

FP Foresight Sustainable Real Estate Securities Fund

Management Commentary

31 March 2025

The Fund invests in developed market real estate companies with structural tailwinds and solid sustainability credentials. The Manager takes an active approach to investing in real estate companies that benefit from secular trends across environmental, demographic, social and economic factors. The Fund seeks to achieve a positive total return underpinned by a 4% dividend yield over a rolling 5-year period.

(2.78%)

Monthly Performance

(7.07%)

Total Return Since Inception*

£35.23m

Fund Size as at 31/03/2025

3.10%

12-Month Trailing Dividend

Past performance is not a reliable indicator of future results. Target yield is not guaranteed. *The fund's inception date is 15 June 2020.

Market Update

- Geopolitics and deglobalisation continued to dominate economic discourse in March in the lead up to Trump's 'Liberation Day'. Concerns regarding the dual inflationary and negative growth impact of reciprocal tariffs intensified, with economists pointing to a stagflation scenario. Treasury yields retreated amidst growth concerns with additional cuts to stimulate business activity in a weaker growth environment priced in by markets.
- In the UK, a softer than expected inflation print and Spring Budget, funded through cuts to government departments and welfare spending rather than additional debt issuance, saw UK yields retreat towards the end of the month.

Portfolio News

- The Managers continue to favour companies with strong balance sheets and those benefitting from favourable demand and supply dynamics to support pricing power and earnings visibility. Crown Castle ("CCI"), the U.S.-based tower infrastructure owner and operator, announced the sale of its fibre and small cell business for \$8.5 billion following a 15-month strategic review. Proceeds will be used to reduce debt and fund a \$3bn share buyback program, while the annual dividend will be lowered by approximately one-third to \$4.25 per share starting next quarter—an adjustment widely anticipated by FCM and the market. This move is seen as a positive step, streamlining CCI's business model to focus on communication towers and eliminating capital-intensive demands of the fibre and small cell segments.
- The Managers are actively exploring valuation opportunities presented by the decoupling of price and value in structurally growing sectors such as healthcare and senior living. The preference remains for high quality owners and operators with solid sustainability credentials, strong tenants, and defensive balance sheets.

Portfolio Changes

- There were no significant portfolio changes to report during the month.

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