# Jupiter Green Investment Trust

## Finding opportunities in emerging eco-trends

Investment trusts

**Jupiter Green Investment Trust (JGC) focuses on companies that are providing innovative solutions to environmental challenges, and as such is benefiting from the high level of public interest in issues such as reducing waste from single-use plastics. Fund manager Charlie Thomas reports, for instance, that plastic recycling specialist Tomra Systems – JGC's second-largest holding – has seen its share price rise over 45% in the past year as it wins new contracts around the world. JGC's portfolio is diversified by geography and industry, and includes companies grouped under three broad themes of resource efficiency, infrastructure and demographics. The managers note that the environmental challenges – and hence the solutions to them – are increasingly complex and interlinked, which arguably plays to the strengths of a team that has been specialising in 'green' investment since the launch of the Jupiter Ecology Fund in 1988.**

| 12 months ending | Share price (%) | NAV (%) | MSCI World Small Cap (%) | FTSE ET50 (%) | MSCI World (%) | FTSE All-Share (%) |
|---|---|---|---|---|---|---|
| 31/03/14 | 23.6 | 17.8 | 12.8 | 29.8 | 9.0 | 8.8 |
| 31/03/15 | 5.2 | 7.2 | 16.7 | 11.8 | 19.7 | 6.6 |
| 31/03/16 | (11.0) | (0.3) | (0.3) | (1.8) | 0.3 | (3.9) |
| 31/03/17 | 32.9 | 20.6 | 36.1 | 25.2 | 32.7 | 22.0 |
| 31/03/18 | 8.0 | 6.2 | 3.7 | 3.1 | 1.8 | 1.2 |

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

## Investment strategy: Find environmental solutions

The environmental and sustainability investment team at Jupiter monitors a large and maturing global universe of c 1,200 stocks in three intersecting, thematic areas. JGC's stock selection is largely bottom-up; the team meets c 300-400 companies each year, as well as undertaking detailed financial modelling, looking for companies with sustainable cash flows, strong management and compelling market positions. The managers note that a growing portion of the investment universe can be found in rapidly maturing solutions areas, providing an expanding pool of companies generating sustainable and growing income for shareholders.

## Market outlook: More volatile conditions expected

After a year of historically low volatility in 2017, global equity markets have been more unsettled so far this year. While global economic growth remains supportive, there is increased focus on geopolitical issues. In addition, after a resurgent year of growth, corporate earnings are likely to progress more slowly in 2018. However, opportunities should still exist on a stock-by-stock basis for investors with a selective approach.

## Valuation: Discount narrow amid heightened interest

At 30 April 2018, JGC's shares traded at a 4.0% discount to cum-income NAV. This is narrower than the averages for the last one, three and five years, and well below the 10-year average of 8.3%. The board uses share buybacks to ensure that the share price and NAV do not diverge materially; however, few shares have been bought back in the past 12 months, and the managers report a high level of interest in their strategies (both open- and closed-end). JGC currently yields 0.7%.

**2 May 2018**

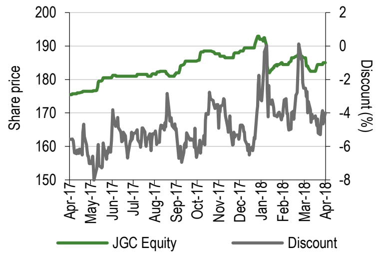
| | |
|---|---|
| **Price** | **185.0p** |
| **Market cap** | **£39.1m** |
| **AUM** | **£40.4m** |

| | |
|---|---|
| NAV* | 191.3p |
| Discount to NAV | 3.3% |
| NAV** | 192.7p |
| Discount to NAV | 4.0% |

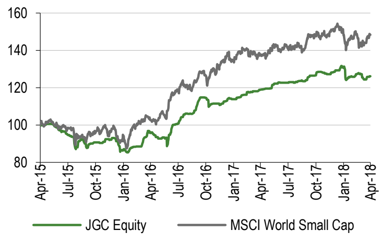
*Excluding income. **Including income. As at 30 April 2018.

