



# Foresight

FOR A SMARTER FUTURE

## **FP FORESIGHT SUSTAINABLE REAL ESTATE SECURITIES FUND**

Targeting a 4% income yield by investing in a global portfolio of sustainable listed real estate companies.

### **INVESTOR GUIDE**

This Investor Guide is a financial promotion for the purposes of the Financial Services and Markets Act 2000 and should only be read in conjunction with the Prospectus published June 2020. Your attention is drawn to the important risk warnings contained therein. Words and expressions defined in the Prospectus shall have the same meaning in this Investor Guide.

JUNE 2020

# Why Listed Real Estate for Resilient Income and Deep Liquidity?

FP Foresight Sustainable Real Estate Securities Fund (“the Fund”) is an opportunity for investors to access the income and dependable returns associated with real estate investing alongside the liquidity provided by the public markets. The Fund will target a 4% income yield from a portfolio of listed, highly liquid Real Estate Investment Trusts (“REITs”), which have exposure to sustainable and long duration real estate-backed cash flows.

High quality real estate companies active across a range of defensive and growth-focused sectors are well positioned to deliver attractive income yields for investors. The rapid acceleration of e-commerce and digitalisation is driving global demand for logistics buildings, data centres and communications infrastructure. The de-centralisation of healthcare is leading to the continued development of bespoke, community-focused primary health centres and facilities. These trends are only accelerating in the wake of the Covid-19 pandemic, as consumer and corporate behaviour fundamentally adapts and evolves. Blue-chip tenants, providing critical real estate assets for economies and communities, are the source of income for the Fund’s REIT holdings and have proved resilient through recent economic cycles.

Through investing in listed REITs, often with multi-decade track records, the Fund is able to access these kinds of real estate assets and resilient growth trends without compromising on liquidity. With a weighted average market capitalisation of over £8.2bn within the portfolio, the Fund is not dependent on buying and selling buildings to match liquidity demands, but will instead buy and sell the globally listed shares of its portfolio companies.

The Fund achieves these benefits for investors whilst also adhering to Foresight’s driving purpose; investing for a smarter future.

## Five Key Reasons To Invest in FP Foresight Sustainable Real Estate Securities Fund

### 1 A highly liquid route to real estate exposure

The Fund will invest solely into listed Real Estate Investment Trusts (and similar). This means that liquidity is subject to being able to trade the shares on a stock exchange, as with an equity fund, and not on buying or selling physical properties, which can take weeks or months.

### 2 A resilient yield in a low rate environment

The Fund will target a 4% income yield, which will be generated by property sectors enjoying tailwinds. In a low rate environment, these real estate sectors can play a vital role in income-focused portfolios.

### 3 Contributing directly to a sustainable future

We will invest only in companies that deliver a net social or environmental benefit, meet the ten principles of the UN Global Compact and meet one of four pre-defined UN Sustainable Development Goals.

### 4 Diversified global exposure to growth sectors

The Fund will provide investors with a globally diversified exposure to real estate, investing in companies with assets in Europe, North America and developed Asia. The portfolio will focus on attractive sectors such as logistics, medical properties, social housing and data centres.

### 5 Specialist and award-winning fund management team

The Fund is managed by an award-winning fund management team, with a multi-year track record of investing in listed real estate.



# The Benefits of Listed Real Estate

*As a % traded of market capitalisation, UK REITs are 25% more liquid than UK Equities, with Global REITs 4% more liquid than Global Equities.*

## Liquidity you can rely on

The market for REITs is large and very liquid. There are over 800 individual REITs with a total market capitalisation of c.£1.3tn.

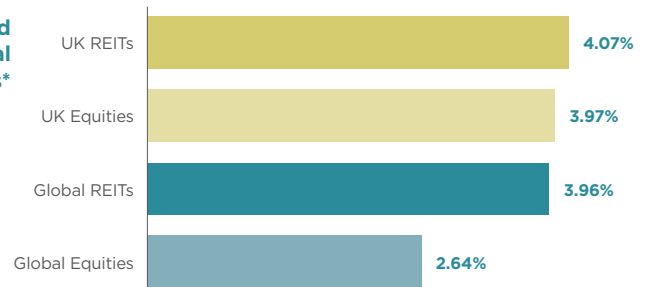
The Fund will focus on highly liquid REITs that own quality assets. The average market capitalisation of the model portfolio is £8.2bn.

