstree Tower*	Borehamwood	Office	20-25	15-20
Denby 242	Denby	Industrial	15-20	15-20
Symphony	Rotherham	Industrial	15-20	15-20
DSG	Preston	Retail	15-20	15-20
Chester House	Farnborough	Office	15-20	15-20
The Pinnacle	Reading	Office	10-15	N/A
New Palace Place	London	Office	10-15	N/A
Howard Town Retail Park	High Peak	Retail	10-15	N/A
Hollywood Green	London	Retail	10-15	10-15
Charter Court	Slough	Office	10-15	10-15

Source: Standard Life Investments Property Income Trust, Edison Investment Research, Bloomberg, Morningstar, Thomson Reuters. Note: *Sale agreed on 19 September 2017. **N/A where not in September 2016 top 10.

Market outlook: Uncertainty from Brexit overhang

As shown in Exhibit 2 (left-hand side), total returns from UK property are higher than total returns from both UK equities and UK government bonds over the last three and five years, while lagging over 10 years. There is a general level of uncertainty in the UK commercial property market due to the ongoing Brexit negotiations and while there are currently few signs of stress, a broad economic downturn could lead to lower demand for commercial property, putting pressure on yields and asset values. However, closed-end property funds are at a distinct advantage versus open ended-funds as they do not face the same liquidity issues, which allows them to take a longer-term view.

Exhibit 2: UK real estate returns vs equities and bonds over 10 years



Source: Thomson Datastream, Edison Investment Research

Fund profile: Direct investment in commercial property

Launched in December 2003, SLI is registered in Guernsey and listed on the London Stock Exchange. The trust converted to a REIT status in January 2015, which means it does not pay UK corporation tax on rental profits or chargeable gains and must distribute at least 90% of its real estate profits. Lead manager Jason Baggaley, who is able to draw on the well-resourced real estate team at Aberdeen Standard Investments, aims to generate an attractive level of income, with the prospect of income and capital growth from a diversified portfolio of UK commercial properties. SLI is currently invested directly in the three main industry sectors of retail, office and industrial, but investment in alternative areas such as hotels and student housing may also be considered, and a maximum of 10% of the portfolio may be invested in co-investments and property development. Baggaley focuses on quality assets in good – but not necessarily prime – locations, with good tenant demand and the potential to enhance returns through asset management. No single property may be more than 15% of total assets and no single tenant, excluding the government, can represent more than 20% of the rent roll. Gearing of up to 65% of gross assets is permitted and the loan-to-value ratio is capped at 45% (calculated as net debt as a proportion of the property portfolio's market value). At end-September 2017, SLI's loan-to-value was 21.6%. SLI is benchmarked against the IPD Monthly Index Funds (quarterly version).

The fund manager: Jason Baggaley

The manager's view: Less optimistic than six months ago

Baggaley says that the outlook for the UK commercial property market is difficult to forecast. He says that in terms of pricing, activity levels and behaviour, it seems to be late in the investment

cycle although, even after a multi-year period of strong UK commercial property returns, he is unsure what will cause the cycle to end. There is a macro overhang due to Brexit uncertainty; however, property yields remain attractive versus those available from a variety of other asset classes, such as government bonds and cash. UK commercial property supply and demand are generally well balanced, although there are pockets of higher supply, such as in central London. There are also areas where demand is more robust, such as in the Thames Valley and areas around key infrastructure projects such as the planned High Speed 2 rail line and the expansion of Heathrow Airport.

Commenting on uncertainty caused by Brexit, the manager says that tenants are delaying moving where possible, with some tenants requesting breaks in their new lease agreements. However, Baggaley suggests that there has been similar uncertainty for the last ten years, due to a variety of factors. As part of its ongoing asset management initiatives, SLI structures its contracts with tenants to 'offer rewards for staying and penalties for leaving', although it is willing to negotiate with tenants to provide a mutually beneficial outcome. Baggaley notes that if a building has been refurbished, there is a good chance that a tenant will not exercise a break clause in its contract, as this is often a significant investment for the tenant, maybe costing two-to-three years in rent payments.

