King

Ethical Fund

December 2017

Fund information for quarter end 31st December 2017

(ds dt 51/	12/20	JT7)
Underlying	fund	aunch

Underlying fund launch date	01/04/2003
Unit price	1154.20p
Underlying fund size (£m)	390.1
Yearly fund charges*	0.910%
Investment Approach	Active

*The charges shown are the total charges that will be deducted from your Retirement Account while you are a member of the KPS-MP. For further information please refer to the scheme literature.

Fund holdings

Funds

Target fund holdings

Zurich⁺ F&C Responsible Global Equity 100.00%

[•]Zurich is not a fund manager - the Zurich funds invest in the underlying fund.

Portfolio Manager

Jamie Jenkins (Lead Manager) / Alice Evans (Deputy Manager)

Top Holdings

· · · · · · · · · · · · · · · · · · ·	
APPLE INC	3.90%
XYLEM INC	3.60%
MASTERCARD INC	3.40%
PRUDENTIAL PLC	2.70%
KERRY GROUP PLC	2.50%
KUBOTA CORP	2.50%
PRAXAIR INC	2.50%
ROPER TECHNOLOGIES INC	2.50%
US BANCORP DELAWARE	2.50%
ING GROEP N.V.	2.40%

Fund objective

The fund aims to provide long-term growth by investing in the shares of companies that meet a set of ethical criteria. The benchmark is currently the MSCI World Index.

Who manages the funds?

Zurich delegates the investment management of the fund for the Kingfisher Pension Scheme Money Purchase Section (KPS-MP) to an underlying fund manager. The fund is currently managed by F&C. Please note that the Trustee has the flexibility to change the underlying fund manager(s) at any time.

51.10%

11.60%

8.10% 8.00% 7.20%

6.10%

2.70%

2.40% 2.00%

0.80%

24.00%

18.40%

Fund features

This fund invests in shares of companies that meet a set of ethical criteria.

Asset split

US Equities
Japanese Equities
German Equities
International Equities
UK Equities
Dutch Equities
French Equities
Irish Equities
Taiwanese Equities
Money Market

Sector split

Information Technology Financials
Industrials
Health Care
Consumer Discretionary
Consumer Staples
Materials
Real Estate
Utilities
Money Market



This data is based on available data for the underlying Zurich pension fund(s) and target fund holdings as shown.

Commentary

The F&C Responsible Global Equity Fund returned 2.7% during the third guarter, outperforming its benchmark. On a sector basis, the biggest overall positive contributions came from consumer discretionary and consumer staples, where stock selection was most favourable. Sector allocation was neutral, with the zero exposure to energy hindering performance, offset by positive contribution from the overweight to information technology and underweight to consumer staples. On a regional basis, asset allocation was also largely neutral. During the quarter, we initiated a new position in Wolters Kluwer, where we foresee steady, compounding growth. We added to our existing holding in healthcare company Henry Schein, where we view the recent negative reaction to earnings as overdone. We disposed of our holding in healthcare provider Raffles Medical and we trimmed our positions in Japanese manufacturer Keyence and UK based testing specialist Intertek following strong stock price performances. The global macroeconomic backdrop remains supportive for equity markets to continue their grind higher. Fears that the US would run into capacity constraints are not materialising and the gradual increase in interest rates and planned tapering of the Fed's balance sheet have failed to derail markets. Elsewhere, the improvement in global economic growth means we are seeing coordinated global growth allowing volatility to continue to run at very subdued levels. Our portfolio positioning retains its bias towards higher quality, sustainable growth companies that can prosper in spite of any near-term economic and policy-driven volatility. We still believe that higher quality companies should outperform over the long-term, due to their robust cash flow, focus on improving total shareholder returns and increasing franchise value.

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Things you need to know

We've based this information on our current understanding of law and practice. We make every effort to ensure that this information is helpful, accurate and correct, but it may change or may not apply to your personal circumstances. All funds carry some risk and you should consider these risks before making an investment decision. Investment returns are not guaranteed and the value can fluctuate. The main factors which may increase the risk of a fund include:

- * The amount invested in company shares
- * The split between government and corporate bonds * The extent to which the fund invests in high yield assets
- * The amount held in overseas assets
- * Any concentration in specific areas or sectors

All or some of the investments are made through a reinsurance arrangement so if the linked life insurance company(ies) were to fail you may lose some or all of your money and this will not be covered by the Financial Services Compensation Scheme.

What is the dealing cycle?

The fund is forward priced, which means that the member gets the next available price after they invest. The fund has a dealing cycle of T + 0. This means that the money received on day T buys units at the valuation date price applicable at close of business on the same day.

Who is this factsheet for and what does it do?

This factsheet is for the members of the Kingfisher Pension Scheme Money Purchase Section (KPS-MP). Its purpose is to indicate how investment markets and funds have performed over the period and is provided for information only. If you are not familiar with any of the investment terminology included on this factsheet, then please contact an Independent Financial Adviser. If you do not have an Independent Financial Adviser you can find a local adviser at www.unbiased.co.uk. The commentary in this factsheet reflects the general views of the individual fund manager(s) and should not be taken as a recommendation or advice as to how a specific market or fund is likely to perform.

Cumulative performance of the growth phase (as at 31/12/2017)					
	3 months	6 months	1 year	3 years	5 years
Fund	5.55%	8.14%	17.75%	59.57%	125.12%
Benchmark	4.64%	6.21%	11.80%	50.36%	109.98%

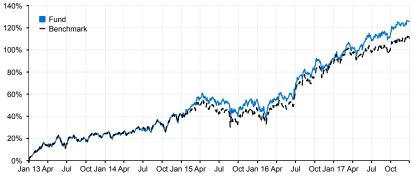
Discrete performance of the growth phase (as at 31/12/2017)

			31/12/2014 - 31/12/2015		
Fund	24.32%	13.48%	9.60%	23.65%	17.75%
Benchmark	24.61%	12.07%	4.87%	28.24%	11.80%

Annualised performance of the growth phase (as at 31/12/2017)					
	3 years	5 years	10 years		
Fund	16.86%	17.62%	-		
Benchmark	14.56%	15.99%	-		

Fund vs Benchmark

The graph below illustrates the performance of the fund from 31/12/2012 until 31/12/2017. The fund is designed to provide a return in line with the benchmark. This is expected to be the case over the long term. However, there may be times when the fund performance does not match the benchmark. This may be due to a number of reasons. For example, cash flows in and out of the fund resulting in unit price movements and slight timing differences for the period over which performance is measured.



^{31/12/2012 - 31/12/2017 ©} Financial Express Holdings 2018

Source: Financial Express as at 31/12/2017. You shouldn't use past performance as a suggestion of future performance. It shouldn't be the main or sole reason for making an investment decision. The value of investments and any income from them can fall as well as rise and will be reduced in real terms by the effects of inflation. You may not get back the amount you invested. HM Revenue and Customs (HMRC) practice and law are complex. Tax concessions are not guaranteed, their value will depend on individual circumstances and may change in the future.

Fund performance data is based on a unit price basis and doesn't take into account fees and expenses which are specific to individual plans.

For more information please contact the Trustee of the KPS - MP

www.kingfisherpensions.com

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