



**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 30/09/2017  
 Fund size: £176m

C share class (ACC & INC: GBP)  
 1.03% Ongoing Charge  
 C share class (ACC: GBP)  
 198.96p Share Price  
 ISIN: GB00B8HPRW47  
 SEDOL: B8HPRW4  
 C share class (INC: GBP)  
 149.58p 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)  
 145.29p Share Price  
 0.53% Ongoing Charge  
 £10m minimum investment<sup>2</sup>  
 ISIN: GB00B6Y2LD34  
 SEDOL: B6Y2LD3

A share class (ACC: GBP)  
 197.01p 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: 61  
 Holding period<sup>3</sup>: 4.6 years  
 Active Share vs Benchmark: 98%<sup>4</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 September 2017

**MANAGER'S COMMENTARY**

**Market Background**

The Fund's benchmark, the MSCI World index of stocks, fell by 1.80% in the month.

**Fund Performance**

The Fund outperformed the benchmark in the month by 1.04%, while still falling 0.76%. The Environmental Services and Wellbeing themes both lagged, while Safety and Resource Efficiency did well. All four are quite diverse sectors and we detected no single piece of news or sentiment responsible. However the strongest theme of all in the month was the Sustainable Transport theme, and this month included a potentially quite significant event for that theme in the shape of the 2017 FIAA Motor Show in Frankfurt.

The FIAA, which rotates each year between Frankfurt (for cars) and Hannover (for commercial vehicles), is probably the most important motor show in the world and certainly has the largest number of cars on show. The 2017 edition may well be remembered as the symbolic start of the electric vehicle era. All the leading car brands had an electric vehicle concept on show and hybrid and electric technology was ubiquitous. Clearly, the formidable engineering power of the automotive industry is now focused on this challenge.

As a result, sentiment around the electric vehicle value chain strengthened and some of our Sustainable Transport names in this value chain were lifted. The challenge now is to navigate what may turn out to be unrealistic expectations about how quickly electric vehicle technology can be rolled out at scale.

**Activity**

We added one new position in the month. Centene is a Managed Care Organisation ('MCO') operating in 28 US states. It has a core specialism of managing government-backed 'Medicaid' healthcare programmes for low-income and disadvantaged people. These programmes are typically operated under tight budget constraints, and Centene has prospered by focusing on delivering the best possible standard of care for the lowest cost. It does this by working closely with its supply chain partners and understanding very precisely the needs of the patients it is responsible for. Centene has also made a shrewd investment in best-in-class information technology, most of it self-developed.

We have long admired Centene, but were hesitant to invest in the first year of President Trump's tenure. His very vocal promises to 'repeal and replace' Obamacare created a great deal of uncertainty in the US healthcare sector generally and in provisions for low income groups particularly. Logically it seemed unlikely that a company which makes it possible to look after more people for less would be negatively impacted, but logic has sometimes been stretched by this administration. We judge that the headline risk has now reduced enough to make the investment compelling.

**Outlook**

Since mid-2016 the Health theme has lagged the broader market. This has been due to concerns over regulatory change as outlined above, as well as questions over pricing for drug therapies. We are more exposed to the former than the latter, and indeed try to position ourselves for a transition to more affordable healthcare.

As reflected in our decision to start a position in Centene, we think it is possible to be more positive about the theme now, on a selective basis. This is a welcome return. For our other themes, the opportunity has been rich for a while and continues to get richer.

Price moves sourced from Bloomberg

**PORTFOLIO ANALYSIS AS AT 30 SEPTEMBER 2017**

Theme Breakdown	%	Geographic Breakdown	%	Market Cap Breakdown	%
Cleaner Energy	6.36	Asia ex-Japan	6.14	Under \$1bn	2.09
Education	2.26	Europe	17.91	\$1-\$2bn	2.22
Environmental Services	10.01	Japan	8.39	\$2-\$10bn	42.63
Health	21.23	North America	61.54	\$10-\$20bn	23.30
Resource Efficiency	27.20	UK	4.32	Above \$20bn	28.06
Safety	7.69	Cash	1.70	Cash	1.70
Sustainable Transport	10.18				
Water Management	6.87				
Wellbeing	6.50				
Cash	1.70				

**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 <sup>1</sup>
FP WHEB Sustainability C (Primary) Share Class	-0.76%	1.04%	12.60%	14.87%	51.68%	101.23%
MSCI World Total Return	-1.80%	1.50%	6.85%	14.41%	50.90%	102.74%

  

Discrete Performance	Sept 2016	Sept 2015	Sept 2014	Sept 2013	Sept 2012
	-	-	-	-	-
	Sept 2017	Sept 2016	Sept 2015	Sept 2014	Sept 2013
FP WHEB Sustainability C (Primary) Share Class	14.87%	31.25%	0.60%	10.23%	20.36%
MSCI World Total Return	14.41%	29.85%	1.58%	12.08%	19.87%

The FP WHEB Sustainability Fund was originally launched on 8 Jun 2009. <sup>1</sup>The 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. <sup>2</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>3</sup>The 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. <sup>4</sup>Active 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



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ZURICH

## 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 SEPTEMBER 2017 (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.	2.27%
Stantec	Environmental Services	One of the leading engineering companies in North America with a focus on environmental consultancy.	2.26%
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.	2.21%
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.	2.18%
Praxair	Environmental Services	Praxair supplies a variety of gases to industries including industrial manufacturing, steel-making, petrochemicals, electronics and healthcare which help to make manufacturing processes more efficient and so reduce harmful emissions from industrial processes and downstream products.	2.17%
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.	2.14%
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.	2.13%
Norma	Sustainable Transport	Norma Group develops and manufactures connecting technology and lightweight components used in the transport sector and the automotive market because of increasingly strict emission controls and the use of more complex emission control technologies.	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.	2.09%
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.	2.08%

## 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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For more information, see [www.whebgroup.com](http://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 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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