



Investment Advisory Committee

WHEB's independent Investment Advisory Committee's key purpose is to scrutinise the investment team's activities, including stewardship. They review the strategy's processes and holdings to ensure that they meet with both the spirit and the letter of the strategy's sustainability criteria. Members play an advisory role, are independent experts in the field of sustainable investing and meet every four months.



Attendees

Seb Beloe (Managing Director)	Alice Chapple (Member)
Ted Franks (Managing Director)	Charlie Deptford (FundRock Member)
George Latham (Managing Director)	Hans-Christoph Hirt (Member)
Rachael Monteiro (Stewardship & Climate Associate)	Kenneth Kershaw-Green (FundRock Member)
Claire Jervis (Associate Director)	Martin Rich (Member)
Nick Scullion (Partner)	Abigail Rotheroe (Member)

1. Membership changes

Following the acquisition of WHEB Asset Management by Foresight Group, there has been a membership change of the Committee. Jayne Sutcliffe, as the Non-Executive Chair of WHEB will not be taking up a position at Foresight Group and consequently Jayne has resigned from the Committee. Seb Beloe thanked Jayne for her huge contribution to WHEB and to the Committee. As the Chair, Jayne's resignation has implications for the governance of the Committee which was discussed further during the meeting (see below).

Although not a formal member, Nick Scullion, Partner and Head of Foresight Capital Management, joined the first half of the meeting to introduce Foresight and to answer questions from members (see below). Nick has headed up this division of Foresight since 2019. He is co-fund manager on each of the FP Foresight UK UCITS OEICS. Prior to Foresight, Nick worked at EY and has over ten years' experience in capital markets and corporate finance in the UK and the Netherlands. The other members of the Committee remained unchanged, and the role of the Committee in providing independent scrutiny of the WHEB investment process, also remains unchanged.



Nick Scullion, Foresight Capital Management

2. The future of WHEB at Foresight

As this is the Committee's first meeting after Foresight's acquisition of WHEB, the first discussion focused on the implications for WHEB's funds now that they are managed within Foresight Capital Management (FCM). Nick set out the strategic logic for the combination of the two businesses including the shared focus the two organisations have on sustainability both in listed markets and also across Foresight's wider businesses in infrastructure and private equity. Like WHEB, FCM has also had a tough few years of relative performance given their clear focus on sustainability, but there are some early signs that the headwinds facing the sustainability sector are beginning to abate. Nick, in particular, reported that fund flows have started to improve.

Nick and George Latham also pointed out that there are complementary skills between the two teams. For example, WHEB has established a strong profile in institutional investment markets while FCM has built a much larger and more experienced distribution team. The WHEB funds will continue to be managed by the existing WHEB team and in-line

with the existing WHEB investment process. Sustainability research will be coordinated across the whole of FCM and will be led by Seb Beloe.

George confirmed that there had been very good client reaction to the deal. The vast majority of clients have recognised the clear alignment around sustainability that both businesses have and the advantages that greater scale can bring to the WHEB funds.



3. Fund update

The performance of WHEB's strategies since the re-election of Donald Trump to the US Presidency continues to be challenging. Ted Franks reported that this was particularly true in the last quarter of 2024, with the first two months of 2025 showing a return to some more muted confidence. However, in March, Trump's proposals for tariffs on US imports, subsequently implemented in early April and then postponed for most countries, have thrown markets into chaos. Companies that had been sounding cautiously optimistic through the first two months of the year about the growing appetite for investment, are now reporting that clients are not just in 'wait-and-see' mode but struggling to reorient their businesses because of the tariffs. While many portfolio companies now look cheap on most valuation measures, uncertainty about the future is deterring businesses from making further investment.

This is also the case in more traditionally defensive sectors like healthcare. Uncertainty about the direction that key regulators like the Department of Health and Human Services (HHS) will take has been particularly unsettling. With many senior leaders at the Food and Drug Administration (FDA) having now departed the agency, it is not clear how new pharmaceuticals, and other medical innovations will get tested and approved. The WHEB fund has a particular focus on innovation and drug discovery as we consider these businesses to be creating significant positive impact.

The Committee discussed a number of points including the current thematic weightings and how decisions on these levels get taken, as well as recent conviction changes on specific holdings. Ted responded that the fund's ability to navigate thematic pressures is limited by its focus on sectors like healthcare and industrials that have been hard-hit by these recent changes. Nonetheless, the investment team had taken the decision to reduce the level of exposure to areas that are particularly vulnerable to tariffs and regulatory disruption including in Cleaner Energy and Sustainable Transport and to increase exposure in more resilient areas such as Water Management.

