

FP Foresight Global Real Infrastructure Fund – August 2023

LWM FUND SPOTLIGHT FP FORESIGHT GLOBAL REAL INFRASTRUCTURE FUND

INVESTMENT OBJECTIVE

The fund targets risk adjusted returns by investing in a global portfolio of infrastructure and renewable asset owning companies.

INCEPTION DATE

3rd June 2019

FUND FACTSHEET

<https://www.trustnet.com/factsheets/O/qc1u/fp-foresight-global-real-infrastructure/>

MANAGEMENT

Manager Name

Nick Scullion

Start Date

3rd June 2019

RATIO DATA (3-years)

Alpha	Beta	Max Drawdown	Max Gain	Max Loss	Negative Periods	Positive Periods	Tracking Error
-5.52	1.24	-26.62	11.75	-15.85	76	80	7.64

OTHER DATA

Benchmark	CPI + 3% p.a.
Fund Size	£306.26 million
Fees	1.16%

BULL POINTS (PRO)

- Sustainable strategy focusing on clean energy assets
- Specialists within this area
- Listed infrastructure

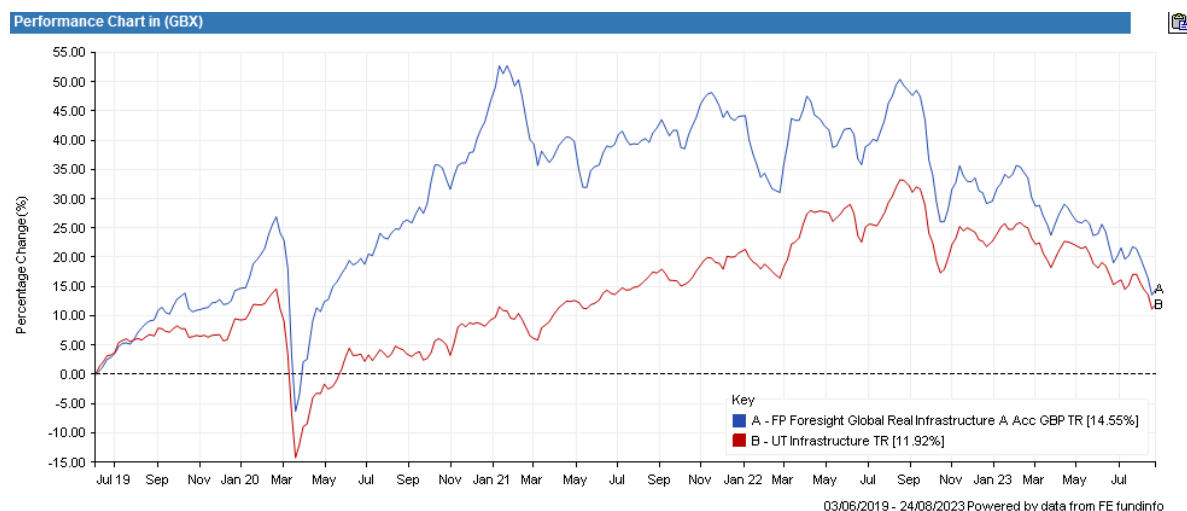
BEAR POINTS (CONS)

- Poor performance
- High fees in relation to performance

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FUND PERFORMANCE

Performance from 3rd June 2019 – 31st July 2023



Cumulative Performance (GBX)

	3 Months	6 Months	1 Year	3 Years	5 Years
Fund	-7.96%	-11.83%	-22.71%	-9.31%	
Sector	-5.82%	-9.21%	-15.70%	6.90%	21.68%
Relative to Sector	-2.27%	-2.89%	-8.32%	-15.16%	
Rank in Sector	13 / 19	13 / 19	16 / 17	13 / 15	
Fund Quartile	3	3	4	4	N/A

Performance by Calendar Year in (GBX)

	YTD	2022	2021	2020	2019
Fund	-12.22%	-9.72%	-1.51%	27.90%	
Sector	-9.12%	1.38%	11.58%	-0.19%	22.70%
Relative to Sector	-3.41%	-10.95%	-11.73%	28.14%	
Rank in Sector	13 / 19	15 / 16	15 / 15	1 / 15	
Fund Quartile	3	4	4	1	N/A

Discrete Annual Performance to Last Quarter End (GBX)

