



# WHEB

### General Fund Information

Launch date: 8 June 2009  
 Launch price: 100.00p  
 Fund type: OEIC, UCITS  
 Daily dealing valuation point:  
 12 noon  
 IMA sector: Global Growth

Fund Data as at 30/11/2016  
 Fund size: £121m

C share class (ACC & INC: GBP)  
 1.05% Ongoing Charge  
 C share class (ACC: GBP)  
 173.40p Share Price  
 ISIN: GB00B8HPRW47  
 SEDOL: B8HPRW4  
 C share class (INC: GBP)  
 131.51p Share Price  
 Income Frequency: Annual  
 Dividend Record Date: 28 February  
 Last Dividend (28/02/16): 1.1725p  
 ISIN: GB00BHBFFN03  
 SEDOL: BHBFFN0

B share class (ACC: GBP)  
 126.10p Share Price  
 0.55% Ongoing Charge  
 £10m minimum investment<sup>3</sup>  
 ISIN: GB00B6Y2LD34  
 SEDOL: B6Y2LD3

A share class (ACC: GBP)  
 172.61p Share Price  
 1.70% Ongoing Charge  
 ISIN: GB00B4LDCG53  
 SEDOL: B4LDCG5

Indicative Characteristics  
 Holdings: 60-80  
 Expected tracking error  
 Range: 4-7%  
 Average holding period: 3-5 years  
 Actual Characteristics  
 Holdings 62  
 Holding period<sup>4</sup>: 5.1 years  
 Active Share vs Benchmark: 98%<sup>5</sup>

Key Dates  
 Annual report 28 February  
 Interim report 31 August

Authorised Corporate  
 Director (ACD):  
 Fund Partners Limited (formerly  
 IFDS Managers Limited)  
 Fund Administrator:  
 International Financial Data  
 Services (UK) Limited  
 01268 448 234  
 Independently rated by:



## FP WHEB SUSTAINABILITY FUND FACTSHEET

30 November 2016

### MANAGER'S COMMENTARY

#### Market Background

November was dominated by a single news event, the United States' Presidential Election on the 8<sup>th</sup> of the month. Donald Trump's surprise victory was met with a stock market rally in the US. Investors reacted to his loosely-defined plan for tax cuts and infrastructure spending as positive for growth. Outside the US the response was more mixed due to the President-elect's negative statements on world trade. Currency markets also responded, turning the US Dollar gains on the Fund's benchmark into a small loss in Pounds Sterling.

#### Fund Performance

The Fund underperformed the benchmark during the month. The 'Trump Rally' was led by financial and energy stocks, which rose strongly in anticipation of the first upward leg of an economic growth cycle. Our strategy has only minimal exposure to those sectors. This provides a short-term headwind which, we believe should be overcome in the long term.

There was also notable underperformance by our Health theme. Trump has promised to repeal and replace healthcare reforms enacted by President Obama. This doesn't need to be negative for the theme in the long run but creates some uncertainty now. The theme certainly responded negatively during this month.

#### Activity

We sold out of three positions in the month, and initiated three new ones. Air Methods, in the Health theme, has long struggled with collecting cash from its customers. We think that the measures it has recently introduced to remedy this will be insufficient and so we sold our position. Similarly, we think the turnaround story in Oxford Instruments is not convincing enough so we sold our stake. Oxford Instruments is a UK company in the Environmental Services theme. We also sold our position in Kansas City Southern, a US railroad company in our Sustainable Transport theme. Kansas City Southern derives a large proportion of its income and profits from cross-border trade with Mexico. We were concerned about management over-optimism before Trump's election and now consider the risks too great.

For the first time in over three years we now have a position in the Education theme, with the acquisition of Grand Canyon Education. Grand Canyon is a for-profit provider of tertiary education with a strong focus on the employability of its graduates. We have also initiated a position in wind turbine manufacturer Gamesa, in our Cleaner Energy theme. Trump's stance on climate change does not undermine the attractiveness of this sector. We also began a position in Johnson Controls in the Resource Efficiency theme. Johnsons Controls is a US industrial company which has recently transformed itself into a leader in buildings efficiency.

#### Outlook

The Sustainability strategy is over ten years old and has prospered in a variety of different political landscapes. Donald Trump's election creates crosswinds but the need to solve sustainability challenges is unaffected and, in our view, will continue to drive superior growth opportunities.

Price moves sourced from Bloomberg

### PORTFOLIO ANALYSIS AS AT 30 NOVEMBER 2016

Theme Breakdown	%	Geographic Allocation	%	Market Cap Breakdown	%
Cleaner Energy	5.21	Asia ex-Japan	5.36	Under \$1bn	1.90
Education	1.17	Europe	16.26	\$1-\$2bn	6.48
Environmental Services	9.45	Japan	7.67	\$2-\$10bn	35.20
Health	27.48	North America	64.29	\$10-\$20bn	28.96
Resource Efficiency	22.89	UK	4.17	Above \$20bn	25.20
Safety	7.02	Cash	2.25	Cash	2.25
Sustainable Transport	10.54				
Water Management	7.47				
Wellbeing	6.52				
Cash	2.25				

### COMPARATIVE PERFORMANCE

Figures are historic and past performance is not a reliable guide to future performance