| | |
|---|---|
| Yield | 0.7% |
| Ordinary shares in issue | 21.1m |
| Code | JGC |
| Primary exchange | LSE |
| AIC sector | Sector specialist - environmental |
| Benchmark | MSCI World Small Cap |

### Share price/discount performance




### Three-year performance vs index




| | | |
|---|---|---|
| 52-week high/low | 193.0p | 175.5p |
| NAV** high/low | 202.7p | 185.2p |

**Including income.

### Gearing

| | |
|---|---|
| Gross* | 0.0% |
| Net cash* | 6.6% |

*As at 31 March 2018.

### Analysts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***Jupiter Green Investment Trust is a research client of Edison Investment Research Limited***

## Exhibit 1: Trust at a glance

**Investment objective and fund background**

Jupiter Green Investment Trust's (JGC) investment objective is to generate long-term capital growth through a diverse portfolio of companies providing environmental solutions. The company invests globally across three key areas: infrastructure, resource efficiency and demographics. It has a bias towards small and mid-cap companies and may invest up to 5% of total assets in unlisted companies. Performance is measured against the MSCI World Small Cap index.

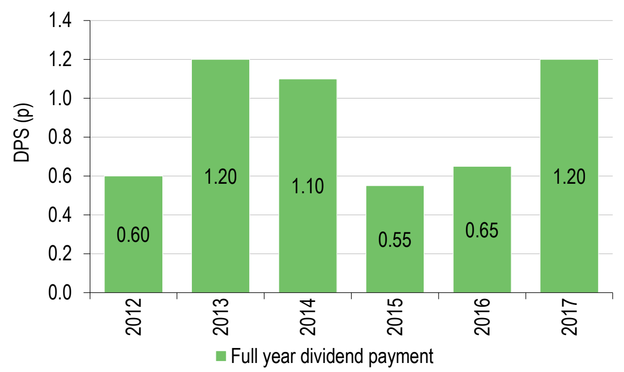
**Recent developments**

- 16 April 2018: 130,998 new shares issued as a result of annual subscription rights exercise.
- 5 December 2017: Half-year report for the six months ended 30 September 2017. NAV TR +5.0% and share price TR +4.7% versus +3.7% TR for the benchmark.
- 5 September 2017: All resolutions passed and dividend approved at AGM.

| Forthcoming | | Capital structure | | Fund details | |
|---|---|---|---|---|---|
| AGM | September 2018 | Ongoing charges | 1.58% | Group | Jupiter Unit Trust Managers |
| Annual results | June 2018 | Net cash | 6.6% | Manager | Charlie Thomas and team |
| Year end | 31 March | Annual mgmt fee | 0.75% | Address | The Zig-Zag Building, 70 Victoria Street, London SW1E 6SQ |
| Dividend paid | September | Performance fee | Yes, see page 7 | | |
| Launch date | June 2006 | Trust life | Indefinite, subject to vote | Phone | +44 (0) 20 3817 1000 |
| Continuation vote | Three-yearly, next 2020 | Loan facilities | £3m | Website | www.jupiteram.com/JGC |

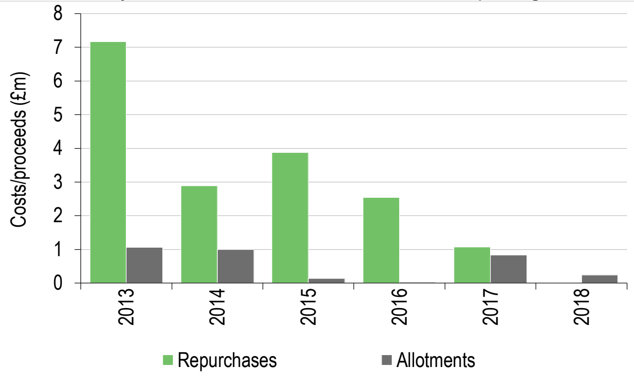
**Dividend policy and history (financial years)**

While the trust has a capital growth objective, substantially all distributable revenues generated by portfolio companies are expected to be paid as dividends. Dividends will not be paid unless they are covered by income from underlying investments.