	0-12m	12m-24m	24m-36m	36m-48m	48m-60m
Fund	-12.58%	-1.03%	16.83%	16.09%	
Sector	-6.78%	10.02%	9.98%	-0.10%	15.49%
Relative to Sector	-6.22%	-10.05%	6.24%	16.20%	
Rank in Sector	12 / 17	15 / 16	2 / 15	1 / 15	
Fund Quartile	3	4	1	1	N/A

Fund Price Movement (GBX)

12 Month High	151.71 (Pence)	12 Month Low	112.16 (Pence)
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Annualised Ratios Over 36 Months

	Alpha	Beta	Sharpe	r ²	Volatility
Fund	-4.98	1.17	-0.01	0.66	13.54
Fund Quartile	4	2	4	4	4

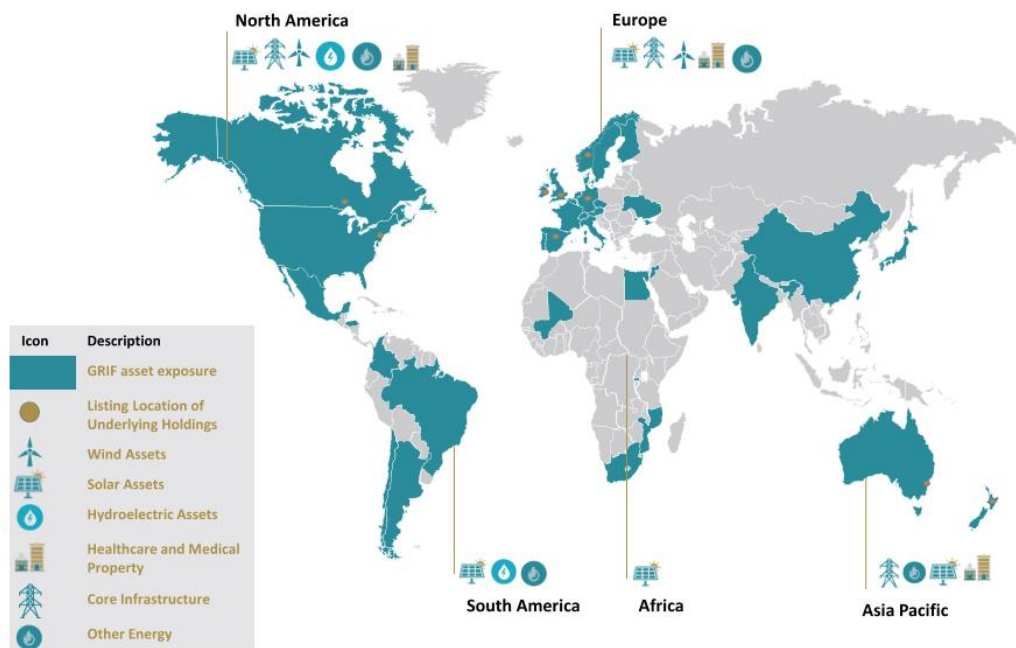
Please note that past performance is not a reliable indicator of future returns, and the value of your investments can fall as well as rise. The total return reflects performance without sales charges or the effects of taxation but is adjusted to reflect all on-going fund expenses and assumes reinvestment 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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Holdings

Company	Sector	Listing Location	Allocation
3i Infrastructure	Core Infrastructure	United Kingdom	5.71%
Easterly Government Properties	Government Facilities	United States	4.97%
Cellnex Telecom	Digital Infrastructure	Spain	4.92%
Brookfield Renewable Partners	Renewables	Canada	4.89%
Transurban Group	Core Infrastructure	Australia	4.77%
Infratil	Core Infrastructure	New Zealand	4.73%
Innervex Renewable Energy	Renewables	Canada	4.47%
Northland Power	Renewables	Canada	3.91%
Boralex	Renewables	Canada	3.67%
Clearway Energy	Renewables	United States	3.60%

