

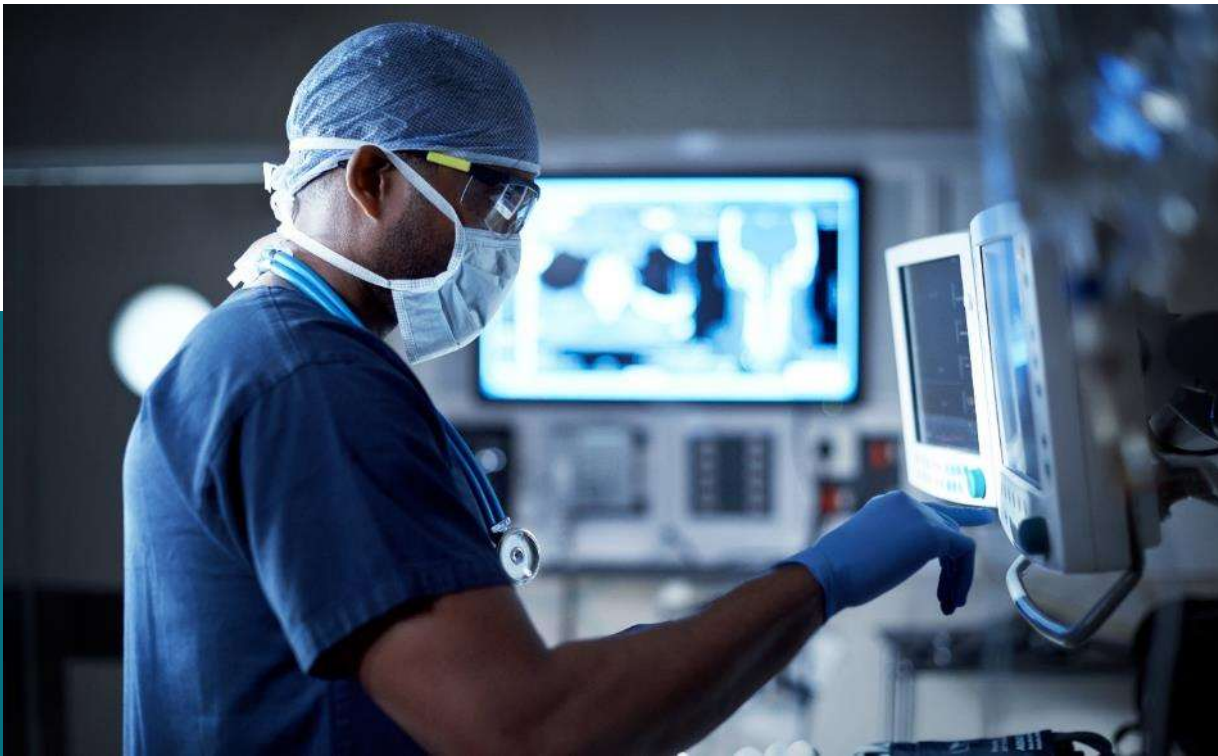


Fund Aim and Investment Process

The Fund focuses on the opportunities created by the transition to healthy, zero carbon and sustainable economies. The investment team selects high-quality companies from nine broad themes with strong growth characteristics to create a globally diversified portfolio. We develop long-term relationships with company management to promote the best environmental, social and economic outcomes.