Cumulative Performance	1 month	3 months	Year to date	12 months	3 years	Since 30/04/2012 <sup>1</sup>
FP WHEB Sustainability (A)	-2.09%	-0.21%	16.51%	17.32%	36.77%	72.82%
FP WHEB Sustainability (C) <sup>2</sup>	-2.04%	-0.05%	17.21%	18.09%	39.49%	N/A
MSCI World Total Return	-0.88%	4.83%	23.86%	24.28%	46.23%	88.84%

Discrete Performance	30 April 2015 – 30 April 2016	30 April 2014 – 30 April 2015	30 April 2013 – 30 April 2014	30 April 2012 – 30 April 2013
FP WHEB Sustainability (A)	-0.62%	19.99%	6.11%	18.15%
FP WHEB Sustainability (C) <sup>2</sup>	0.03%	20.78%	6.80%	N/A
MSCI World Total Return	0.53%	18.02%	7.49%	21.75%

The FP WHEB Sustainability Fund was originally launched on 8 June 2009. <sup>1</sup>Effective re-launch as at 30 April 2012 after the portfolio was transitioned to a new investment process by the new investment team. <sup>2</sup>The C (ACC) Share Class was launched on 3 Sept 2012. <sup>3</sup>The minimum investment level for the B share class is £10m. It is planned to close the B share class to new investors when that share class approaches £100m. <sup>4</sup>The average holding period is derived from the fund turnover at the last reporting date (six months to 31.08.2016, Source: State Street Global Services). The figure is annualised and adjusted so as not to double count buys and sells. It is then inverted so that, for example, 50% turnover would equate to a two year average holding period. <sup>5</sup> Active Share refers to the % overlap between the Fund and MSCI World Index weightings. Data as at 30 September 2016, source: Bloomberg. Fund data is provided by Bloomberg. Performance figures for the FP WHEB Sustainability Fund are based on A Class Accumulation Shares and are calculated mid to mid. Index data are provided by MSCI Barra via Bloomberg, calculated using GBP. The MSCI World Index is quoted at month end with net dividends reinvested and without the deduction of any expenses (in contrast to the portfolio). The MSCI World Index is unmanaged and cannot be invested in directly.

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#### Platform & Wrap Availability



## FUND AIM

The aim of the Fund is to achieve capital growth over the medium to long term. The Fund will invest predominantly in international and UK equities and in particular will invest in equities in those sectors identified by the investment manager as providing solutions to the challenges of sustainability.

## INVESTMENT PROCESS

- Provides investors with exposure to a new generation of sustainability themes with powerful, long-term growth drivers;
- Applies a disciplined multi-thematic approach;
- Follows a global strategy investing in what we believe are the world's best-managed companies focused on providing solutions to critical environmental and social challenges;
- Applies integrated sustainability investment analysis to all investments;
- Seeks to promote best practice in the companies we invest in.

## TOP TEN HOLDINGS AS AT 30 NOVEMBER 2016 (Source: WHEB)

Stock	Theme	Description	Holding
Littelfuse	Safety	A global supplier of electrical safety and circuit protection products for the electronics, automotive and electrical industries	2.28%
Xylem	Water Management	A designer, manufacturer, equipment and service provider for water and wastewater applications which address water collection, distribution, and use to its return to the environment	2.24%
Stantec	Environmental Services	One of the leading engineering companies in North America with a focus on environmental consultancy	2.17%
MSA Safety	Safety	Global provider of safety products including self-contained respirators, gas masks and detectors, helmets and thermal imaging cameras. Markets include fire-fighting, industrial, construction and the consumer sector	2.13%
Fresenius	Health	A German company concentrating on products and services for dialysis hospitals and the care of patients	2.11%
Mettler-Toledo	Health	An leader in industrial weighing, measurement and analysis tools improving efficiency for laboratories, industrial and food retailing applications	2.10%
Mednax	Health	Provides anaesthesia and specialist paediatric and neonatal, maternal-foetal and physician services to hospitals in the US	2.09%
Roper Technologies	Resource Efficiency	Manufactures industrial control, fluid handling and analytical instrumentation products that increase efficiency and safety in areas such as medical diagnostics, semiconductor production and water management	2.05%
Suez Environment	Water Management	A major proponent of the circular economy, Suez is a worldwide provider of the means of production and distribution of drinking water and processing and treatment of waste water	2.03%
Ecolab	Water Management	A global provider of hygiene products to restaurants, hotels and hospitals with an emphasis on energy and water efficiency	2.03%

## WHEB Listed Equities Team

WHEB Group is a specialist investment management firm focused on the opportunities created by the global transition to more sustainable, resource efficient and energy efficient economies. We are independent and owner managed, and are well known for our extensive thought leadership and innovation. The Listed Equities team manages the FP WHEB Sustainability Fund and is considered to be one of the most experienced and well-resourced in the sector. Team members previously ran market-leading sustainable investment strategies at established institutional managers before coming together at WHEB. Fund manager Ted Franks works together with Head of Research Seb Beloe, Associate Fund Manager Ty Lee and Senior Analyst Ben Klutinger as a close-knit team.

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## Important Notices:

Risks include: the price of shares ("Shares") in FP WHEB Sustainability Fund ("Fund") may increase or decrease and you may not get back the amount originally invested, for reasons including adverse market and foreign exchange rate movements. Past performance is not a guide to future returns. The Fund invests in equities and is exposed to price fluctuations in the equity markets, and focuses on investments in mid-sized companies in certain sectors so its performance may not correlate closely with the MSCI World Index (the Fund's benchmark). For full risks, please see fund prospectus on [www.whebgroup.com](http://www.whebgroup.com).

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