

WHEB Sustainability

Global

Introduction

[sriServices SRI Style - Sustainability Focused](#)

Launched in 2009, the WHEB Sustainability fund invests in global equities that WHEB have identified as providing solutions to sustainability challenges within the underlying themes in the fund. Currently these themes cover cleaner energy, education, environmental services, health, resource efficiency, safety, sustainable transport, well-being and water management.

[Click here to read the WHEB approach to ESG investing.](#)



Manager - Ted Franks

Manager Since - 01/06/2015

Ted joined WHEB in March 2009 and helped to launch the Sustainability Fund in June of that year. Ted works closely with the rest of the team in managing the fund and generating investment research. Before joining WHEB, Ted developed extensive experience in the renewable energy, water, waste and healthcare sectors at Dresdner Kleinwort and KPMG. He advised on investments with a total value of over €15bn over seven years. Ted is a CFA Charterholder and a Chartered Accountant and has a degree in Philosophy and Economics from Bristol University.

Fund Objective

Please click on the 'Fund Data' button above.

Investment Process

The company's Responsible process (see below) is important to the management of this fund and is combined with more traditional financial analysis to select stocks for the final portfolio. The manager looks for high quality growth companies that are leaders in their sector trading at an attractive valuation. The fund invests solely in global equities and aims to be fully invested at all times, so cash levels are typically low. The manager looks to maintain geographical equity exposure similar to that of the MSCI World Index but, due to the Responsible element of the process, sector weightings will be very different to the index with structural underweight positions within sectors such as Financials and Energy and overweight positions in Healthcare and Industrials. Individual stock positions are typically less than 3.5% and only stocks with a market capitalisation of greater than \$200m will be considered within the portfolio of 40-60 holdings. Tracking error is typically in the 4% to 8% range with an active share of circa 98% compared to the world index.

Responsible Process

The fund's Responsible investment approach is a central part of the overall investment process. The team aims to identify a number of longer-term themes based on critical environmental and social challenges facing society, and then invest in companies that are providing solutions to those challenges. The main themes currently include cleaner energy, education, environmental services, health, resource efficiency, safety, sustainable transport, well-being and water management but these themes may vary or evolve over time. At least 50% of company revenues or profits must come from these areas. The approach does not have any specific negative screening process, as there is an emphasis on positive selection criteria but there is a natural bias away from sectors such as Tobacco, Financials and Gambling.

WHEB have developed their own bespoke tool to support their systematic approach to codifying impact across different themes and end markets. This is WHEB's 'Impact Engine' that combines both quantitative and qualitative analysis to produce an impact intensity score. This score is derived from assessing five dimensions of impact with are scored between 1 and 3. These impact dimensions are: who and how vulnerable is the client; how critical is the impact to the client's future fitness; how central is the product or service in delivering the impact; how large is the positive impact; how unique is the company contribution?

The company actively engages with companies and management on Environment, Social and Governance (ESG) issues, challenges their approach and monitors their response, as WHEB believe that managing ESG liabilities and opportunities can be just as important as information about a company's future growth potential in standard fundamental analysis. A fundamental quality score for businesses is derived from a combination of ESG factors combined with strategic and financial analysis.

Transparency is a core part of the business with the full portfolio holdings available each quarter, along with the rationale for investment and the underlying impact the for the company.

Our Opinion

WHEB is a specialist asset management firm that focuses exclusively on environmental and sustainability investment. They have built up a strong team with long-term Responsible Investment experience. The process is built around adding value through stock selection and having a thorough understanding

of the companies invested in and how they can benefit from or provide solutions to long-term themes. Impact is assessed within the investment process to understand what a company does (i.e. the impact of product and services) and how they do it (i.e. policies and operational performance) with an annual impact report (as well as a quarterly holdings report) providing transparency as to why a company is held.

The WHEB website has regular information with regards to quarterly fund commentary and articles from the team which provide insight into how they are thinking and responding to developments in responsible investment. The WHEB Sustainability fund represents a strong option for a Responsible investor looking for global equity exposure.



Important Notice

This document is aimed at Investment Professionals only and should not be relied upon by Private Investors. Our comments and opinion are intended as general information only and do not constitute advice or recommendation. Information is sourced directly from fund managers and websites. Therefore, this information is as current as is available at the time of production.

Rayner Spencer Mills Research Limited is a limited company registered in England and Wales under Company. Registration Number 5227656. Registered Office: Number 20, Ryefield Business Park, Belton Road, Silsden, BD20 0EE. RSMR is a registered trademark.