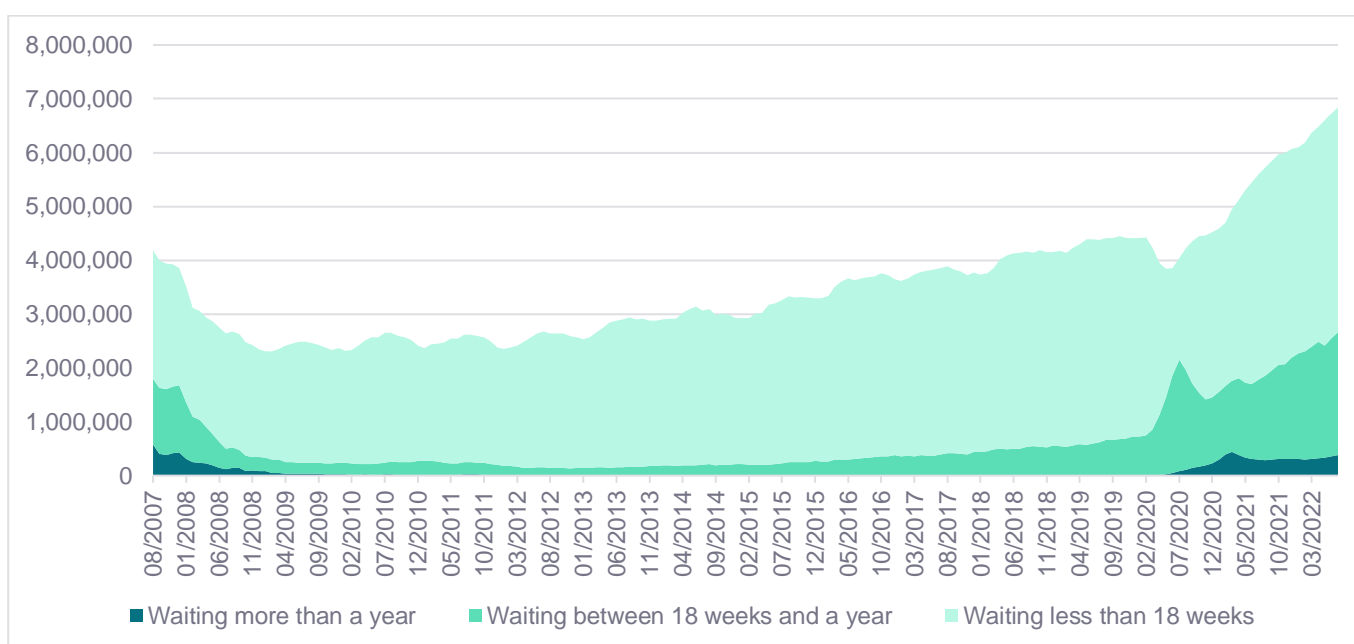
Critical conditions – healthcare access after COVID



You'd imagine that we would have got used to the relentless 24-hour news cycle. But the pace and import of developments in 2022 has felt particularly unremitting. The war in Ukraine and the terrifying prospect of a nuclear exchange has dominated headlines all year. But extreme weather, and in the UK at least, unremitting political drama, have kept other significant, but less dramatic, developments out of the headlines.

One of these developments has been the challenge of accessing healthcare. In the UK nearly 7m people – one in eight of the population – is now waiting for NHS treatment. This news attracted headlines when it was announced in early September but was then rapidly overtaken by coverage of the death of the Queen and then latterly the antics of the new Conservative government.

Figure 1: NHS waiting times for consultant-led elective care¹



While wait times are typically less than 18 weeks for elective procedures (see figure 1), there are now nearly 400,000 patients who have been waiting over one year for treatment. Before the pandemic, the number of patients waiting for more than a year for treatment was 'just' 1,032 individuals.

Hospital beds and secondary care

While there has been a long-term trend in increasing wait times, it is clear from NHS data that there was a notable inflection during the COVID pandemic. This has also been evident in data from the US where 60% of hospitals still have some level of backlog to work through because of COVID-related constraints.² However, in contrast to the UK, in the US over 90% of hospitals surveyed indicated that capacity constraints or disruptions from COVID cases were now either non-existent or relatively modest in nature and the remaining backlog is expected to be cleared quite quickly.³

¹ NHS waiting lists: <https://ifs.org.uk/collections/nhs-waiting-lists>

² 'Hospital Survey: Backlog's healthy, electives firm up, staffing still a concern', Jefferies Equity Research, April 2020