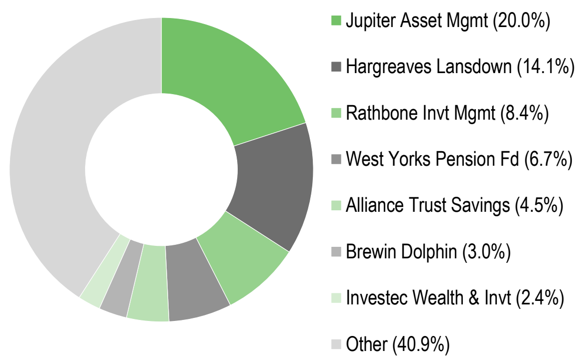



**Share buyback policy and history (calendar years)**

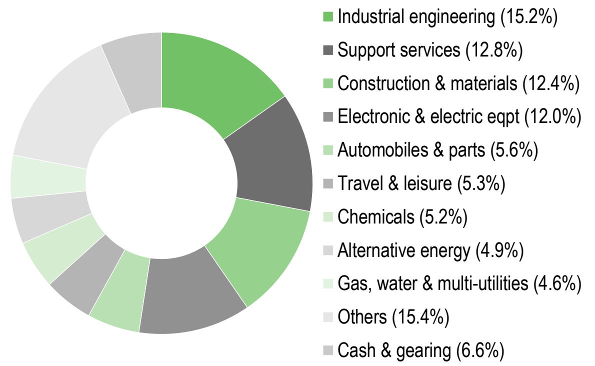
The board uses share buybacks and issuance with the aim of ensuring that in normal market conditions, the trust's share price does not materially differ from its net asset value. Up to 14.99% of shares can be bought back and up to 10% allotted annually. Allotments below include exercise of subscription rights.




**Shareholder base (as at 8 March 2018)**




**Portfolio exposure by sector (as at 31 March 2018)**




**Top 10 holdings (as at 31 March 2018)**

| | | | Portfolio weight % | |
|---|---|---|---|---|
| **Company** | **Country** | **Business area** | **31 March 2018** | **31 March 2017*** |
| AO Smith | US | Water heaters | 4.1 | 3.9 |
| Tomra Systems | Norway | Recycling machinery | 3.8 | 3.1 |
| Emcor | US | Construction & engineering | 3.6 | 3.4 |
| Xylem | US | Water technology | 3.5 | 2.7 |
| Wabtec | US | Railway engineering | 2.9 | 4.1 |
| Cranswick | UK | Food producer | 2.7 | 3.3 |
| LKQ | US | Auto parts | 2.6 | 3.2 |
| Valmont Industries | US | Engineering & irrigation | 2.4 | 3.0 |
| Horiba | Japan | Precision measuring | 2.4 | N/A |
| Toray Industries | Japan | Plastics & chemicals | 2.3 | 2.5 |
| **Top 10 (% of portfolio)** | | | **30.3** | **32.8** |

Source: Jupiter Green Investment Trust, Edison Investment Research, Bloomberg, Morningstar. Note: *N/A where not in March 2017 top 10.

## Fund profile: Focus on environmental solutions

Jupiter Green Investment Trust (JGC) was launched in 2006 as a successor to two environmentally focused, closed-end funds previously managed by Jupiter Asset Management, which pioneered 'green' investment in the UK with the launch of the open-ended Jupiter Ecology Fund in 1986. It is managed by Charlie Thomas (Jupiter's head of strategy, environment and sustainability) and Abbie Llewellyn-Waters, assisted by other members of the team including analyst Jon Wallace.