## Dependable income

REITs have the ability to provide investors with an attractive and dependable dividend yield.

Since the Global Financial Crisis\*, the dividend yield of both the UK and Global REIT market has exceeded that of UK and Global Equities

**Average dividend yields since the Global Financial Crisis\***

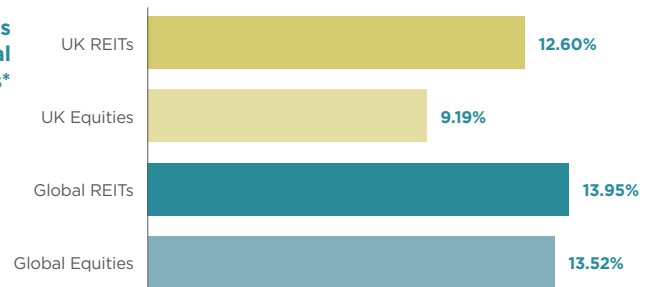


## Attractive total returns

Real estate provides investors with a combination of income and the potential for capital growth.

The annualised returns since the Global Financial Crisis\* equity market low show how REITs can provide an attractive total return to investors.

**Annualised returns since the Global Financial Crisis\***



\*Returns since equity market low on 09/03/2009



## What we mean by investing sustainably

The Fund will invest only in REITs that are deemed to be sustainable by the Fund Manager.

Sustainability is vital for the longevity and growth of REITs, and therefore assessing sustainability is a critical part of the investment process. In order to be included within the portfolio, all investments must provide a net social or environmental benefit and meet the Fund's three-stage Sustainable Investment Criteria assessment process.

### Stage 1

The company must comply with the Ten Principles of the UN Global Compact.

### Stage 2

The company must make a demonstrable impact against at least one of four predefined UN Sustainable Development Goals.

### Stage 3

On the basis of detailed due diligence and discussion with management, the fund management team must conclude that sustainability is a core and long-term focus of the company's portfolio and strategy.





“ As many traditional sources of income come under sustained pressure, real estate companies with exposure to fundamental long-term growth trends can provide investors with a resilient, liquid source of income that is difficult to replicate in the current environment.

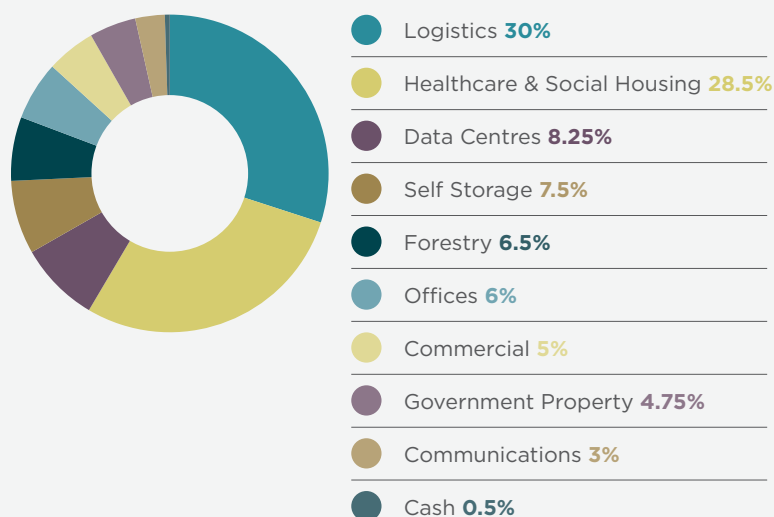
**Mark Brennan**  
Lead Fund Manager

### Top Ten Fund Holdings

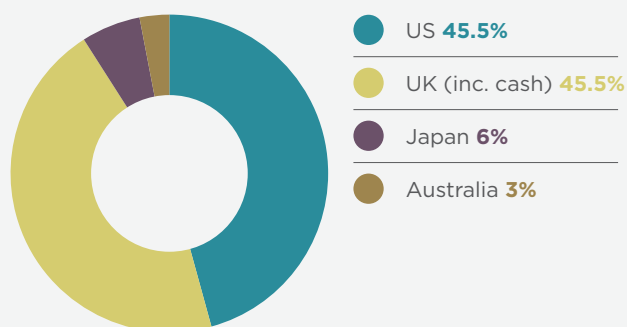
Company	Listing Location	Sector	Target Allocation*
Civitas Social Housing	UK	Healthcare & Social Housing	9.75%
Tritax Big Box	UK	Logistics	9.75%
Medical Properties Trust	US	Healthcare & Social Housing	7.00%
Physicians Realty Trust	US	Healthcare & Social Housing	7.00%
Supermarket Income	UK	Commercial	5.00%
LondonMetric Property	UK	Logistics	4.75%
Office Properties Income Trust	US	Government Property	4.75%
Primary Health Properties	UK	Healthcare & Social Housing	4.75%
PotlatchDeltic	US	Forestry	4.50%
CoreSite	US	Data Centres	4.25%