³ Ibid

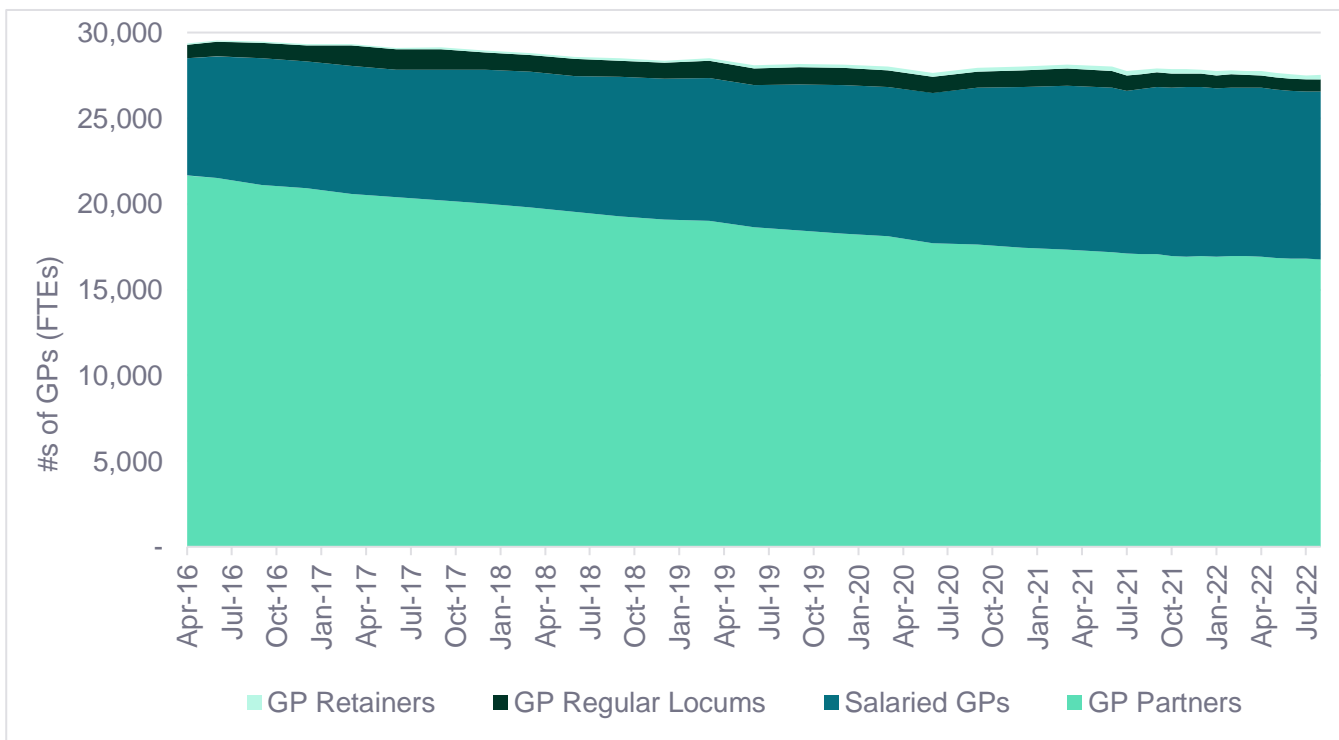
Across the European Union, the picture is more mixed. Germany has a high capacity of hospital beds with nearly 8 beds per 1,000 inhabitants and has largely worked through its backlog of hospital procedures. The EU average is just over 4 beds per 1,000 inhabitants while the UK languishes on just 2.4 beds per 1,000.⁴

This low ratio of beds to inhabitants is seen as a key issue in addressing the backlog of secondary care procedures including both elective procedures and critical care that involves a hospital stay.

Primary care provision

While we have seen growing waiting lists for secondary care, primary care through GP practices is also under-pressure. When waiting to speak to the receptionist at my local GP surgery, you are informed while on hold that the surgery is under-staffed and actively recruiting. This predicament is a chronic one affecting the whole of the country. GP numbers have been in long-term decline with no signs of this abating.

