



WHEB

General Fund Information

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

Fund Data as at 31/08/2017
 Fund size: £173m

C share class (ACC & INC: GBP)
 1.03% Ongoing Charge
 C share class (ACC: GBP)
 200.49p Share Price
 ISIN: GB00B8HPRW47
 SEDOL: B8HPRW4
 C share class (INC: GBP)
 150.73p 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)
 146.34p Share Price
 0.53% Ongoing Charge
 £10m minimum investment²
 ISIN: GB00B6Y2LD34
 SEDOL: B6Y2LD3

A share class (ACC: GBP)
 198.62p Share Price
 1.68% Ongoing Charge
 ISIN: GB00B4LDCG53
 SEDOL: B4LDCG5

Indicative Characteristics
 Holdings: 50-70
 Expected tracking error
 Range: 4-7%
 Average holding period: 3-5 years
 Actual Characteristics
 Holdings: 60
 Holding period³: 4.6 years
 Active Share vs Benchmark: 98%⁴

Key Dates
 Annual report 28 February
 Interim report 30 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 August 2017

MANAGER'S COMMENTARY

Market Background

The Fund's benchmark, the MSCI World index of stocks, rose by 2.46% in the month.

Fund Performance

The Fund outperformed during the month, rising 2.68%. The outperformance came late, after the reporting season for the second quarter finished. This is a mirror of the previous month, when the Fund underperformed after the arrival of the earnings season.

So we had a bad earnings season from a share price perspective, but on a fundamental basis our companies had a good set of results. This might mean that the market is underappreciating the value in our stocks. Alternatively, it could reflect good performance so far this year, and rising short-term expectations that weren't met. Either way, as we scoured the reports for signs of long-term trouble, we were pleased with what we saw. We remain confident that we're well positioned for the long term.

Activity

We closed two positions in the month and initiated one. In the Cleaner Energy theme, we sold our position in Canadian Solar and initiated a position in TPI Composites. These are both smaller US companies. It so happens that one is part of the solar energy value chain and the other is in the wind industry.

Despite appearances this doesn't reflect a strong thematic opinion about one technology over the other. Instead our decisions were based on the attractiveness of the two specific business models. TPI Composites makes the blades for wind turbines. It has a focussed business underpinned by long-term contracts.

By contrast Canadian Solar, which we had owned for nearly four years, has become a less focused business. At its core, Canadian Solar is one of the world's largest manufacturers of solar modules. Three years ago, it began to develop its own solar projects using these modules. At first, we were supportive of this move because project development was more attractive than module manufacturing. As time passed, however, it became increasingly difficult to understand the progress of the new projects business. In the meantime, the company's indebtedness rose ever higher, and disclosure and investor communications never reached the standard we were hoping for. As a result, we have lost confidence in the position and sold our stake.

The other sale in the month was Mednax, in the Health theme. Mednax operates a network of physicians in US hospitals, in anaesthetics, neonatology and radiology. Its services help to reduce the cost of care so should be part of the long term future of healthcare provision. At the moment it faces headwinds in each of its businesses, not least of which is the striking reduction in the birth rate in the US. This may in fact be a long term trend. There are also shorter term challenges from regulatory changes. We had been patiently awaiting a constructive response from management but when none came we sold our position.

Outlook

The tragic devastation caused by Hurricane Harvey, and the lack of resilience in the infrastructure in its path, are a reminder of the significant challenges posed by climate change. Our Fund invests in companies which provide mitigation and adaption as well as emissions abatement. We expect these companies to benefit from a decades-long increase in demand.

Price moves sourced from Bloomberg

PORTFOLIO ANALYSIS AS AT 31 AUGUST 2017

Theme Breakdown	%	Geographic Breakdown	%	Market Cap Breakdown	%
Cleaner Energy	7.27	Asia ex-Japan	5.83	Under \$1bn	2.09
Education	2.13	Europe	18.07	\$1-\$2bn	4.04
Environmental Services	9.81	Japan	8.58	\$2-\$10bn	41.02
Health	20.50	North America	60.41	\$10-\$20bn	23.89
Resource Efficiency	26.92	UK	4.80	Above \$20bn	26.66
Safety	8.09	Cash	2.30	Cash	2.30
Sustainable Transport	9.23				
Water Management	7.10				
Wellbeing	6.66				
Cash	2.30				

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	5 years ¹
FP WHEB Sustainability C (Primary) Share Class	2.68%	3.13%	13.47%	15.57%	51.82%	105.26%
MSCI World Total Return	2.46%	3.12%	8.81%	18.09%	53.15%	108.66%

Discrete Performance	Aug 2016	Aug 2015	Aug 2014	Aug 2013	Aug 2012
	-	-	-	-	-
FP WHEB Sustainability C (Primary) Share Class	15.57%	25.36%	4.79%	11.78%	20.95%
MSCI World Total Return	18.09%	25.28%	3.52%	12.80%	20.78%

The FP WHEB Sustainability Fund was originally launched on 8 Jun 2009. ¹The C share class (now the Primary Share class) data is from 11 September 2012 and prior to that date the A share class data is used. 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 30 June 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.



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 AUGUST 2017 (Source: WHEB)

Stock	Theme	Description	Holding
Stantec	Environmental Services	One of the leading engineering companies in North America with a focus on environmental consultancy	2.30%
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.	2.26%
Littelfuse	Safety	A global supplier of electrical safety and circuit protection products for the electronics, automotive and electrical industries.	2.21%
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.	2.15%
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.	2.15%
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.	2.15%
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.	2.13%
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.	2.12%
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.	2.11%
TE Connectivity	Sustainable Transport	The leader in the connectors and sensors industry using electronic components, network solutions and wireless systems to improve safety and fuel and energy efficiency in the automotive industry and industrial end markets.	2.11%

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.

Contact:

George Latham +44 20 3219 3414 george.latham@whebgroup.com
 Paul Pizzala +44 20 3219 3410 paul.pizzala@whebgroup.com
 Greg Hooker +44 20 3219 3411 greg.hooker@whebgroup.com

For more information, see www.whebgroup.com

Important Notices:

Risks include: the price of shares ("Shares") in FP WHEB Sustainability Fund ("Fund") may increase or decrease and you may 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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