\*as at 15/06/2020

### Sector Breakdown % of Portfolio



### Geographic Breakdown % of Portfolio



## The Fund Managers



**Mark Brennan**  
Lead Fund Manager

Mark is the Lead Fund Manager responsible for investment decisions and portfolio strategy. He is also the Lead Fund Manager of the FP Foresight UK Infrastructure Income Fund ("FIIF"), leading its growth to £500m of assets in under three years. Mark has built a successful multi-year track record investing in real estate securities through his management of FIIF. Prior to joining Foresight in 2017, Mark held a range of roles within the alternative investment space, including at Aberdeen Standard Investments and the UK Green Investment Bank.



**Nick Scullion**  
Head of Foresight Capital Management

Nick is the Head of Foresight Capital Management and is responsible for fund management and growth of Foresight's open-ended fund business. He is the lead manager of the FP Foresight Global Real Infrastructure Fund. Nick joined Foresight Group in 2017 and has ten years' experience in fund management, capital markets and corporate finance.



**Eric Bright**  
Investment Manager

Eric Bright joined Foresight in 2019 and currently works as an Investment Manager. He has over five years' experience, previously managing a fund and discretionary portfolios at Reyker Securities. He is responsible for fund management in Foresight's open-ended funds business. Eric is a CFA Charterholder.



## Details of the Fund

<b>Fund Name:</b>	FP Foresight Sustainable Real Estate Securities Fund
<b>Investment Manager:</b>	Foresight Group LLP
<b>Regulatory Status:</b>	FCA authorised UCITS
<b>IA Sector:</b>	Authorised
<b>Launch Date:</b>	15 June 2020
<b>Performance Objective:</b>	The Fund aims to provide an income yield of 4% net of fees with a secondary objective to achieve capital growth over a rolling 5 year period
<b>ESG</b>	Sustainability is fully integrated into the investment process. All investments must meet the Fund's Sustainable Investment Criteria
<b>Share Classes:</b>	Accumulation & Income units
<b>ISIN:</b>	Acc: GBO0BMFYBB80 / Inc: GBO0BMFYBC97
<b>SEDOL:</b>	Acc: BMFYBB8 / Inc: BMFYBC9
<b>Bloomberg Ticker:</b>	Acc: FPRESAA LN / Inc: FPRESAG LN
<b>Minimum Investment:</b>	Lump Sum: £1,000 + subsequent increments of £500. Regular Savings: £100 per month
<b>Ongoing Charges (OCF):</b>	0.85%
<b>Transaction Costs:</b>	Refer to your platform or the latest Fund EMT for the latest transaction costs
<b>Currency:</b>	GBP (unhedged)
<b>Authorised Corporate Director:</b>	FundRock Partners Limited
<b>Suitable For:</b>	Institutional Investors, Direct Investors, SIPPs, ISAs, Charities, Offshore Bonds, SSAS
<b>Next Steps:</b>	If interested in investing in, or finding out more about, FP Foresight Sustainable Real Estate Securities Fund we recommend you talk to your broker or financial adviser, visit our website <a href="http://foresightgroup.eu">foresightgroup.eu</a> where you will find the latest share price and can download copies of the Fund factsheets, the investor presentation and Prospectus, and the Key Investor Information Document (KIID), or you can contact us using the methods listed below:

### For further information contact Foresight:

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### IMPORTANT INFORMATION

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. We recommend investors seek professional advice before deciding to invest. Investors must read the Fund Prospectus ("Prospectus") and Key Investor Information Document ("KIID"), dated June 2020, 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. 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. Personal opinions may change and should not be seen as advice or a recommendation. 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. The Fund focuses on the global listed real estate sector only and will have a less diverse portfolio than the average OEIC. 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/privacycookies/>. **Capital is at risk. June 2020.**