

3D Fund Profile:

FP WHEB Sustainability Impact

April 2025



3D Rating:



The managers of this fund intend to make a wider positive social or environmental impact, substantiated by investment in companies providing solutions to social and environmental challenges through their core products and services.

Key Facts as at 31/03/2025

| | |
|-------------------------------|---|
| Manager | Ted Franks, Ty Lee and Claire Jervis |
| The Fund's Objective | To achieve capital growth over 5 years and contribute to positive sustainability impact over this period. |
| Launch Date | 08/06/2009 |
| Structure | UCITS OEIC |
| ISIN Code | GB00B8HPRW47 |
| Currency | GBP |
| Size | £434m |
| Sector | IA Global Sector Average Total Return |
| The Fund's Official Benchmark | - |
| SDR Label | Sustainability Impact |
| 3D Classification | 3D Impact |
| % Holding Coverage | 99.4% |
| Number of Holdings | 42 |
| Ongoing Charges | 1.03% |

Source: WHEB Asset Management, Square Mile Research & LSEG Lipper (all rights reserved).

Fund Summary:

Summary

To achieve a Gold 3D rating within our 3D Impact fund classification, a fund must have a strong focus on investments in activities classified as solutions under the 3D framework with impact and/or sustainable characteristics. It should also have minimal exposure to harmful impact activities and little to no involvement in controversial activities. Additionally, the fund group is likely to have scored very well on the Square Mile Lead Change questionnaires.

We believe the WHEB Sustainability Impact fund has met this threshold. The fund achieved a very high exposure to impactful and/or sustainable revenue activities, has been effective in minimising investment into controversial or harmful activities, and is a strong advocate of responsible investment (RI) across the industry. Additionally, we are pleased with the fund becoming one of the first to achieve the FCA SDR Sustainability Impact label.

Do Good



The fund has achieved c.41% exposure to revenue activities that have, according to 3D methodology, materially impactful characteristics. Additionally, we have identified c.58% exposure to revenue activities that align with 3D solutions, one of the highest of our coverage in the global listed equity space. The dominant themes within this fund are the Healthcare and Resource Efficiency 3D classifications.

Avoid Harm



The 3D framework identified minimal exposure to harmful impact and/or controversial activities within this fund. At the time of analysis, c.5% of the fund's revenue activities were potentially exposed to controversial activities, with 0.5% exposed to an activity classified under the 3D framework as Harmful Impact. Overall, we believe the team has effectively minimised investment into controversial activities, and there are no major concerns in this regard.

Lead Change



This single-strategy house has been a pioneer in impact investing for nearly two decades. WHEB remains a recognised leader and champion of RI under the 3D framework. To be considered a leader in this field, a fund group must demonstrate how they have established and driven multiple initiatives that promote best practices and foster positive change across various sectors. Furthermore, engagements have continued to be consistently conducted and reported in a systematic way, which helps to generate valuable insights and ultimately strengthen conviction in investment decisions.

3D Solution Breakdown & Prominent Revenue Activities:

| | | | |
|------------------------|------------------------|-------------------------------|----------------------|
| ■ Circular Economy | ■ Resource Efficiency | ■ Inclusive & Ethical Finance | ■ Harmful Impact |
| ■ Low Carbon Transport | ■ Sustainable Food | ■ Safety & Security | ■ Transition Enabler |
| ■ Natural Capital | ■ Education & Training | ■ Social Infrastructure | ■ Other |
| ■ Renewable Energy | ■ Healthcare | ■ Limited Solutions | |

The WHEB Sustainability Impact fund has achieved c.58% exposure to revenue activities that 3D classifies as contributing to solutions to environmental and/or social challenges. This exposure is predominantly made up of the 3D solutions of Healthcare and Resource Efficiency.



Figure 1: Bar chart to show the allocation to 3D themes within the WHEB Sustainability Impact fund. Holdings as at 28/02/2025.

The chart below highlights the ten most prominent revenue activities and their attributed 3D classification within the WHEB Sustainability Impact fund.

Contributing to the 3D solution theme Healthcare are the revenue activities related to Testing R&D Products, Pharmaceuticals, Medical Devices and Healthcare Services, which jointly make up the majority of this exposure.

There were multiple revenue activities that make up the 3D solution theme of Resource Efficiency, including but not limited to Semiconductors, Fluid Power Control, Factory Automation and Rapid Prototyping.

As illustrated within the chart below, there are several prominent revenue activities attributed to the Limited Solutions 3D classification, such as Business Support, Electronic Componentry and Industrial Manufacturing. Although these activities may not be classified as offering direct solutions to environmental and/or social challenges, as per the 3D framework, they may possess some sustainability benefits, which, if applicable, are represented within Figure 3.