Of the three major property sectors, Baggaley is more optimistic in general on the outlook for industrial, than office and retail, as industrial valuations are increasing in aggregate. However, he cautions that the valuations of some low-quality industrial assets are unrealistically high, which he cites as evidence that it is late in the UK commercial property investment cycle. On the positive side, there is very strong rental growth in industrial warehouses within the M25. This is led by retail companies, which are building out their online operations and limited supply is leading to higher rents.

Asset allocation

Investment process: Active portfolio management

Lead manager, Baggaley says he focuses on "good-quality properties, with good tenants, in good locations". Typical initial purchase lot sizes are £5-15m, which can be under-researched, offering the potential for revaluation. SLI's portfolio is actively managed in order to maximise asset values and rental growth. This primarily involves renegotiating new (generally higher) leases with new or existing tenants, and refurbishments, which can attract new tenants and enhance the value of a property. During H117 (six months ending 30 June), there were a number of asset management initiatives, including seven new lettings securing £519k of rent, and seven rent reviews generating an additional £111k per annum. Unusually within the property industry, SLI collects its own rent, which builds stronger relationships with tenants and can provide advance warning if a client is in financial difficulty. The trust's record of collecting rent within 21 days is now back up to 100%. At end-September 2017, SLI's voids were up to 7.9% versus 6.7% at end-June 2017 and 3.3% at end-2016. However, the manager says that the void level has declined since end-September and is currently broadly in line with the industry and a small level of voids is unavoidable. Recent asset purchases have generally had multi-let tenants, which reduces the risk of large voids; SLI now has c 250 individual tenants, with the top 10 accounting for 34.3% of total rent (Exhibit 3).

Current portfolio positioning

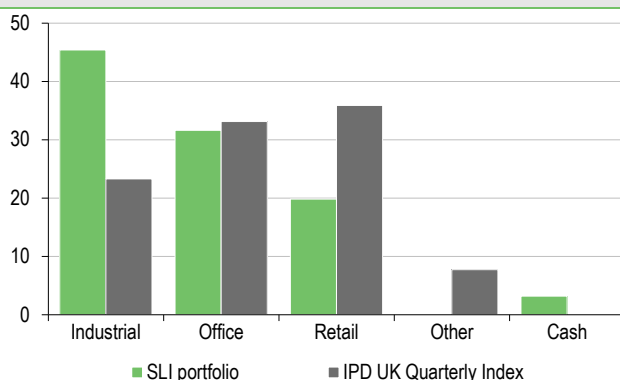
The structure of SLI's portfolio at end-September 2017 remains similar to end-March 2017, which was included in our last published [May 2017](#) report, with a significant overweight exposure to industrial property versus the benchmark, a modest underweight in offices and meaningful underweight exposure to the retail sector (Exhibit 4). As shown in Exhibit 5, SLI's portfolio is diversified by region, with less than 50% invested in London and the South East.

Exhibit 3: Top 10 tenants

	Passing rent (£m)	% of total rent	
	30 September 2017	30 September 2017	30 September 2016*
Sungard Availability Services (UK)	1,320	4.8	4.6
BAE Systems	1,258	4.6	4.4
TechnoCargo Logistics	1,242	4.5	4.3
DSG Retail	1,178	4.3	4.1
The Symphony Group	1,080	3.9	3.8
Bong UK	0,742	2.7	2.5
Euro Car Parts	0,736	2.7	2.5
Ricoh UK	0,697	2.5	2.4
CEVA Logistics	0,615	2.2	N/A
thyssenkrupp Materials (UK)	0,590	2.1	N/A
Top 10	9,458	34.3	33.5

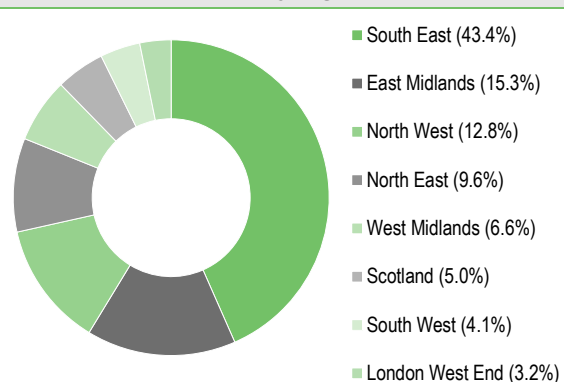
Source: Standard Life Investments Property Income Trust, Edison Investment Research. Note: *N/A where not in 30 September 2016 top 10.