JGC invests globally, holding a portfolio of c 60 companies that are focused on providing solutions to environmental challenges. It aims to achieve long-term capital growth for investors, although dividends have also been paid in each of the last seven years. It sits alongside other environmentally focused funds in the AIC's specialist Environmental sector. JGC's official benchmark is the MSCI World Small Cap index; while not restricted in terms of the size of the companies in which it invests (the current average market cap is £5.8bn), the trust's managers note that much of their investment universe is towards the smaller end of the capitalisation spectrum. It also measures performance versus the FTSE ET50 index, a specialist benchmark made up of companies focusing on environmental technology. In its first years of operation (until May 2010) JGC outsourced its US stock-picking to Winslow Asset Management, and used a composite benchmark made up of the FTSE Global Small-Cap ex-US and Russell 2500 Growth indices, in proportions dependent on the percentage of assets managed respectively by Jupiter and Winslow.

JGC's relatively small size compared with the c £500m Ecology fund means it is able to access investment opportunities (particularly at IPO) that would be too small to make a meaningful contribution to the open-ended fund. It may also invest up to 5% (at the time of investment) in unlisted companies, and may use derivatives and short positions to manage risk. Gearing is available via a £3m flexible loan, but has not historically been used.

## The fund managers: Charlie Thomas and team

### The managers' view: Issues becoming more interconnected

Fund manager Charlie Thomas notes that environmental challenges – and therefore the solutions to them – are becoming more interconnected than previously thought, meaning the team has to consider more perspectives on each investment. For example, desalination can provide fresh water but uses huge amounts of energy. Meanwhile, health issues are increasingly intersecting with environmental concerns, whether in new-generation diesel engines (public focus is growing on the health effects of particulate emissions, and not just on environmental pollution), plastic waste (in addition to the focus on marine pollution, recent research has shown microplastics in bottled drinking water) or fish farming (as well as having lower environmental impact than land-based protein, fish is also seen as a healthier food choice). Thomas explains that these themes are being expressed in the portfolio through stocks such as recycling specialist, Tomra Systems, whose 'reverse vending machines' make it easier to separate different types of plastic, and also encourage people to recycle by putting a monetary value on waste at the consumer level. The current public focus on plastics has benefited Tomra's share price, which is up c 45% over the past 12 months. Elsewhere in the portfolio, Johnson Matthey is well positioned to capitalise on the forecast growth of electric vehicles, but also retains important exposure to emission-reduction technologies for internal combustion engines. Thomas points out that while forecasts for 25% of the global vehicle fleet to be electric by 2030 sound impressive, this still means the majority of vehicles will have traditional engines.

At the market level, Thomas notes that after an extended bull run, investors are beginning to show signs of fatigue. Following a year of strong earnings growth in 2017, the potential for significant year-on-year growth in 2018 is limited, and share prices are being hit hard for companies where results fall short of expectations. Thomas says this reflects a market with less confidence, and adds that while factors such as US tax cuts have had a positive impact, this will not be repeated in future years. That said, the managers are still finding opportunities as new trends emerge and new companies come to market. Within the JGC portfolio, earnings per share growth is c 15% on average, operating margins are 12% and EV/EBITDA valuations average c 10x, which Thomas describes as 'not excessive'. "The market is fixated on growth, so people miss interesting franchises with longer-term prospects that are not appreciated by the market", he adds.

Factors such as the 'Attenborough effect' – the current public focus on plastics can arguably be traced back to an episode of Planet Earth II, broadcast in 2017 – are feeding into greater interest for the team's investment strategies, says Thomas, with inflows into open-ended funds and the discount on JGC remaining low, meaning there has been little need to buy back shares.

# Asset allocation

## Investment process: Measuring up to environmental challenges

The environmental and sustainability investment team at Jupiter sees its investment universe in terms of three interlinked areas where it believes economic and environmental issues connect:

- **Resource efficiency** includes: fuel; water, water treatment and usage; electricity and grid; land and buildings; pollution, waste, and carbon.
- **Infrastructure** intersects with resource efficiency in the areas of grid, carbon, water, waste and buildings. It also includes transport, utilities, alternative energy, waste management (collection), planning/construction and communication networks.
- **Demographics** intersects with resource efficiency in the areas of land use and pollution, with infrastructure in the area of transport, and with both categories for buildings and waste. It also includes food, transport, agriculture, health and education.