Asset Distribution

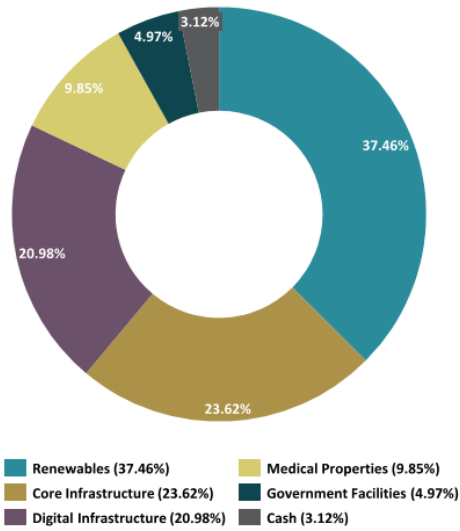


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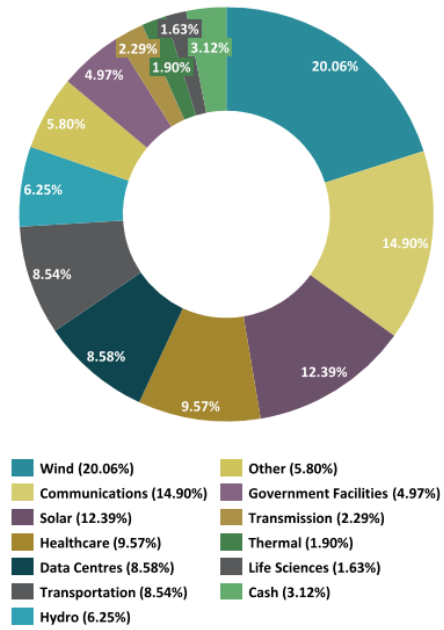
Sector Breakdown



Portfolio by Sector



Portfolio by Asset Split



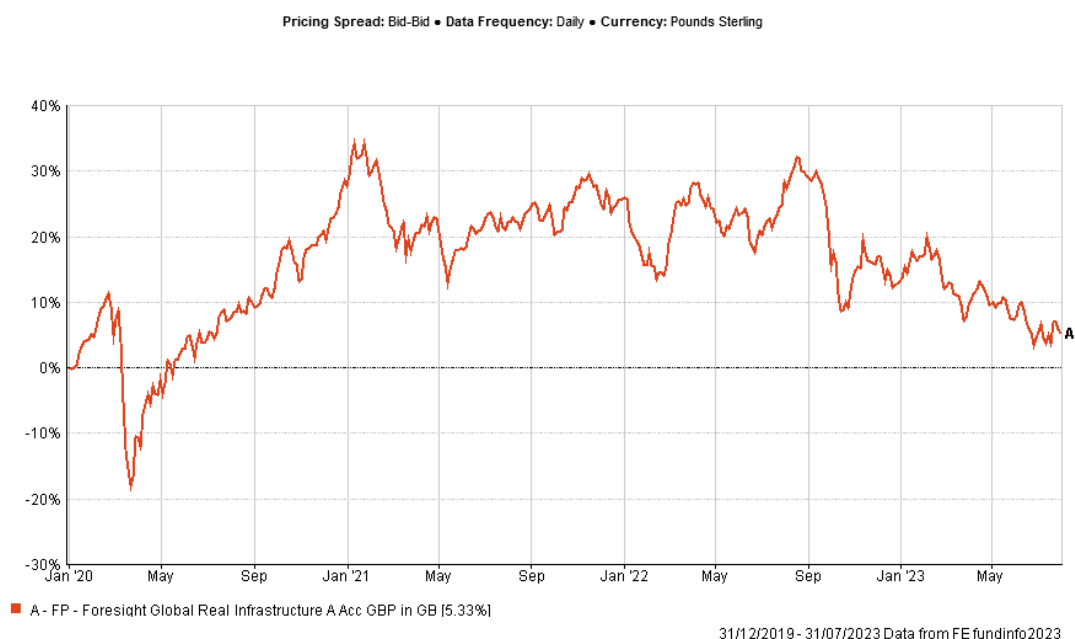
As at 30 June 2023

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LWM FUND ANALYSIS

There are many reasons to select this fund. Foresight have been investing in infrastructure for decades and are specialists within this area. It only invests in publicly traded shares of companies that own or operate real infrastructure or renewable energy assets.

Having said all that, the performance has gone nowhere since 2020 and is only slightly positive.



