



# 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 31/01/2017  
 Fund size: £129m

C share class (ACC & INC: GBP)  
 1.05% Ongoing Charge  
 C share class (ACC: GBP)  
 179.35p Share Price  
 ISIN: GB00B8HPRW47  
 SEDOL: B8HPRW4  
 C share class (INC: GBP)  
 136.02p 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)  
 130.53p Share Price  
 0.55% Ongoing Charge  
 £10m minimum investment<sup>3</sup>  
 ISIN: GB00B6Y2LD34  
 SEDOL: B6Y2LD3

A share class (ACC: GBP)  
 178.33p 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

31 January 2017

### MANAGER'S COMMENTARY

#### Market Background

It was a relatively quiet month in global equity markets as the Fund's benchmark MSCI World index of stocks rose 0.59%. News was dominated by the inauguration of Donald Trump to the US Presidency, and his dramatic and somewhat haphazard initial policy actions.

#### Fund Performance

The Fund outperformed in the month, rising 1.44%. Health was the best-performing theme. Plasma therapy specialist CSL led the theme, rising strongly after almost doubling its profit growth outlook for the coming year. It did this because of unexpectedly strong demand for its immunoglobulin products, which help fight infectious diseases, particularly for those with immune deficiencies. There were strong contributions from the life sciences tools companies we invest in, namely Danaher, Thermo Fisher and Agilent. These companies are enjoying strong demand growth from increasing amounts of biopharmaceutical research. Resource Efficiency was the second strongest theme, led by industrial automation. IPG Photonics, Renishaw, Keyence and Rockwell all rose strongly. There is a strong trend of increasing demand for more efficient manufacturing enabled by technological advances, and these companies are all part of that value-chain. WHEB Head of Research, Seb Beloe recently published a blog on this topic (<http://tinyurl.com/hcsxrmd>). The Environmental Services theme was also a positive contributor. Environmental testing equipment maker Horiba, and environmentally-friendly packaging company Smurfit Kappa both rose on increased expectations for upcoming results. The weakest themes in the month were Safety and Water Management. MSA Safety and Littelfuse in Safety, and Xylem in Water Management, showed relative weakness on little news after all performing strongly in 2016. Nautilus, a maker of gym equipment in the Wellbeing theme, was also weak on no particular news.

#### Activity

We sold our position in CT Environment, a Hong Kong-listed operator of waste and water plants in China. A 'short report' issued in November 2016 raised a number of concerns prompting additional research. We could satisfy ourselves on most topics but doubts remained on key governance issues so we decided to sell. We replaced it in the portfolio with China Everbright International, another Chinese waste operator which we have long admired and which is more exposed to energy from waste developments in China.

#### Outlook

Following a chaotic first few weeks of Trump's presidency, policy uncertainty remains high and the future direction of the US remains extremely hard to judge. There is a similarly wide range of long-term outcomes in Europe. We will continue to focus on the many acute sustainability challenges the world faces, and high quality companies offering solutions to them, confident that these parts of the market provide the most attractive long term opportunities.

Price moves sourced from Bloomberg

### PORTFOLIO ANALYSIS AS AT 31 JANUARY 2017

Theme Breakdown	%	Geographic Allocation	%	Market Cap Breakdown	%
Cleaner Energy	5.55	Asia ex-Japan	5.67	Under \$1bn	1.91
Education	1.46	Europe	17.19	\$1-\$2bn	5.13
Environmental Services	9.14	Japan	8.24	\$2-\$10bn	36.94
Health	24.89	North America	61.82	\$10-\$20bn	25.77
Resource Efficiency	24.44	UK	4.30	Above \$20bn	27.47
Safety	7.30	Cash	2.78	Cash	2.78
Sustainable Transport	11.09				
Water Management	7.08				
Wellbeing	6.27				
Cash	2.78				

### 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)	1.44%	1.15%	1.44%	30.38%	41.27%	78.54%
FP WHEB Sustainability (C) <sup>2</sup>	1.51%	1.32%	1.51%	31.25%	44.08%	N/A
MSCI World Total Return	0.59%	3.23%	0.59%	32.04%	55.37%	96.65%

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 31 December 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.

This document is for Professional Investors only. Please see important notice on page 2.



#### 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 31 JANUARY 2017 (Source: WHEB)

Stock	Theme	Description	Holding
Fresenius SE	Health	A German company concentrating on products and services for dialysis hospitals and the care of patients.	2.15%
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.	2.15%
Littelfuse	Safety	A global supplier of electrical safety and circuit protection products for the electronics, automotive and electrical industries.	2.13%
A. O. Smith	Resource Efficiency	One of the world's leading innovative manufacturers of energy-efficient residential and commercial water heating equipment. It also manufactures residential and light commercial water purification products.	2.07%
Wabtec	Sustainable Transport	Manufactures a range of products for locomotives, freight cars, and passenger transit vehicles along with braking systems and other components. Also manufactures new locomotives and provides aftermarket services.	2.05%
Stantec	Environmental Services	One of the leading engineering companies in North America with a focus on environmental consultancy.	2.05%
Acuity Brands	Resource Efficiency	One of the world's leading producers and distributors of energy efficient LED lighting for commercial, institutional, infrastructure and residential markets.	2.05%
Lennox International	Resource Efficiency	Successful and award winning heating, air conditioning and refrigeration product and service provider, mainly in North America. Manufactures high efficiency furnaces, a/c units, heat pump and cooling systems.	2.04%
Henry Schein	Health	A mainly US healthcare distributor of dental, medical and animal health products and consumables, but growing internationally. Much of its products and services are focused on office-based healthcare efficiency.	2.04%
Suez	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.	2.04%

## 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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