Exhibit 4: Sector allocation at 30 September 2017 (%)



Source: SLI, Edison Investment Research

Exhibit 5: Portfolio split by region at 30 Sept 2017



Source: SLI, Edison Investment Research

Baggaley comments that recently there have been an above-average number of transactions announced. He suggests that he would like to slow the pace of transactions, but is working hard to ensure that SLI has a resilient portfolio in the event of a slowdown in the UK commercial property market. The manager comments that the majority of sales have been agreed at above the property's last valuation level. Recent transactions include:

- 21 November 2017 – completion of a multi-let office purchase adjacent to Bracknell train station for £12m, reflecting a yield of 6.9%. The building has undergone a high-quality refurbishment and has a good car parking ratio. The top floor is vacant, but has interest from prospective clients.
- 19 September 2017 – exchange of contracts to sell Elstree Tower (SLI's largest holding), an 80,700sq ft office in Borehamwood for £20m, which compares to the end-June 2017 valuation of £18m. Baggaley says that the tenant was paying a relatively low rent and the property was in need of a refurbishment, which would have required capital investment. The sale also removes the risk of the tenant-only 2020 break clause, and the delayed completion to February 2018 provides SLI with additional income and reduces cash drag while the manager seeks other investment opportunities.
- 21 August 2017 – completion of the sale of a standalone retail warehouse in Southend-on-Sea for £5m (yield of 5.7%), which is 5% above the end-June 2017 valuation. The sale further reduced SLI's exposure to the retail sector.
- 7 August 2017 – purchase of a 46,800sq ft industrial unit in Birmingham for £4.58m, which is close to an existing SLI-owned asset so the manager is confident in the area's prospects. A deal for the property with a third party fell through at a yield of 5.25%; SLI's purchase price reflects a higher initial yield of 5.75% and the contract has a 15-year lease with no break clauses.

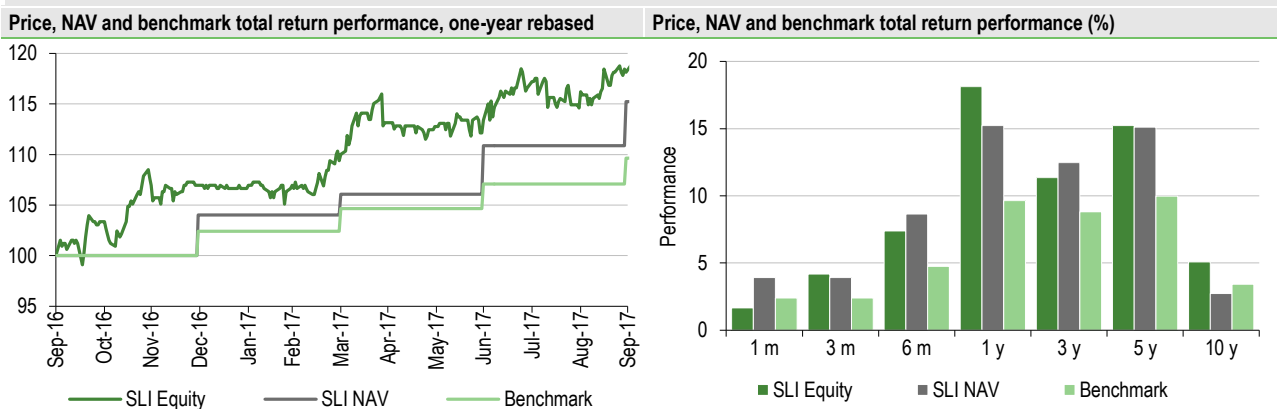
- 7 August 2017 – sale of a 25,600sq ft office in York Science Park for £4.35m, which was modestly higher than the £4.30m end-June 2017 valuation.

Performance: Outperforming over most periods

As shown in Exhibit 6, SLI's one year to end-September 2017 NAV and share price total returns of 15.2% and 18.1% respectively are meaningfully ahead of the benchmark's 9.6% total return.

