

FP Foresight Sustainable Future Themes Fund

Management Commentary

31 March 2024



The Fund invests in a global portfolio of listed companies that address the core themes of sustainable development and decarbonisation. The Manager takes an active approach to investing in companies with structural tailwinds and maintains a quality investment style driven by in-house sector and sustainability expertise. The Fund seeks to achieve attractive risk adjusted returns ahead of global equities over the investment cycle.

3.55%

Monthly Performance

2.45%

Total Return Since Inception¹

£21.23m

Fund Size at 31 March 2024

2.16%

12-Month Trailing Dividend

Past performance is not a reliable indicator of future results.¹The Fund's inception date is 28 March 2022.

Market Update

- Major central banks continue to navigate 'soft landings', standing firm in the face of fluctuating market expectations regarding policy rate cuts. The Federal Reserve Open Market Committee members polled an average expectation of 75bps of cuts in 2024, unchanged from December 2023, as GDP data revisions and manufacturing PMIs demonstrate robustness in the face of restrictive policy.
- As CPI continued to fall in Europe and the UK, the respective central banks remain cautious of domestic wage growth and services inflation. Nonetheless, gilt yields retreated slightly over March in the face of a weak growth outlook, falling inflation and looser employment data.

Portfolio News

- GXO Logistics (GXO) announced its offer to acquire Wincanton, a leading supply chain solutions provider across UK and Ireland, for £6.05 per share (~\$967m enterprise value). Wincanton provides services including storage, handling, and distribution, as well as network optimisation for many of the UK's most well-known brands. The acquisition is projected to add approximately 17% to GXO's revenue and potentially more if synergy targets are met. The acquisition expands GXO's presence in key strategic growth verticals, providing a springboard to offer industrial services across Europe and enhance services for UK customers.
- Orsted (ORSTED) entered into an agreement with Stonepeak, a leading infrastructure investment firm, to divest an equity ownership stake in a portfolio comprising four US onshore wind farms with a combined capacity of 957MW for \$300m. This marks Orsted's first collaboration with Stonepeak and its second major divestment of multiple assets in the US as part of its farm-down program. Under the agreement, Stonepeak will receive 80% of cash distributions from the projects, while Orsted will retain operational control. In addition, the Biden administration has greenlit Orsted's plans to construct a ~1GW offshore wind farm near Martha's Vineyard, Massachusetts, paving the way for the project to commence supplying power to New York by 2026. This marks a significant stride towards achieving clean energy objectives and fostering the growth of the American offshore wind industry, which had been hindered by inflation, increased borrowing costs, and supply-chain challenges.
- Vital Farms (VITL) announced its Q4 and 2023 results, showcasing strong topline growth propelled by solid volume and price uplifts. VITL's strong cash generation and growing market share, coupled with a clear roadmap for distribution and capacity expansion, provides confidence in the company's \$1 billion sales target and 12-14% margin goal by 2027. With a continued commitment to ethically raised eggs, VITL stands well positioned to seize opportunities amid rising demand, driving market share gains and margin expansion through enhanced operating leverage.
- The Environmental Protection Agency's (EPA) recent announcement regarding stringent new tailpipe emission requirements for light and medium-duty vehicles presents a promising opportunity for companies such as ChargePoint (CHPT) in the United States. This policy is expected to accelerate the shift towards electric vehicles (EVs) and plug-in hybrid electric vehicles (PHEVs), as well as act as a catalyst for transitioning away from traditional combustion engines. With President Biden's ambitious goal to electrify the nation's fleet by 2032, aiming for every



other car sold to be electric or a plug-in hybrid, the electric vehicle sector is poised for significant growth and innovation.

Portfolio Changes

- No significant portfolio changes during the month.

Source: Foresight Group, Company Reports, April 2024.

Important Notice

The value of an investment in the Fund, and any income from it, can fall as well as rise. Investors may not get back the full amount they invest. Past performance is not a reliable indicator of future results. We recommend investors seek professional advice before deciding to invest. Investors must read the Fund Prospectus ("Prospectus"), dated July 2023 and Key Investor Information Document ("KIID"), dated July 2023, before making an investment decision. The opportunity described in this document may not be suitable for all investors. Attention should be paid to the risk factors set out in the Prospectus. Words and expressions defined in the Prospectus shall have the same meaning in this Investor Factsheet. Foresight Group does not offer investment or tax advice. There are a number of other risks connected to an investment in the Fund, including (but not limited to) counterparty risk, liquidity risk and volatility. These risks are explained in the Fund Prospectus. This has been approved as a financial promotion for the purposes of Section 21 of the Financial Services and Markets Act 2000 by Foresight Group LLP ("Foresight Group"). Foresight Group is authorised and regulated by the Financial Conduct Authority (FRN 198020). Its registered office is The Shard, London SE1 9SG. FundRock Partners Limited is the authorised corporate director of the Fund and Foresight Group is the investment manager. Unless stated otherwise any opinions expressed are those of Foresight Group and may change. They should not be viewed as indicating any guarantee of return from an investment managed by Foresight Group nor as personalised advice or recommendation of any nature. This document should not be taken as a recommendation or offer by anyone in any jurisdiction in which such an offer is not authorised or to any person to whom it is unlawful to make such an offer or solicitation. Portfolio holdings are subject to change at any time without notice and information about specific securities should not be construed as a recommendation to buy or sell any securities. We respect your privacy and are committed to protecting your personal data. If you would like to find out more about the measures we take in processing your personal information, please refer to our privacy policy, which can be found at <http://www.foresightgroup.eu/privacy-cookies>. April 2024