Figure 2: Numbers of qualified GPs in England⁵



The UK is not alone in suffering chronic shortages of medical staff. The US is in a similar predicament. In March of this year, the American Hospital Association wrote to the House Energy and Commerce Committee calling the workforce shortage hospitals were experiencing a ‘national emergency’ and projecting that the overall shortage of nurses would reach 1.1 million by the end of 2022.⁶ Like the UK, the US is also suffering from burn-out with large numbers of medical professionals thinking of leaving the field to pursue careers elsewhere. A February 2022 survey conducted by USA Today and Ipsos of more than 1,100 health care workers found nearly a quarter of respondents said they were likely to leave the field in the near future due to the pandemic.⁷

⁴ <https://www.bma.org.uk/advice-and-support/nhs-delivery-and-workforce/pressures/nhs-hospital-beds-data-analysis>
⁵ <https://digital.nhs.uk/data-and-information/publications/statistical/general-and-personal-medical-services>
⁶ <https://www.aha.org/lettercomment/2022-03-01-aha-provides-information-congress-re-challenges-facing-americas-health>
⁷ <https://www.ipsos.com/en-us/news-polls/usa-today-ipsos-healthcare-workers-covid19-poll-022222>

How WHEB investments help

The solutions to the healthcare backlog in these countries are of course complex and contested. More funding would clearly help, but there are also technological innovations that can help to reduce the pressures on healthcare systems.

Quicker and more accurate diagnostics

One area in which the WHEB strategy is heavily invested is in better diagnostics. This includes the deployment of diagnostic tools that can be used at point of care including both hospitals and potentially GP surgeries. **Danaher's** Cepheid business for example provides point of care testing for influenza.⁸ **bioMérieux** has diagnostic tools for rapid (<4hrs) point of care testing for sepsis and meningitis – both conditions that require extremely urgent treatment.⁹ More accurate and quicker diagnosis reduces wait times for treatment and the length of hospital stays. In turn this helps reduce pressure on healthcare systems.

Therapies and medical devices

Another significant area targeted by the strategy is therapies and medical devices for treating ill-health. Some of these are more focused on innovative new therapies that deliver better health outcomes than they are on saving money, but others are clearly aimed at reducing the burden on the healthcare network. **CSL's** Seqirus business for example is focused on developing flu vaccines – preventative care that keeps people healthy and out of hospital.¹⁰ **Fisher & Paykel** have a homecare business that is focused on developing devices that patients can use at home to manage obstructive sleep apnea.¹¹

Adding capacity to healthcare services

The chronic shortage in healthcare staff is also an issue that the WHEB strategy has some role in addressing. Our single investment in our Education theme is in a US business called **Grand Canyon Education**. This company has a subsidiary, Orbis Education that helps expand the healthcare workforce.¹² They do this by helping fund capital expansion projects by colleges and universities offering healthcare education, enabling online healthcare courses and connecting colleges with healthcare organisations to support placements and other on-the-job training.

Increasing the supply of trained healthcare professionals is unlikely however to meet all the projected increase in demand for healthcare services over the medium term. New more efficient ways of delivering healthcare will also have to play a part. The role of the private sector is particularly sensitive in this regard, especially in the UK. As a managed care organisation, **Centene** has been particularly focused on maximising the efficiency of healthcare service provision in the US. The company has for example supported the development of value-based healthcare as part of the Affordable Care Act. In the UK the company has sought to increase the role played by physician associates in primary healthcare as a way of maximising access while controlling costs. As we have reported previously, this has proven controversial. Nonetheless, healthcare delivery will clearly have to evolve if waiting lists and staff shortages are not to overwhelm it.

⁸ <https://www.cepheid.com/en/about>

⁹ <https://www.biofiredx.com/>

¹⁰ <https://www.seqirus.com/>

¹¹ <https://www.fphcare.com/us/>

¹² <https://orbiseducation.com/>

Unpacking the impact of our software holdings



What is there not to like about software companies? They tend to operate at high margins, benefit from astonishing operational leverage and run a negative working capital position, since customers tend to pay upfront. But are they impactful and do they solve sustainability problems?