JGC's particular focus is on finding companies in these areas that are providing deep and lasting solutions to environmental challenges. Businesses are classified into two types – transitional, meaning those that are improving environmental sustainability in areas that might not usually be considered 'green'; and transformational – that is, companies using new technologies to provide innovative solutions. The managers note that mainstream acceptance of the need to rise to environmental challenges means that the investment universe has expanded considerably over time and now numbers more than 1,200 companies, compared with c 100 at the trust's launch.

The investment team constantly monitors the universe, meeting 300-400 companies each year, looking for themes and trends (such as the current focus on tackling single-use plastics), attending industry conferences and keeping up with market and technological developments. All of these inputs, plus the use of financial screens and broker networks, feed into a list of potential investments, which should have good-quality, experienced management teams, strong balance sheets and cash flows, and proven technologies. Candidates for inclusion in the portfolio undergo detailed financial modelling, looking at a range of historical and forward valuation metrics, as well as capital structure and the ability to generate sustainable profits and return on equity. The team analyses end-market dynamics as well as other factors such as corporate governance and sustainability, and political and regulatory risk, which can cause volatility in share prices even when the underlying fundamentals are sound. The managers follow private as well as public companies, and often invest at IPO in companies where they have already built a relationship.

New positions normally make up less than 1% of the portfolio at purchase, and may be increased over time as the team's investment thesis is validated. Positions will normally be trimmed if they exceed c 5% of the portfolio, and may be sold if valuations have become overstretched, if there are question marks over the viability of a product, service or area of the market, if long-term return expectations are not met, and in some cases if there is a change in management. Turnover has historically been low at c 10% a year.

## Current portfolio positioning

At 31 March 2018, JGC had 62 holdings, compared with 61 a year previously. The top 10 holdings made up 30.3% of the portfolio, which was a slight decrease in concentration compared with 32.8% at 31 March 2017. The portfolio is broadly diversified by geography and industry. Sector allocations (see Exhibit 1) have remained broadly stable over the past 12 months (the largest change being a 2.6pp reduction in alternative energy), while geographical exposure (Exhibit 2) is also little altered, with the biggest changes being a 4.2pp reduction in the UK and a 2.5pp increase in Norway. Cash has increased over the year and stood at 6.6% at 31 March 2018. Thomas says this is not a strategic move, but simply reflects a lack of investment opportunities at attractive valuations.

**Exhibit 2: Portfolio geographic exposure (% unless stated)**

| | Portfolio end-March 2018 | Portfolio end-March 2017 | Change (pp) |
|---|---|---|---|
| US | 36.6 | 38.5 | (1.9) |
| UK | 14.6 | 18.8 | (4.2) |
| Japan | 14.0 | 13.2 | 0.8 |
| Norway | 5.6 | 3.1 | 2.5 |
| Denmark | 4.7 | 5.6 | (0.9) |
| France | 4.2 | 4.1 | 0.1 |
| Austria | 3.5 | 4.1 | (0.6) |
| Germany | 3.3 | 4.4 | -1.1 |
| Others | 7.0 | 8.2 | -1.2 |
| Cash & gearing | 6.5 | (0.2) | 6.7 |
| | **100.0** | **100.0** | |

Source: Jupiter Green Investment Trust, Edison Investment Research

Recent purchases include two salmon farmers, SalMar and Salmones Camanchaca. SalMar was bought on a single-digit P/E multiple and a dividend yield of more than 6%, while Salmones Camanchaca (which operates in Chile but is listed in Norway) was added at IPO in February 2018. Wallace comments that the environmental impact of fish farming is far lower than that of land-based protein, as fish require little energy to grow, produce fewer greenhouse gases and have fewer needs in terms of land and fresh water use. Both companies operate to high welfare standards, avoiding the problems with overcrowding and disease that have historically affected some fish farmers.

