

Ethical Outcomes from Impact Investing – the WHEB Sustainability strategy

WHEB Asset Management’s mission is to advance sustainability and create prosperity through positive impact investments.

Impact Investment

We are an impact investor; which means we consider the positive social and environmental impact of our investments as a critical part of our investment process. We also measure and report the impact of our investments. When we consider impact, we consider the products or services created by the company. We also consider the way in which the company creates those products and services. This includes environmental, social and governance considerations.

Impact Criteria for the WHEB Sustainability strategy

We are the manager of the WHEB Sustainability strategy that is offered through several fund vehicles, including the FP WHEB Sustainability Fund and the WHEB Sustainable Impact Fund (“the Funds”). The Funds invest in companies providing solutions to sustainability challenges and we apply this principle rigorously using fixed criteria:

Specifically, at least half of the company’s revenues must be derived from businesses with positive impact related to our sustainability investment themes. As a consequence, over 80% of companies in the MSCI World Index do not qualify as investments for the Fund.

The provision of solutions to sustainability challenges is by definition a positive impact activity. With approximately 85% of aggregate revenues coming from sustainability solutions, we are confident that the Funds’ overall impact is strongly positive.

Ethical Outcomes

In addition, when we analyse companies, we consider potential negative impacts associated with their products and services as well as their operations. We only invest in companies where we are clear on the overall positive impact of the business.

As a result of this approach, we have never invested in any company with activities substantially related to the provision of: alcoholic beverages, cosmetics where animal testing has been involved, gambling products or services, fossil-fuel exploration or production, intensive farming practices, nuclear power generation, pornographic materials, tobacco products, unsustainable timber products or weapons.

We consider these products to have a significant negative impact. Companies that have significant activities in these areas would not be considered to have an overall positive impact and would therefore be ineligible for investment¹.

Our investment process actively reviews the environmental, social and governance quality of a business. Companies with persistently poor practices regarding equal employment opportunities, human rights and environmental management are highly unlikely to be selected for investment. If a company is considered particularly weak on any single metric in our fundamental analysis profile, scoring a zero, it will not be qualified for investment.

Safeguards

Consideration of impact is central to our investment process. Our experienced Investment Team carries out all analysis of impact and environmental, social and governance factors. Additional tools that underpin and safeguard this approach include:

- A current list of the Funds' holdings, along with a brief impact rationale for them, is always available on our website.
- Our internal Investment and Risk Committee reviews the Investment Team's decisions on a monthly basis. Our independent Investment Advisory Committee reviews the decisions again every four months with a specific remit to consider the fund's compliance with the stated positive impact philosophy, policies and objectives of the fund.
- The minutes of the meetings of the Investment Advisory Committee are published on the website and include a summary of the committee's discussions of each stock purchased for the fund.

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ⁱ We define 'significant' as more than 5% of revenues.