When we see a software company like Microsoft in an impact fund we tend to roll our eyes and ask ourselves precisely that question. So, it is not unreasonable to probe our own software holdings for their impact.

Our strategies have a healthy exposure to software companies focussed on the field of simulation and computer-aided-design with **ANSYS**, **Autodesk** and **Dassault Systemes** (and to some degree **Hexagon**). These companies develop software which is used to design new products, as well as buildings and infrastructure and simulate their behaviour in real life before they are actually built.

Generative design reduces material use by 75% for this structural building component¹³



We consider these companies as highly impactful in the battle to reduce resource waste and greenhouse (GHG) emissions. Among others, their software tools allow customers across a wide range of industries to:

- a) design products that are inherently more resource and energy efficient,
- b) speed up product development times,
- c) reduce waste during product design, and
- d) run more effective maintenance of products in use.

Let's put some meat on the bone and provide examples which show-case their positive impact.

Designing more efficient products more quickly

ANSYS has a strong exposure to the automobile industry and especially to the transition to low carbon and autonomous driving. Their simulation solutions are used by >90% of the world's leading automobile suppliers. In the electric vehicle

¹³ <https://formlabs.com/eu/blog/generative-design/>

(EV) development, their market-leading, multiphysics simulation solutions are used to optimise four critical technology areas of the car: 1) Electric Motors (eg efficiency, thermal management), 2) Battery & Battery Management Systems (optimisation of all aspects from electrochemistry of the battery cell to safety of the whole system), 3) Power Electronics (increase of power density and lifetime, lowering losses and thermal derating), and 4) Electric Powertrain System integration. The overall result from using simulation software is a 50% reduction in overall development time (and therefore availability of a more environmentally friendly product much more quickly) and a 12% improvement in power density and energy efficiency which translates straight to CO₂ reductions.¹⁴

Reducing waste during and in the product design

Designing a new product can consume a vast amount of time and resources with building many prototypes and testing them out over and over to finally settle on a design deemed “best”. There exists an alternative to this. Autodesk used “generative design” in combination with additive manufacturing to completely redesign a traditional car seat bracket for General Motors. This was to be used in its EVs where weight is a key factor to maximise the battery range. Generative design is a combination of engineer input and computer modelling using artificial intelligence. While the engineer sets design goals and constraints (eg materials, manufacturing method, budget), the computer runs through tens of thousands of permutations to find the optimal design. The result for the car seat bracket was impressive: 40% lighter (ie 40% material savings) but 20% stronger than the old design.¹⁵

Optimising product maintenance and performance with “digital twins”

A digital twin is a virtual representation of a physical asset in operation such as a wind turbine. Sensors on the wind turbine transmit back data to the digital twin to provide real-life information of the state of the turbine. Engineers or a simulation program can then modify parameters on the digital twin to explore the effects and find the optimal setting for running the real turbine. In addition, predictive analytics on the twin is used to understand when certain parts are worn out and need replacement. This avoids unscheduled shutdowns, reduces costs and increases output.

Together with Accenture, Dassault Systemes calculated the potential savings from the use of digital twins in various industries and the benefits were found to be staggering. The report estimates a combined additional benefit of US\$1.3trn in economic value and 7.5Gt CO₂ emission reductions between 2021 and 2030 if it was implemented broadly.¹⁶

We hope these examples show how a certain class of software companies can indeed contribute significantly to reducing GHG emissions across many industries. And even though this article has been written with Microsoft tools, we simply cannot say the same for that company.