Also added to the portfolio at IPO was battery maker Varta. It makes button batteries for hearing aids – a strongly growing market as the global population ages – and wireless earphones, as well as being active in battery storage for domestic and commercial settings. Thomas notes that being in these niche areas, rather than commoditised markets like mobile phones, means the company has better pricing power. Other new investments include Australian logistics company Brambles (refocusing under a new management team following a period of over-expansion) and China Everbright, a waste-to-energy company that exemplifies China's move towards stimulating domestic recycling rather than importing waste from the West. Thomas says that the team has historically been cautious on China because of governance concerns, but that China Everbright's Western-style governance structure provides an important level of security for minority investors.

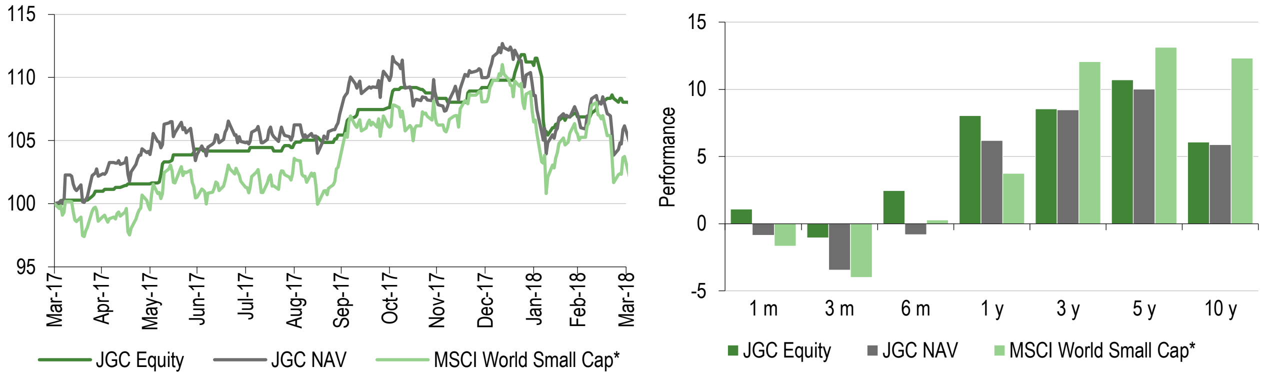
Outright sales in the area of renewable energy include SunPower, where the team prefers the cash-rich and more technologically advanced First Solar; and wind farmer China Longyuan Power, where the holding has been switched on a like-for-like basis into Huaneng Renewables, which is benefiting from initiatives to strengthen grid capability in Mongolia.

Thomas notes that mergers and acquisitions (M&A) continue to be a trend within the portfolio, both on the acquirer and acquiree sides – for example, 'smart grid' company Itron made a transformational acquisition of its competitor Silver Spring, allowing it to emerge as a pre-eminent player in energy efficiency at grid level. Conversely, valuations are higher, which has led the team to take some profits from holdings such as Vestas Wind Systems, recycling into new ideas as they arise.

## Performance: Outperforming in recent volatility

**Exhibit 3: Investment trust performance to 31 March 2018**

**Price, NAV and benchmark total return performance, one-year rebased** | **Price, NAV and benchmark total return performance (%)**




Source: Thomson Datastream, Edison Investment Research. Note: Three-, five- and 10-year performance figures annualised. *Prior to 1 April 2010, JGC had a composite benchmark; see fund profile on page 3. 10-year returns are versus a blended benchmark.

JGC has outperformed its MSCI World Small Cap benchmark in both share price and NAV terms over one, three and 12 months to 31 March 2018 (Exhibit 3), having lagged the index but still produced decent absolute returns over longer periods. Thomas notes that currency has been a factor in the recent outperformance, as the index is more exposed than the JGC portfolio to the weaker US dollar. M&A has also had an impact, with holdings including WS Atkins and Whole Foods Market having been taken over in the past year. More recently, leak detection company Pure Technology was acquired by another JGC portfolio company, Xylem. During the market sell-off in February, the manager notes that new holdings in salmon farming (SalMar and Salmones Camanchaca) performed well, underlining the diversification benefits of holding stocks in more defensive areas. While JGC has tended to underperform mainstream equity indices over longer periods (Exhibit 4), it has outperformed the environmentally focused FTSE ET50 index in both share price and NAV terms over all periods shown except five years.