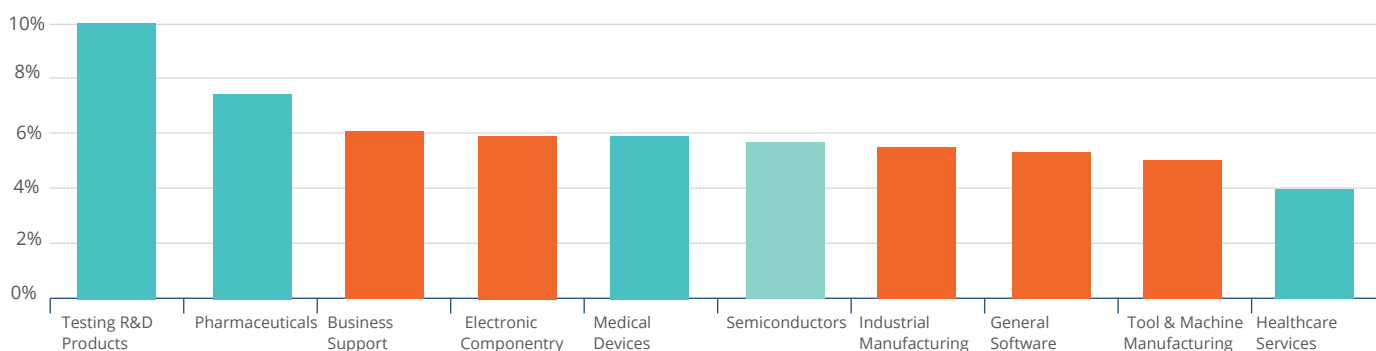


Figure 2: Bar chart to show the ten most prominent revenue activities within the WHEB Sustainability Impact fund.

Revenue Assessment Framework (RAF) Characteristics:

In addition to thematic classifications, the 3D framework is able to attribute specific sustainability characteristics to each revenue activity, a process named the Revenue Assessment Framework (RAF).

Each activity is allocated a RAF characteristic, such as impact or sustainable, which is directly linked to the sustainability benefit of that activity. Full RAF characterisations are available within the 3D Methodology and may be shared upon request.

| | Environment | Social |
|-------------|-------------|--------|
| Impact | 12% | 29% |
| Sustainable | 16% | 12% |

Figure 3: RAF characteristics of the WHEB Sustainability Impact fund. Holdings as at 28/02/2025.

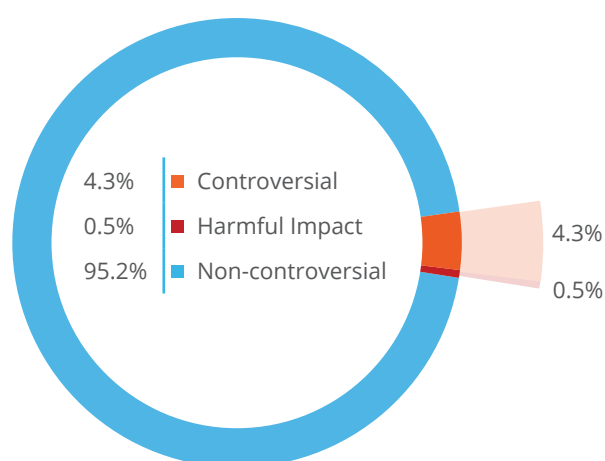
For the WHEB Sustainability Impact fund, there are several key points of analysis:

- c.41% of the fund's revenue activities are classified as having a clear and direct intent to tackle environmental and/or social challenges. Of which, c.12% is attributed to offering a positive environmental impact, and c.29% to positive social impact.
- c.28% of the fund's revenue activities are characterised as offering some social and/or environmental benefit but are not necessarily its core focus. For example, although revenues derived from Pest Control typically do not offer material social and/or environmental impact, activities that fit within this classification may offer sustainability benefits given that they prevent disease spread and protect food supplies from contamination, hence the additional sustainable social characteristic.

Controversial Activities and Harmful Impact Exposure

Through the 3D RAF, we are able to identify revenue activities that possess controversial and/or harmful impact characteristics. To have a controversial activity flag attached, a revenue activity must, either directly or indirectly, has a potential negative impact on the environment and/or society. In many instances, activities with a controversial activity attributed to it may not be classified as Harmful Impact under the 3D framework, owing to the potential of a core product and/or service not being harmful at its core but still results in a negative impact. For example, textile manufacturing may be exposed to high water usage that negatively affects the operations surrounding environment, but is not material enough to warrant a Harmful Impact classification. However, in all cases where a revenue activity is classified as Harmful Impact, it will have one or more controversial activity flags attributed to it.

Our analysis has identified a total of 4.8% of revenue activities flagged for potential risk of controversial activity exposure. Of this, only 0.5% was identified as being derived from a Harmful Impact activity linked to plastic products. The remaining 4.3% is allocated to revenue activities that have controversial activities attributed to them but are not classified as Harmful Impact.



The justifications of example controversial activities found in the fund are detailed below.