¹⁴ ANSYS – Handprint-Use-Case-Electric-Vehicles. <https://investors.ansys.com/esg/Ansys-Handprint-Use-Case-EV/default.aspx>

¹⁵ <https://www.autodesk.com/customer-stories/general-motors-generative-design>

¹⁶ <https://www.accenture.com/gb-en/insights/industry-x/virtual-twins-sustainability>

Engagement Activity



Centene: Decision making in healthcare provision

In our previous two quarterly reports, we have written about the conversations we have been having with the managed care company, Centene. Centene enables access to healthcare for poor communities in the US by providing healthcare coverage primarily through Government-sponsored programmes such as Medicaid and Medicare. The engagements with the company have centred on a series of controversies in the US arm of the business,¹⁷ but the UK subsidiary Operose has also been criticized for its approach to the consolidation of GP surgeries in the UK.¹⁸ Throughout these discussions, our objective has been to understand the underlying issues, clarify what the company has learned and how decision making in the company has changed following these events.

As noted last quarter, it was clear that in the US, Centene has introduced substantial changes to the way that decisions are made around foster care provision in the state of Texas, including the introduction of an appeals process and a means for caregivers to raise red flags more easily.

In the past few weeks, we've also seen Centene create and fill a new position of Chief Ethics and Compliance Officer. The new appointee will have responsibility for leading ethics and compliance initiatives across the company. We see this appointment as a step in the right direction although have yet to hear back from the company concerning the remit and seniority of the new appointee.

Separately, the company also held a special company meeting in late September to consider a series of corporate governance changes at the business. These changes are broadly positive and we voted to support them.

While these changes do represent progress, we still have significant concerns at the business both in terms of the governance and quality of care as well as in the company's underlying positive impact. For example, over the past year we have seen growing emphasis in the business on restructuring and particularly on expanding their presence in the Medicare Advantage market which we consider offers a much lower opportunity for impact than the company's core Medicaid market. There have also been quality concerns with the company receiving relatively poor-quality ratings from the Center of Medicare and Medicaid Services (CMS) for its Medicare products. Together these concerns mean that the company remains under review as a holding in the portfolio.

Human Capital: Gender Diversity & Reproductive rights

The benefits of, and subsequent needs for, a healthy and diverse workforce are well known. It is WHEB's view, therefore, that investee companies should look after their employees and support diversity. This is evidenced by our long history of engaging with companies on internal social issues, such as diversity and inclusion, employee safety and labour rights, all of which are well-established as valid aspects of the 'ESG' agenda.

However, in light of the recent *Roe v Wade* ruling from the US Supreme Court, we felt that we needed to consider how best to approach key public social issues, especially where they are contentious and have become politicised. We therefore brought this question to our independent Advisory Committee in our July meeting.¹⁹

The committee's discussion highlighted some important considerations for analysts to bear in mind when engaging with companies. In sensitive areas like reproductive rights, for example, we should encourage businesses to be sensitive to differing views within the employee base whilst encouraging companies to adopt practices that clearly support the well-being of all employees. We agreed with Advisory Committee members that WHEB would initially undertake an information gathering exercise to understand what corporate best practice is in supporting the well-being of employees in sensitive areas like reproductive rights. Following the committee meeting, two opportunities arose to discuss reproductive rights with investee companies, **Vestas** and **Xylem**.

¹⁷ Reported in our Q1 Review <https://www.whebgroupp.com/assets/files/uploads/wheb-quarterly-review-q1-2022-wsf-final-v2.pdf>

¹⁸ Reported in our Q2 Review <https://www.whebgroupp.com/assets/files/uploads/wheb-wsf-quarterly-review-q2-2022.pdf>

¹⁹ <https://www.whebgroupp.com/assets/files/uploads/202207-summary-minutes-final.pdf>

Our policy is to write to companies explaining the voting positions that we have taken at the company AGM. It is quite common for these letters to lead to further dialogue with company management, as was the case with Xylem in mid-August. Amongst a range of topics (listed in the table on p.29), this meeting presented us with the opportunity to discuss the company's approach to gender diversity and reproductive rights. Here, Associate Fund Manager Victoria MacLean enquired about whether there had been a discussion internally about how the recent overturning of Roe v Wade impacted Xylem's workforce and whether there had been any subsequent changes to benefits.