**Exhibit 4: 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 MSCI World Small Cap* | 2.8 | 3.1 | 2.2 | 4.1 | (9.2) | (10.3) | (43.7) |
| NAV relative to MSCI World Small Cap* | 0.8 | 0.6 | (1.1) | 2.3 | (9.3) | (13.0) | (44.7) |
| Price relative to FTSE ET50 | 6.8 | 5.8 | 7.4 | 4.8 | 0.9 | (9.6) | 20.2 |
| NAV relative to FTSE ET50 | 4.7 | 3.2 | 3.9 | 3.0 | 0.7 | (12.3) | 18.1 |
| Price relative to MSCI World | 5.1 | 3.8 | 2.6 | 6.1 | (5.6) | (6.0) | (32.2) |
| NAV relative to MSCI World | 3.1 | 1.3 | (0.7) | 4.3 | (5.8) | (8.8) | (33.5) |

Source: Thomson Datastream, Edison Investment Research. Note: Data to end-March 2018. Geometric calculation. *Prior to 1 April 2010, JGC had a composite benchmark; see fund profile on page 3. 10-year returns are versus a blended benchmark.

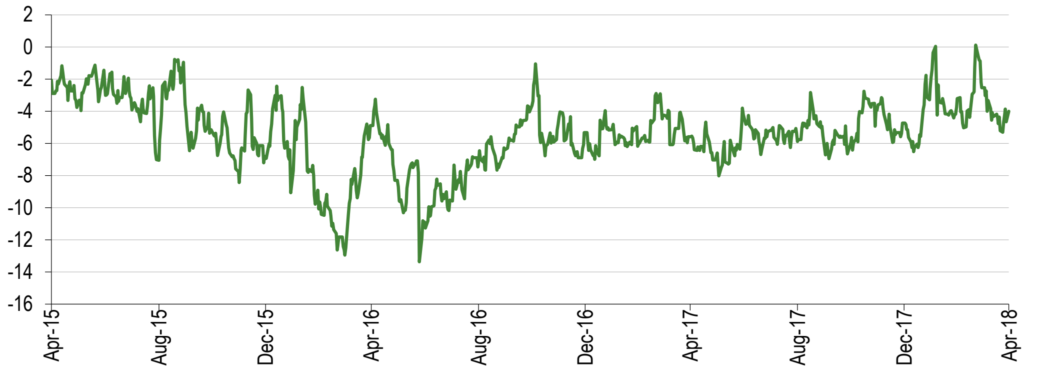
**Exhibit 5: NAV total return performance relative to FTSE ET50 over 10 years**


Source: Thomson Datastream, Edison Investment Research

## Discount: Active buyback policy supports lower level

At 30 April 2018, JGC's shares traded at a 4.0% discount to cum-income NAV. This was lower than the averages over one, three, five and 10 years (a range of 4.2% to 8.3%). JGC's board uses share buybacks to try to ensure that, in normal market conditions, the share price and NAV do not materially diverge. As shown in Exhibit 6, following a period of discount volatility in 2016 (with downward spikes in a general period of risk-aversion early in the year, and after the UK's EU referendum in June), the discount has narrowed substantially, and has remained broadly in a range of 0-6% since late 2016.

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




Source: Thomson Datastream, Edison Investment Research

## Capital structure and fees

JGC is a conventional investment trust with one class of share. At 24 April 2018, there were 21.1m ordinary shares in issue. An annual subscription rights programme allows investors to subscribe for one new share for every 10 shares held at 31 March each year, at a price equal to the undiluted NAV per share at the previous year-end. At the 31 March 2018 subscription opportunity, 130,998 new ordinary shares (6.24% of the potential total) were issued at a price of 184.33p. This was 2.67p below the previous closing share price, and was a discount of 3.1% to the NAV at 29 March 2018. A discount/premium management programme is in place, aiming to ensure that the share price does not vary materially from the NAV. Under this initiative, 380,000 shares have been bought back in the past 12 months (to 23 April), at a cost of £705,000. Gearing (up to 25% of net assets) is available via a £3m borrowing facility with Scotiabank which, if fully drawn, would equate to gearing of 7.4% based on 24 April 2018 net assets. So far the facility has not been used.