- **Plastic Products:** Despite deriving a significant portion of its revenues from plastic production, the flagged company emphasises sustainability in its production offering solutions made from recycled PET and bio-PET, amongst other materials that support the company's commitment to the circular economy.
- **Chemical Additives:** Considered hazardous chemicals because they can pose a number of risks to human health and the environment. However, the flagged company's products are used across multiple sectors and help to extend drug shelf life and improve agricultural yields, to name a few benefits.
- **Utilities - Water:** This industry often faces challenges related to water availability, resource management, and other impacts. The flagged company employs integrated planning, diversifies water sources, promotes efficiency and responsibly invests in infrastructure.

Figure 4: Pie Chart to show exposure to controversial activities. Holdings as at 28/02/2025.

Controversial Activities Screen

The icon matrix below highlights every instance of controversial activity exposure screened for within the 3D process, unlike the above diagram which identifies fund-level exposure to revenue activities with controversial activities attributed to them. This matrix aggregates each controversial activity exposure individually regardless if a single revenue activity is attributed to more than one controversial activity.

| Controversial Activity Exposure* | | | | | | |
|-----------------------------------|------------------|------------------------------|--------------------------------|---------------------|-------------|------------------------|
| | | | | | | |
| Adult Entertainment | Alcohol | Animal Testing - Healthcare* | Animal Testing - Personal Care | Animal Welfare | Cannabis | Ecological Degradation |
| 0% | 0% | 23% | 0% | 0% | 0% | <1% |
| | | | | | | |
| Energy Intensive | Fossil Fuels | Gambling | GMOs | Hazardous Chemicals | High Carbon | High Sugar |
| 0% | 0% | 0% | 0% | 3% | 0% | 0% |
| | | | | | | |
| Human Rights & For Profit Prisons | Military Weapons | Mining | Nuclear | Predatory Finance | Tobacco | Water Intensity |
| 0% | 0% | 0% | 0% | 0% | 0% | 1% |

Figure 5: Source: WHEB Asset Management.

*It is worth noting that there is a significant allocation to revenue activities with potential exposure to the Animal Testing - Healthcare controversial activity; however, this has been removed from the controversial activity exposure on the basis that in most cases, animal testing healthcare is a legal requirement.

*For full details, please refer to the fund group, who will provide the extent of the exclusions and any revenue thresholds that may apply.

Lead Change Assessment

The Lead Change score is derived from an extensive questionnaire consisting of 44 questions relating to the fund and fund group’s ESG capabilities, and a subsequent interview. The purpose of this questionnaire is to gain a holistic understanding of a fund group’s research processes, company culture, advocacy and stewardship, which we think are pivotal in their ability to lead change internally and externally. WHEB has been improving its capabilities and had different scores throughout our four sections of analysis, contributing to their score of 5/5 of this section. The subsequent analysis will detail where we believe the group scores well and, if possible, where the group can improve. Each subsection is scored according to the four grades illustrated below.



 Excellent

 Good

 Some areas for improvement



 Improvement Required

Fund Stewardship





Fund Stewardship refers to advocacy and engagement with investee companies at a fund level. This section of the questionnaire is split into four sections: Voting, Engagement, Initiatives, and Charity. WHEB actively stewards its fund through proactive engagement with company management and diligently tracking progress using case studies and clear milestones. Additionally, the team publishes all voting activities along with their rationale, demonstrating a strong commitment to transparency. They also play a significant role in elevating industry standards by actively participating in key initiatives and contributing to the development of regulatory policies and broader sustainable finance frameworks.

Research Process





Research Process refers to the policies and procedures, systems, and tools within the business that support portfolio managers in carrying out their day-to-day roles and the assets held within the various investment funds and strategies. As a specialist impact fund manager, WHEB deeply embeds ESG considerations throughout its processes. Their rigorous research process includes a thorough assessment of target credibility using specific frameworks and evaluating potential new topics. Their research also incorporates group-level exclusions and strategically leverages third-party data and expert vendor information to ensure a comprehensive and informed investment approach.

Company Culture



Company Culture refers to the business entity and not the assets it manages. Driven by a core mission to advance sustainability and generate prosperity through positive impact, WHEB operates with a formal CSR policy. This commitment permeates their culture, evident in the annual tracking of key operational metrics such as greenhouse gas emissions and diversity & inclusion data. Their broader impact objectives, encompassing climate and the environment, their team, clients, and the wider community, are consistently periodically reviewed by senior management. Reflecting an evolving focus on societal well-being, WHEB has also been prioritising initiatives around the prevention of young suicide and support for disadvantaged youth.

Group Stewardship



Group Stewardship refers to advocacy and engagement with investee companies both individually and through collaboration with other investors and change activists to encourage best practices and inform opinion. WHEB integrates ESG analysis into all investment decisions, with analysts leading company engagement on ESG and impact themes. As a signatory of both the PRI and the UK Stewardship Code, they actively participate in collaborative initiatives to amplify their influence. Transparency is a key priority, demonstrated by outstanding reporting, from engagement case studies to quarterly communications and annual stewardship reports.

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