SLI's relative total returns are shown in Exhibit 7; the trust has outperformed the benchmark in NAV and share price terms over one, three, and five years, and also over 10 years in share price terms. Baggaley suggests that the reasons for SLI's strong relative performance are: 1) active portfolio management – he is happy to take profits and reinvest when more attractive opportunities are identified; 2) the manager seeks to invest in areas of the market where there is less competition, such as smaller lot sizes, which are selling at attractive prices; and 3) Baggaley has a flexible approach – he is currently looking at c £12m purchases versus a more typical £5m, as the larger lot size is where he is finding greater value.

Exhibit 6: Investment trust performance to 30 September 2017



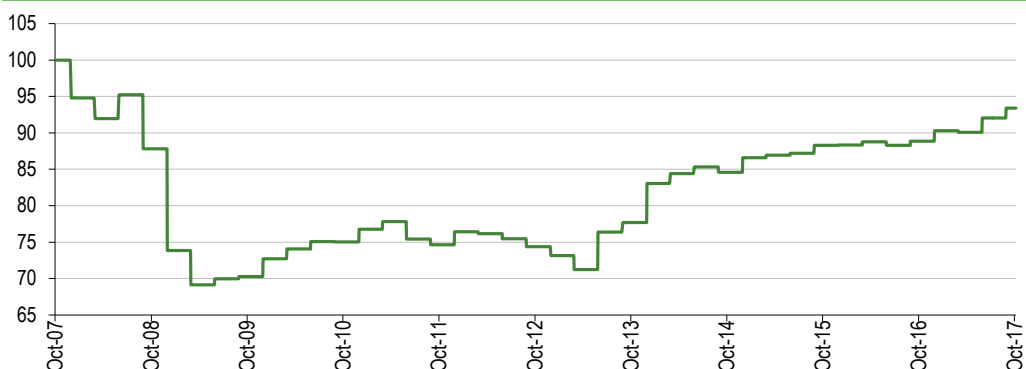
Source: Thomson Datastream, Edison Investment Research. Note: Three, five and 10-year performance figures annualised.

Exhibit 7: 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 benchmark*	(0.7)	1.7	2.5	7.7	7.1	26.2	17.3
NAV relative to benchmark*	1.5	1.5	3.7	5.1	10.4	25.6	(6.6)
Price relative to FTSE All-Share	2.1	2.0	3.7	5.5	8.0	26.0	(6.2)
NAV relative to FTSE All-Share	4.4	1.7	4.9	2.9	11.4	25.3	(25.3)
Price relative to UK real estate index	3.0	4.1	4.9	12.9	17.7	17.5	54.2
NAV relative to UK real estate index	5.3	3.9	6.1	10.1	21.3	16.9	22.8

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

Exhibit 8: NAV total return performance relative to benchmark over 10 years



Source: Thomson Datastream, Edison Investment Research

Discount: Return to trading at a consistent premium

Having traded at a discount due to a period of uncertainty following the Brexit vote, when a number of open-ended property funds suspended trading and/or introduced dilution discounts, SLI has returned to trading consistently at a premium. The current 5.5% premium to NAV compares to the range of premiums of 4.7% to 13.6% over the last 12 months, and is broadly similar to the 8.0%, 6.6% and 7.7% average premiums of the last one, three and five years respectively. SLI has been issuing equity in response to investor demand, aiming to limit the size of the premium. However, activity has been relatively modest: so far in 2017, 13.2m shares (3.5% of shares in issue at end-2016) have been issued raising £11.6m, with proceeds used as working capital and for property refurbishments.

Exhibit 9: Share price premium/discount to NAV (including income) over three years (%)



Source: Thomson Datastream, Edison Investment Research

Capital structure and fees

SLI is a conventional investment trust with one class of share; there are currently 394.4m ordinary shares outstanding. On 28 April 2016, the trust entered into a £145m debt facility with Royal Bank of Scotland, comprising a £110m seven-year term loan at three-month Libor plus 1.375% and a £35m revolving credit facility (RCF) at Libor plus 1.2%. The cost of the term loan was subsequently hedged and is fixed at 2.725%. At end-September 2017, the RCF was undrawn and the portfolio's loan-to-value was 21.6%, which compares to 26.0% at end-2016. Baggaley says that if he was to utilise the RCF to finance an attractive investment opportunity, he would look to repay this debt as soon as possible. Given this caution on the outlook for the UK commercial property industry, he would like to keep the loan-to-value around its current level, which is towards the low end of the historical range.