We were pleased to hear that the company had put measures in place to support employees in the US whose choices about whether or not to have a child may have been influenced by Roe v Wade, especially where the pregnancy wasn't planned, and that these were being readvertised to staff on annual basis. These measures include access to increased travel and accommodation allowances to support out-of-state care, increased short-term disability salary cover from 75% to 100% (providing additional support to those needing down time to recover after an abortion) and increased parental leave from four to eight weeks. In addition to this the company provides access to support for other aspects of reproductive health such as fertility treatment and gender transition treatments.

Similarly, a letter written to Vestas following our voting at the company AGM sparked a conversation with the company's Investor Relations team. Senior Analyst Claire Jervis shared examples of company action on employee care in response to Roe v Wade.²⁰ Though many of these companies are American, we feel that it is relevant for all companies with American employees to consider employee care, especially in light of diversity targets.

Vestas clarified that medical plans in the US covered abortion and that travel coverage had been expanded to cover out-of-state abortion costs for employees and covered dependents. As with Xylem, Vestas has a comprehensive approach to critical ESG issues, and we are pleased to see that company management is supporting a healthy and diverse workforce.

We will continue to raise these issues as part of our engagements with companies that have operations in the US.

Collaborative investor letter to chemical manufacturers (Dec 2021-Sept 2022)

In December 2021, WHEB was one of a number of investors representing \$41 trillion in assets that called for chemical manufacturers to phase out hazardous chemicals, particularly persistent and PIC substances.²¹ In September 2022, Seb Beloe was part of a sub-group of investors to give further feedback on a new letter calling for further action from companies, including:

- Increasing transparency through disclosure of which hazardous chemicals are being manufactured.
- A timebound plan for the phase out of persistent chemicals, such as PFAS, especially in light of the increased regulatory risk facing these chemicals in the EU and US.
- To further improve dialogue with the NGO ChemSec.

²⁰ <https://www.cnbc.com/2022/06/24/roe-v-wade-abortion-decision-companies-forced-to-weigh-in-on-privacy-health-care.html>

²¹ 'PIC chemicals' re chemicals that are subject to the requirements of the Prior Informed Consent Regime concerning the import and export of certain hazardous chemicals. <https://www.hse.gov.uk/pic/pic-regulations.htm>

This letter was sent to over 50 companies in September and given the success of the previous years' engagement, we hope to see companies engaging with ChemSec to act on the above. We have reported in previous quarters on the specific engagement that we have led with **Ecolab** and **Linde** following the previous investor letter that we sent out at the end of December 2021.

Public policy engagement

Investor groups call on new UK government to uphold net zero ambition.

Following her recent election as the UK's Prime Minister by Conservative Party Members, the CEOs of the PRI, IIGCC and UKSIF wrote to Liz Truss urging the new government to uphold existing net zero carbon ambitions. As active members of all three of these investor groups, we supported this letter which highlighted the importance of investing in a net-zero energy system to deliver energy security and affordability in the long-term. In addition, it called on the Government to "set out a clear delivery plan for the transition of the real economy and financial services, with credible sectoral roadmaps underpinned by the near-term policies, actions and milestones needed to shift financial flows towards net zero."

WHEB becomes a signatory to the 2022 Global Investor Statement to Governments on the Climate Crisis.

In the run up to COP 27 in Egypt this November, WHEB has supported a statement coordinated by a number of leading industry associations.²² This statement asks for governments globally to enact ambitious policies to leverage private capital required to effectively address the climate crisis in line with limiting global temperature rise to 1.5°C.

The statement also includes new areas of focus compared to other years, including tackling methane pollution, climate adaptation and resilience and scaling climate finance for developing countries. The full list of recommendations can be found in the statement.²³

²² AIGCC, CDP, Ceres, IGCC, IIGCC, PRI and UNEP FI

²³ <https://theinvestoragenda.org/wp-content/uploads/2022/08/2022-Global-Investor-Statement-.pdf>

Performance Commentary



Markets remained volatile in the third quarter. After a strong rally in July, stocks sold off sharply again in August and September.

