

**SHINING A LIGHT ON THE.....
FP Foresight Global Real Infrastructure Fund**

AT A GLANCE

Investment Objective
The Fund aims to grow, over any 5-year period, by more than 3% per annum above the rate of UK inflation (as measured by the UK Consumer Prices Index). There is no guarantee that the Fund will achieve a positive return over this, or any other, period and you may not get back the original amount you invested. The Fund will invest directly in the shares of companies (including listed Investment Trusts, Real Estate Investment Trusts (REITs), ETFs and other investment company structures depending on the relevant jurisdictions) or units of Master Limited Partnerships that, in each case, are publicly traded (listed) on stock exchanges in developed markets (meaning North America, Western Europe and Asia Pacific); and that own or operate real infrastructure or renewable energy assets anywhere in the world.

Inception Date	3 rd June 2019
Fund Factsheet Link	https://www.morningstar.co.uk/uk/funds/snapshot/snapshot.aspx?id=F000013N4C

Management	
Manager Name	Start Date
Nick Scullion	3 rd June 2019
Mark Brennan	3 rd June 2019
Carly Magee	3 rd June 2019

FUND PERFORMANCE

Performance from 3rd June 2019 to 30th June 2022:

	2019	2020	2021	2022
FP Foresight Global Real Infrastructure Fund	14.75%	27.90%	-1.51%	-4.29%
S&P Global Infrastructure TR USD	13.89%	-8.67%	12.90%	10.96%

Performance over 12 months, 3 years and since launch (since 3 June 2019):

	1 year	3 years	Since launch
FP Foresight Global Real Infrastructure Fund	-1.03%	34.23%	38.35%
S&P Global Infrastructure TR USD	20.12%	16.17%	21.33%

You should note that past performance is not a reliable indicator of future returns and the value of your investments can fall as well as rise. The total return reflects performance without sales charges or the effects of taxation, but is adjusted to reflect all on-going fund expenses and assumes reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the performance quoted would be reduced.

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Tracking Error	Active Share Class	Upside Capture Ratio	Downside Capture Ratio	Batting Average	Beta	Alpha	Equity Style
12.41	94.64	88.05	57.38	58.33	0.75	5.50	Blend/Mid

Volatility Measurements	
3-Yr Std Dev (volatility)	15.54%
3-Yr Mean Return (average)	10.31%

Investment Style Details	
Giant	0.00%
Large	12.13%
Medium	36.46%
Small	14.47%
Micro	2.77%

Top 5 Holdings – 21 holdings (other holdings 11)		
Easterly Government Properties Inc	Real Estate	6.15%
Infratil Ltd	Utilities	6.13%
Transurban Group	Industrials	4.61%
Greencoat Renewables	-	4.15%
Cellnex Telecom SA	Communication Services	4.03%

Top 5 Sectors	
Utilities	42.69%
Real Estate	39.97%
Communication Services	10.33%
Industrials	7.00%

Top 5 Regions	
United States	47.85%
Canada	15.14%
New Zealand	13.57%
Australia	7.00%
Spain	6.13%

UPDATE....

This is a strategy we recently added to our portfolios. The main reason was the sustainability angle and being on the right side of the energy transition. We reviewed the strategy in June but raised a flag around performance and this update is a focus on that side.

The areas of infrastructure that have done well are oil and gas, and there is no exposure to this part of the market. The reset in market expectations of interest rates driven by inflation hit most assets irrespective of quality. Where many infrastructure funds were able to counter this was the exposure to oil and gas, and so far the fund has not been able to ride this out because it has no exposure to this.

However, not having oil and gas benefited the fund in 2020, and if the long-term outlook on oil and gas is declining then this fund should, over the long term, outperform.

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The strategy looks to invest in listed infrastructure companies which are critical to communities, nations, and economies, i.e., those that make society function. They look at companies that have stable and predictable demand, high barriers to entry and long term contracted revenues. Having no exposure to fossil fuels is what makes this different.

As you would expect, the team are bullish on the renewable energy sector as this is changing the way we produce and consume energy now and in the future. Although in the short term the focus is on oil and gas as this is needed to transition, the team are not going to change the process to capture short term trends, but rather remain focused on the long-term opportunities.

Sustainability and valuation go hand in hand. They won't invest in a cheap company if the sustainability measures are not met. They have seen some pull back in the renewable energy sector and taken some profits from this to add to the digital infrastructure sector.

They have also seen some negative performance from long duration assets. Although this is a term used with bonds (debt), Easterly Government Properties is caught within this. This is the largest holding and leases purpose-built assets to the US Government. This is down over 20% this year. Medical facilities have also struggled.

This year has been one where the market sells first without asking questions, so effectively it sells what it can sell rather than what it should sell! Once the panic goes then people come back to quality and this is when the fund will recover.

They have made some small changes, adding HICL Infrastructure and Transurban Infrastructure as the valuations have come down. They have also reduced their renewable holdings and increased weightings to digital infrastructure (towers, 5G infrastructure, data cables and data centres).

The strategy is attracting more assets despite the short-term underperformance and now has around £583 million invested.

In summary, the team are trying not to think quarter to quarter. Although the performance in the short term has been weak, they believe the long-term opportunities remain strong. The sell-down has given them opportunities and they have been using this to make small tweaks to the portfolio. When the market turns and there is a greater focus on quality then the performance should shift.

The source of information in this note has been provided by Foresight and is correct as of July 2022. These are notes from meeting the fund manager or representative and should not be seen as a recommendation to purchase any fund mentioned. Any reference to shares is not a recommendation to buy or sell. Should you wish to make a decision based on these notes we cannot take responsibility for this, and you should carry out your own research before making a decision. We would also recommend that you receive advice before following up on any decision.