A tiered annual management fee has been in place since 2014; fees are 0.75% of total assets up to £200m; 0.70% of total assets between £200m and £300m; and 0.65% of total assets in excess of £300m. There are no performance fees. In FY16, the ongoing charge was 1.7%, which was 20bp higher than in FY15 (which was reduced by a one-off £400k contribution to costs from the investment manager following the major portfolio purchase in December 2015).

Dividend policy and record

In FY16, the 4.76p annual dividend was 2.5% higher than in FY15, and was more than covered by income. As at 30 September 2017, SLI had a dividend yield of 5.3%, which compared favourably to the 3.6% yield on the FTSE All-Share REIT index and the 3.7% yield on the FTSE All Share index.

The 1.19p Q317 dividend was only 97% covered by income, but the 3.57p 9M17 dividends were 106% covered. SLI's board is confident that dividend cover will be maintained in the future. Based on the current share price, SLI has a dividend yield of 5.2%.

Peer group comparison

In Exhibit 10, we highlight the trusts in the AIC Property Direct – UK sector with a market cap above £100m, which have been trading for more than one year. SLI's NAV total returns are ahead of the peer group average over one and five years, ranking second out of 12 and 7 funds respectively, while lagging over three and 10 years. The trust is one of eight funds that are trading at a premium. SLI has a lower than average ongoing charge and no performance fee is payable. Reflecting the manager's level of caution, the trust has lower gearing versus the peer group average, while its dividend yield is fourth highest out of 12.

Exhibit 10: Selected peer group as at 6 December*										
% unless stated	Market cap £m	NAV TR 1 year	NAV TR 3 year	NAV TR 5 year	NAV TR 10 year	Premium/discount	Ongoing charge	Perf. fee	Net gearing	Dividend yield (%)
Standard Life Inv. Prop. Inc.	357.9	15.2	42.3	102.1	30.8	7.0	1.7	No	128	5.2
AEW UK REIT	152.7	11.7				5.2	1.6	No	122	8.7
Custodian REIT	434.5	9.8	25.6			11.6	1.7	No	123	5.6
Ediston Property Investment Co	146.4	9.4				0.8	1.6	No	128	5.2
F&C Commercial Property	1,116.7	10.5	34.8	81.2	73.7	0.1	1.0	No	123	4.3
F&C UK Real Estate Investments	251.5	12.8	29.1	69.0	37.3	1.8	1.7	Yes	144	4.8
Picton Property Income	446.9	14.3	58.0	112.3	24.5	(2.8)	2.5	No	137	4.1
Primary Health Properties	689.7	12.8	45.4	59.4	57.6	18.9	1.6	Yes	215	4.7
Regional REIT	305.1	3.9				(2.1)	4.4	Yes	140	7.7
Schroder Real Estate Invest	311.9	12.0	35.2	53.2	(16.5)	(9.0)	2.5	No	144	4.2
Secure Income REIT	833.4	23.3	100.6			2.7	1.6	Yes	210	3.8
UK Commercial Property	1,134.4	12.6	27.2	65.5	65.8	(3.4)	1.4	No	113	4.2
Average	515.1	12.4	44.2	77.5	39.1	2.6	1.9		144	5.2
Trust rank in sector (12 funds)	7	2	4	2	5	3	5		7	4

Source: Morningstar, Edison Investment Research. Note: *Performance data as at 30 September 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 the board of SLI, all of whom are non-executive and independent of the manager. Chairman Robert Peto was appointed in May 2014 and assumed his current role in June 2016. The other four directors and their dates of appointment are: Sally Ann Farnon (July 2010), Huw Evans (April 2013), Mike Balfour (March 2016) and James Clifton-Brown (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](http://www.fca.gov.uk)). 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 Pty Limited (Edison Aus) [46085869] is the Australian subsidiary of Edison. 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 Standard Life Inv. Property Income 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 Investment Research Pty Ltd (Corporate Authorised Representative (1252501) of Myonlineadvisers Pty Ltd (AFSL: 427484)) and any access to it, is intended only for "wholesale clients" within the meaning of the Corporations Act 2001 of Australia. 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)(1) 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, or 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.