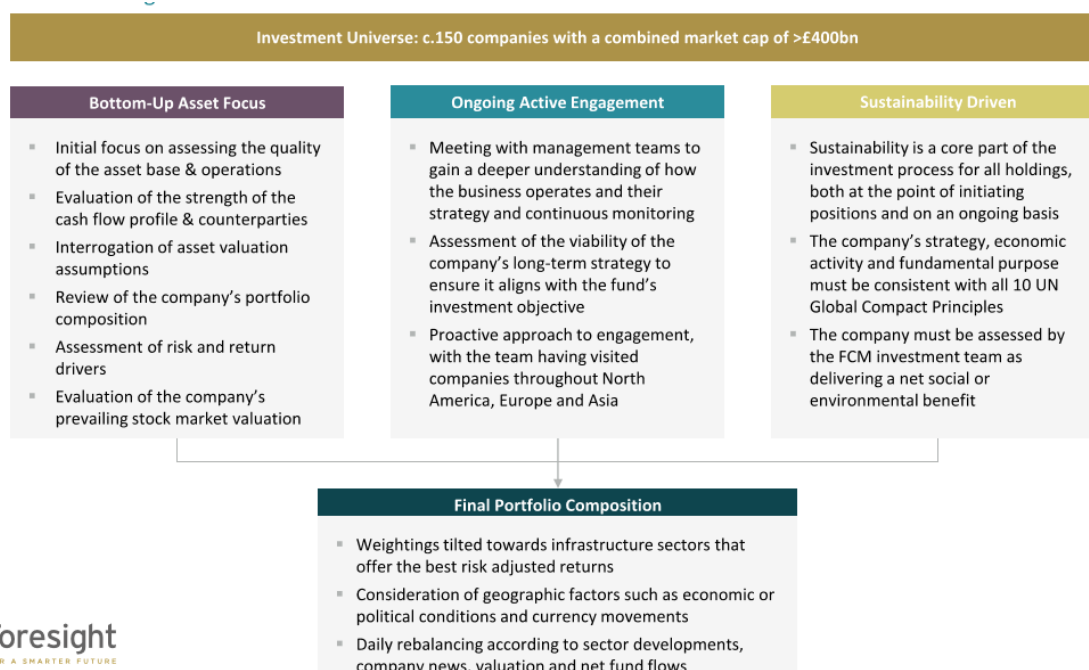
In part this will be because they do not hold areas of infrastructure such as oil and gas. However, other similar strategies have performed better with this headwind.

Looking at the chart, the fund recovered from its lows in 2020 to reach highs by the end of the year. This may have meant some of the assets were overvalued and since January 2021 the fund has drifted downwards.

The question is whether the team can turn this around. The valuations are at a 5-year low on a portfolio basis. It is invested in critical services where the demand will increase, and more funding is being provided. On this basis the fund should do well moving forward. If it doesn't, there is something fundamentally wrong either with the process or team.

The fund looks to hold 25 to 35 assets. The process is a mix of focusing on the assets alongside active engagement and sustainability.

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The sustainability strategy is outlined below:



This is a global strategy and examples of holdings include:

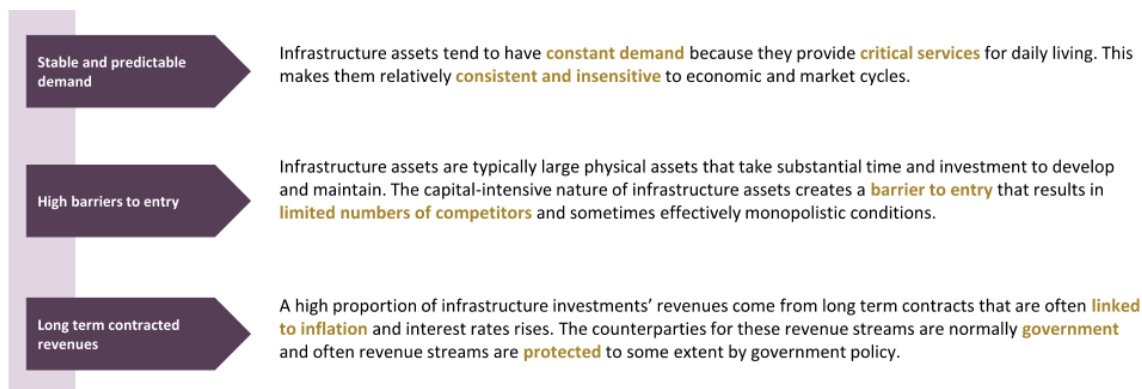
Easterly Government Properties – they acquire, develop and manage properties that are leased to the US government agencies that serve essential US government functions. An example of a holding is a Veterans Affairs Outpatient Facility.

Greencoat Renewables PLC – they are focused on the acquisition and management of operating wind farms. Initially this was in Ireland and has now progressed to Northern Europe.

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Boralex – is a power producer whose core business is dedicated to the development, building and operation of renewable energy power facilities.

The characteristics they are looking at include:



In summary, this is an infrastructure fund that invests with a sustainability focus. However, performance is an issue and over 1 and 3 years it sits near the bottom of its peers. We would recommend comparing to other strategies and see how it compares. It could be that those that have performed well have a wider remit.

The source of information in this note has been provided by Foresight and is correct as of August 2023. 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.

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