



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 31/05/2017
 Fund size: £163m

C share class (ACC & INC: GBP)
 1.03% Ongoing Charge
 C share class (ACC: GBP)
 194.40p Share Price
 ISIN: GB00B8HPRW47
 SEDOL: B8HPRW4
 C share class (INC: GBP)
 146.21p Share Price
 Income Frequency: Annual
 Dividend Record Date: 28 February
 Last Dividend (28/02/17): 1.2408p
 ISIN: GB00BHBFFN03
 SEDOL: BHBFFN0

B share class (ACC: GBP)
 141.72p Share Price
 0.53% Ongoing Charge
 £10m minimum investment²
 ISIN: GB00B6Y2LD34
 SEDOL: B6Y2LD3

A share class (ACC: GBP)
 192.89p Share Price
 1.68% 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: 61
 Holding period³: 4.6 years
 Active Share vs Benchmark: 98%⁴

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 May 2017

MANAGER'S COMMENTARY

Market Background

May was a good month in global equity markets with the Fund's benchmark, the MSCI World Index of shares, returning 2.34% in pounds sterling.

Fund Performance

The Fund had a better month than the market, rising 3.45%. Resource Efficiency was the top performing theme with many of our advanced manufacturing companies (including Ansys, National Instruments, IPG Photonics, Keyence and Renishaw) all enjoying good momentum.

The single best performer was American simulation software provider Ansys. We met management shortly after they released strong results at the start of the month, and were again impressed by the potential for positive environmental impact from their products. Ansys's software lets engineers test new products without having to create physical prototypes, and then refine them for maximum efficiency in both production and operation. In addition, as the Internet of Things grows and multiplies the opportunity for energy savings from a wide variety of devices, Ansys has become a key enabler. Simulation supports embedding electronic content in physical devices, and even creating products previously not possible, such as driving billions of 'virtual' miles in autonomous cars. The weakest themes in the month were Sustainable Transport and Cleaner Energy. American train equipment manufacturer Wabtec, in the Sustainable Transport theme, was weak after results at the end of the previous month. We are still waiting for good news from the company's recent combination with former rival Faiveley, which should allow it to address the growth in mass transit systems globally.

Activity

We didn't add any new positions in the month but sold our position in American kidney care and physician network operator DaVita. We are patient investors and took our first position in DaVita over five years ago. We did this partly because of the important impact of DaVita's dialysis franchise, but also because we considered its 2012 acquisition of Healthcare Partners to be a potentially important move. Healthcare Partners was at the forefront of the transition from the inefficient 'fee-for-service' model of healthcare provision to the new 'fee-for-value' structure which promised to reduce costs and improve access to healthcare. Unfortunately the acquisition proved a bridge too far, and Healthcare Partners (now known as Davita Medical Group) now generates around \$350m of earnings before interest, tax, depreciation and amortisation per year, having generated \$527m in the year before it was acquired.

Fortunately better performance from the core business protected the company and shareholders from the kind of return one might otherwise expect. But even the prospects for the core business are now hazy, and we have finally lost patience with a management team too quick to believe its own hubris.

Outlook

Just after the month ended, on 2 June, Donald Trump decided to withdraw the USA from the 2015 Paris Climate accord. The decision was immediately condemned by the majority of the international community and a broad spectrum of US business leaders. Whilst we dislike the symbolic significance, we believe the announcement will have little or no impact on the burgeoning sustainability investment opportunity.

Price moves sourced from Bloomberg

PORTFOLIO ANALYSIS AS AT 31 MAY 2017

Theme Breakdown	%	Geographic Breakdown	%	Market Cap Breakdown	%
Cleaner Energy	6.72	Asia ex-Japan	5.69	Under \$1bn	2.11
Education	2.19	Europe	18.28	\$1-\$2bn	4.14
Environmental Services	9.49	Japan	7.95	\$2-\$10bn	39.36
Health	24.19	North America	61.09	\$10-\$20bn	25.07
Resource Efficiency	25.94	UK	4.73	Above \$20bn	27.07
Safety	7.56	Cash	2.25	Cash	2.25
Sustainable Transport	7.58				
Water Management	7.04				
Wellbeing	7.06				
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 11/09/2012 ¹
FP WHEB Sustainability C (Primary) Share Class	3.51%	4.09%	10.02%	29.50%	53.12%	94.40%
MSCI World Total Return	2.34%	0.95%	5.51%	31.26%	53.56%	99.60%

Discrete Performance	31 May 2016	31 May 2015	31 May 2014	31 May 2013	31 May 2012
	31 May 2017	31 May 2016	31 May 2015	31 May 2014	31 May 2013
FP WHEB Sustainability C (Primary) Share Class	29.50%	-2.20%	20.90%	6.44%	25.82%
MSCI World Total Return	31.26%	0.68%	16.19%	7.44%	29.71%

The FP WHEB Sustainability Fund was originally launched on 8 June 2009. ¹The C share class (now the Primary Share class) data is from 11 September 2012. ²The 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. ³The average holding period is derived from the fund turnover at the last reporting date (twelve months to 28.02.2017. 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. ⁴Active Share refers to the % overlap between the Fund and MSCI World Index weightings. Data as at 31 March 2017, source: Bloomberg. Fund data is provided by Bloomberg. Performance figures for the FP WHEB Sustainability Fund 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 MAY 2017 (Source: WHEB)

Stock	Theme	Description	Holding
Orpea	Well-Being	A leading operator of nursing homes for the elderly, post-acute and psychiatric clinics in France which is expanding its operations across Europe. It has adopted a quality-based strategy to care which helps it maintain high standards.	2.35%
Mettler-Toledo	Health	An leader in industrial weighing, measurement and analysis tools improving efficiency for laboratories, industrial and food retailing applications.	2.32%
Ansys Inc	Resource Efficiency	Develops product design, analysis & optimisation simulation software, cutting production time and costs, improves engineering processes and optimises product quality and safety for fuel efficient cars and planes, wind turbines, medical technology and consumer products.	2.26%
Intertek Group	Safety	Provides quality, safety, performance and regulatory testing services to renewable energy companies in over 100 countries and is developing greenhouse gas, environmental and health and safety consulting business.	2.23%
Agilent Tech	Health	A provider of bio-analytical measurement solutions to the life sciences, chemical analysis and healthcare industries as well as pollutant monitoring equipment for food and human body contaminant measurement.	2.16%
Grand Canyon	Education	Provides flexible and affordable online and campus-based graduate and undergraduate business, education and healthcare degree programs for students from all socio-economic backgrounds.	2.14%
Ecolab	Water Management	A global provider of hygiene products to restaurants, hotels and hospitals with an emphasis on energy and water efficiency.	2.13%
Praxair	Environmental Services	Supplies a variety of industrial gases to the manufacturing, steel-making, petrochemical, electronics, healthcare and other industries to help make processes more efficient, and reduce harmful emissions. The company also sells gases into the healthcare sector.	2.09%
Littelfuse	Safety	A global supplier of electrical safety and circuit protection products for the electronics, automotive and electrical industries.	2.09%
CVS Health	Health	The company engages in pharmacy benefit management services; mail order, retail and specialty pharmacy; disease management programs; and retail clinics.	2.08%

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.

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