

WHEB Asset Management to join Foresight Capital Management: Questions & Answers

1. Why is WAM being sold?

We have been looking for an appropriate partner for some time. WHEB LLP has been the seed investor and we now need more strategic support that can provide more resiliency across market cycles, access to proven distribution to target markets in the UK and elsewhere, a larger, better-resourced team and complementary product set.

2. Why now?

Since its founding in 2009 WHEB has built a highly successful franchise around a core global equity impact strategy. The fund, and wider business have won multiple awards and helped set the standard for impact investing in listed markets in the UK and abroad. We believe that as the market for sustainable and impact investing evolves, end clients will want to have access to a broader range of products and asset classes backed by firms with established distribution, risk management and institutional backing. The WHEB partners believe that this is the right time to seek the support of a strategic backer in advance of the next upcycle in sustainable investing.

3. How much did Foresight pay and how is it structured?

We cannot reveal the sum.

However, the Acquisition is structured with a 50% upfront consideration, a 50% deferred consideration and a management performance entitlement payable in cash over a three-year period, subject to certain performance targets. The Acquisition is structured to align incentives and will be funded from existing cash resources, with completion expected during the first half of 2025.

4. Will WHEB remain independent?

No – 100% of the trade and assets of the business are being sold. It became clear in the process that if we want a strategic partner rather than a financial investor, then they need to have full control of the business.

5. Will the partners be joining Foresight Capital Management (FCM)?

Yes, all three of the partners will remain with the business and will become employees in FCM. They will remain heavily incentivised to continue to grow and develop the business while at Foresight. Existing governance structures such as the independent Investment Advisory Committee will also remain in place.

6. What will be the roles of the partners and who will the report to?

The three partners will take up positions as Managing Directors within Foresight and report to Nick Scullion, Partner and Head of FCM. Ted will remain the Fund Manager on WHEB's strategies and lead the investment team. Seb will retain his existing responsibilities as Head of Research and assume responsibility for sustainability and impact across the FCM division as a whole. George will be responsible for the integration of the WHEB team and for the management and growth of the WHEB funds within FCM.

7. Why Foresight?

We had four criteria when looking for a partner:

- i. **Focus on impact:** Foresight's business has a significant focus on impact investments – whether renewable energy project investments, or place-based private equity, plus the nascent Foresight Capital Management business of which WHEB will now be a part. Foresight has a strategic objective to build a position in liquid investment strategies, with a focus on impact alongside their existing product set.
- ii. **Financial resilience:** Foresight is a highly successful business with a greater than £400m market cap, and approximately £45m of cash on their balance sheet as at 31 March 2024. This gives them the ability to make counter-cyclical investments like the acquisition of WHEB.
- iii. **Distribution:** Foresight have a strong position in independent financial advice (IFA) market, and also in local government pension schemes (LGPS). There is a dedicated team of four in the FCM distribution team with a wider distribution footprint of 40+ across the rest of Foresight
- iv. **Opportunities for new product development:** Foresight has the capacity and scale to develop and launch new sustainability investment products that target different return profiles to complement WHEB's core global equity strategy.

8. What will happen to the WHEB and Foresight brands? Will they be combined?

Foresight recognises the strength of WHEB's brand and the reputation of the team as pioneers in sustainable and impact investing. Consequently, the WHEB brand will continue to be used as a trading name of Foresight Group LLP. The WHEB brand will continue to be identified with impact investing in listed equities and the name of the WHEB pooled funds will be unchanged. There is no planned change to the Foresight brand.

9. Is WHEB moderating its commitment to impact investing?

No - we are not moderating our commitment to impact investing. On the contrary, we remain deeply committed to impact investing as an approach to investment that has growing appeal across both retail and institutional investment markets. We believe that Foresight, as an established manager in environmental markets with products across different asset classes and institutional scale, provides an ideal home for the further growth in our business. By joining forces with FCM we will be even better-placed to deliver world-class impact strategies across listed markets for our clients.

10. Will the WHEB team be fully integrated within Foresight Capital Management?

Yes – Foresight Capital Management is a wholly-owned division of Foresight Group Holdings. FCM together with divisions focused on infrastructure and private equity play an important role in reducing the world's carbon emissions, improving social infrastructure for businesses and communities, and supporting the long-term growth of ambitious companies. The WHEB team will be integrated into FCM, more than doubling FCM's assets under management to approximately £1.3bn which focuses in particular on investment strategies that own listed securities.

11. Will the investment resources change?

Our ambition is that our investment resources will be greatly enhanced in the combined entity. WHEB's investment team will continue to manage the investment strategies as they do currently but will be supported by a much stronger investment platform. This includes an additional six

investment professionals in FCM alone, as well as two dedicated sustainability analysts and a team of 200+ infrastructure and private equity investment professionals.

12. Will the fund names remain?

Yes.

13. When will the deal complete?

We expect the deal to complete in the first half of 2025.

14. Will WHEB retain its B Corp status and its Mission?

No – WHEB Asset Management will no longer be an independent entity and will therefore no longer be able to be certified as a B Corporation. Nonetheless, WHEB will be part of a larger business with a clear corporate purpose to *'invest to build a sustainable future and grow thriving economies'*. This clearly aligns with WHEB's own mission.