The Committee also discussed whether the fund was overly exposed to a possible US\$ sell-off or long-term weakness, and if currency exposures get hedged for the fund. The team answered that they do not hedge because the exposure relative to global markets more generally is minimal.

4. Buys and sells in the period

During the period, two new companies were purchased and one company sold.

Globus Medical (Health) sells medical devices such as implants and biologics that are used in musculoskeletal disorders primarily involving spinal conditions including orthopaedic trauma and neurosurgical procedures. In addition, the company has developed a robotic surgery device called ExcelsiusGPS that is used in conducting spinal surgery.



Kurita Water Industries (Water Management) is a Japanese manufacturer of products and services that are used in treating and purifying water. The company has two businesses, the first is in water purification where the

company sells or leases water treatment equipment to a range of industrial and commercial customers. The second business is focused on providing treatment systems producing ultra-pure water that is used in semiconductor manufacturing. In both businesses the company is able to either sell equipment or provide water treatment as a service.

The only sale in the period was of another Japanese stock Hamamatsu (Health). The committee indicated that they were supportive of the two new investments which they consider to fit the strategy's mandate.

Members were interested to understand how comfortable the team are investing in Japanese companies. Claire Jervis answered that Kurita is a fairly typical Japanese business in providing extremely detailed disclosures on its environmental reporting. The company also clearly sees strong alignment between the sustainability agenda and both its product and service offering as well as its operational performance. While Kurita is, like many Japanese companies, less transparent than Western companies about its board structure and performance, the company does nonetheless perform well in some areas. For example, 25% of Board Directors are female which is significantly better than the average in Japan.

5. Committee governance and ongoing Terms of Reference

With the change in ownership of the WHEB business, Jayne Sutcliffe, WHEB's non-executive Chair has now left the business and consequently has also resigned from the Investment Advisory Committee. Seb Beloe presented the committee with a range of options as to how the Committee might be governed at future meetings. The Committee were unanimous in agreeing that the Chair should be independent of the business and consequently it was agreed that the Chair should be rotated between the external members of the Committee.

6. Any other business

The Committee held a brief discussion on the product level reporting requirements under SDR. The Committee agreed that the upcoming impact report, which will be focused solely on the FP WHEB Sustainability Impact Fund (rather than on WHEB Asset Management as a business) will serve as the product level report for the purposes of SDR. Seb confirmed that the report will continue to use NetPurpose for the impact data and that the report would be shared before publication with FundRock in their role as Authorised Corporate Director (ACD) of the fund, and with the rest of the Advisory Committee in advance of the Committee's annual statement for inclusion in the report.

The Committee also asked that WHEB share a schedule of votes cast in the preceding quarter with the Committee in advance of Committee meetings. Seb agreed to do this as well as to provide brief commentary on any controversial votes at company annual meetings and on any significant engagement activities in the period.

Finally, the Committee had a brief discussion about the challenges of operating in an environment where, in the US in particular, companies are being actively discouraged from engaging in and reporting information on Diversity, Equity and Inclusion (DEI) and climate change policies and performance. Rachael Monteiro argued that it is possible for companies to still pursue these programmes and report this information back to investors, but that the language and motivation for this work will likely need to be clearer. For Foresight, this work will likely be framed more directly in ways that explicitly support long-term value creation for the business. There was general support among Committee members for this position with some arguing that impact investors like WHEB should 'stand up' and engage on these topics as political issues.

The next Committee meeting will be held on the 17th July.

Investment Advisory Committee Members



Alice Chapple

- Founder of Impact Value
- Chair, Investor Watch and Director, Schroder BSC Social Impact Trust plc



Abigail Rotheroe

- NED at HydrogenOne, Baillie Gifford and Franklin Templeton
- Previously Investment Director at Snowball Impact Management



Hans-Christoph Hirt

- Hermes Pension Trustee, Advisory Board UCL, Member, FCA Listing Authority Advisory Panel
- UBS, Federated Hermes



Martin Rich

- Co-founder and CEO of Future-Fit Foundation
- 25 years' experience in mainstream and social investment



FundRock

- Representatives attend meetings in their capacity as the Authorised Corporate Director of the FP WHEB Sustainability Impact Fund