Jupiter receives an annual management fee of 0.75% of net assets, after deducting the value of any Jupiter-managed investments. A performance fee structure is in place whereby the manager receives 15% of any outperformance of the MSCI World Small Cap index over a financial year, subject to various conditions (see our initiation note) and an overall fee cap of 1.75% pa. Ongoing charges for FY17 were 1.58%, compared with 1.63% for FY16.

## Dividend policy and record

The companies JGC invests in have not historically been high-yielding; however, the managers note that the rapid maturation of several of the investment themes gives considerable scope for income generation looking ahead. The trust's current mandate is to seek capital growth, and it pays dividends only to the extent required to maintain its investment trust status. That said, dividends have been paid each year since 2011. The 1.20p dividend per share for FY17 was equal to the revenue per share, and was an increase of 85% on the prior year. Revenue earnings per share for

H118 (to 30 September 2017) were 0.97p, compared with 1.00p in H117. Dividends are paid in September. Based on the FY17 dividend and the current share price, JGC has a yield of 0.7%.

## Peer group comparison

JGC is a member of the AIC Sector Specialist: Environmental sector, a small peer group that nevertheless contains funds with a range of investment mandates. Leaf Clean Energy focuses specifically on renewables, while the Menhaden and Impax funds are more similar to JGC in that they invest broadly across environmental sectors. Exhibit 7 also includes two open-ended funds run by the Jupiter team. Within the group, JGC's NAV total returns are the highest over one year, and rank second over three and five years, and third (second within the group of closed-end funds) over 10 years. Ongoing charges are below average, although JGC is one of only two funds with a performance fee. Its discount to NAV is the second-lowest for the closed-end funds, while its dividend yield is the second-highest overall. In common with most of the peers, JGC is ungeared.

**Exhibit 7: Selected peer group as at 23 April 2018***

| % 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 Green IT** | **39.0** | **7.7** | **26.1** | **65.8** | **74.4** | **1.6** | **Yes** | **(4.7)** | **100** | **0.7** |
| Impax Environmental Markets | 459.1 | 7.2 | 49.2 | 97.4 | 130.6 | 1.1 | No | (4.4) | 102 | 1.0 |
| Leaf Clean Energy | 23.6 | (13.8) | 3.1 | (38.4) | (44.8) | 3.7 | No | (63.3) | 100 | 0.0 |
| Menhaden Capital | 52.8 | 3.7 | -- | -- | -- | 2.1 | Yes | (26.7) | 100 | 0.0 |
| **Simple average** | **143.6** | **1.2** | **26.1** | **41.6** | **53.4** | **2.1** | | **(24.8)** | **101** | **0.4** |
| **JGC rank in sector** | **3** | **1** | **2** | **2** | **2** | **3** | | **2** | **2** | **2** |
| **Open ended funds** | | | | | | | | | | |
| Jupiter Ecology | 563.3 | 5.8 | 26.1 | 60.8 | 86.0 | 1.7 | No | | | 0.0 |
| Jupiter Global Ecology Growth | 9.7 | 6.0 | 24.4 | 57.7 | 58.2 | 1.7 | No | | | 0.0 |
| **Simple average** | **286.5** | **5.9** | **25.2** | **59.2** | **72.1** | **1.7** | | | | **0.0** |

Source: Morningstar, Edison Investment Research. Note: *Performance to 20 April 2018. TR = total return. Net gearing is total assets less cash and equivalents as a percentage of net assets (100 = ungeared).

## The board

There are three directors on JGC's board, all with significant professional or academic experience in the environmental sector. Michael Naylor, whose professional background is as a private equity investor in sustainable assets, was appointed to the board in 2009 and became chairman in 2015. Dame Polly Courtice, a leading environmental academic, has been a director of JGC since launch in 2006. Simon Baker headed Jupiter's green investment department from 1994 to 2006, and was appointed to the board of JGC in 2015.