The volatility was caused by significant economic uncertainty, as investors considered whether rampant global inflation can be tamed without a meaningful recession. Central Banks continued to signal their commitment to tighter monetary policy, with large interest rate hikes by the US Federal Reserve, European Central Bank and the Bank of England in the quarter. An abortive attempt at fiscal stimulus in the UK created further volatility in markets.

Meanwhile the ongoing war in Ukraine continued to raise concerns over energy insecurity in Europe, adding to the market unease. There was some positive news for sustainability sectors with the signing into law of the Inflation Reduction Act (“IRA”) in the USA.

Our strategy’s benchmark, the MSCI World Index returned 2.06% (in GBP) over the quarter. The strategy slightly underperformed the benchmark in that time. With large caps continuing to lead the market we are still seeing pressure across the strategy due to our mid-cap and growth bias. Our Water Management and Cleaner Energy themes were the biggest positive contributors, while the Wellbeing, and Resource Efficiency themes were laggards.

In the Water Management theme, **Advanced Drainage Systems** was a standout performer. Another period of extreme weather culminated in Hurricane Ian, a “Category Four” hurricane which battered Florida at the end of September. ADS’s products help to counter storm and flood conditions in the southern USA so the need for its products has never been greater. This helps the company to demonstrate exceptionally strong pricing power in a difficult cost environment. These factors enabled ADS to raise their guidance for this financial year.

Solar module maker **First Solar** was the strongest performer in the Cleaner Energy theme. The stock benefited from news that Senator Joe Manchin of West Virginia, in a surprise reversal, announced his support for the IRA, and helped the bill to pass. The package includes hundreds of billions of dollars for climate and energy programs. The new confidence in solar in the USA was reflected when First Solar reported its results, which showed a strong backlog, further boosting the stock.

Within the Resource Efficiency theme, **Kion** was the worst detractor. It is a leading German manufacturer of materials handling and automation equipment, helping its customers to reduce their energy and material footprint. Kion issued a profit warning this month, as a slowdown in ecommerce-related demand coincided with rising input costs. We continue to review Kion’s prospects for capturing growth in warehouse automation.

Our Wellbeing theme also struggled this quarter due to **HelloFresh** and **Sonova**. HelloFresh is a meal-kit company and its stock has been weak throughout the year as fears over consumer finances have mounted. It saw further underperformance in July when it lowered its full year guidance. The company signaled that customer acquisition costs were increasing, and more customers skipped deliveries because of the number of holidays during the period. In addition, the number of active subscribers fell. These metrics are likely indicative of short-term cyclical headwinds, but we will monitor them closely for any signs of more structural changes.

Sonova is a leading global provider of hearing devices. The company cut its full-year guidance during August. The main drivers were slower than expected volume growth in America, as well as higher component and freight costs. Despite this, we remain confident in the long-term demand for hearing aids, and in Sonova’s ability to maintain its market-leading position.

Looking forward, we expect heightened uncertainty through the rest of this year. We are particularly concerned about a worsening energy crisis, following news that Russia will cut off gas to Germany indefinitely. As we head towards the colder months, we expect the cost of living crisis to get tougher. We do not try to forecast the path of inflation but we can certainly see the case for further volatility and policy-missteps.

In this context, we expect markets to remain highly volatile during the coming months. Nonetheless, we believe the outlook for sustainability is stronger than ever. Cleaner Energy has never been more crucial, and we are hopeful that recent policy developments will bear fruit. We will continue to be led by the long-term opportunities for positive sustainable impact to guide us through these near-term uncertainties.

Portfolio Activity



We initiated one new position and exited one existing position. Both were in the UK market.

Recent purchases

We initiated a new position in **Croda** in our Environmental Services theme. Croda is a speciality chemicals company operating in personal care, crop care, health care and industrial end markets. Its raw materials are primarily bio-based and the use of many of its products contribute to sustainability goals.

Sustainability is a core part of Croda's R&D process. Any new product development at the company has to take into account how a product will contribute to its commitments to be net positive for climate, land and people. The company has also explicitly linked its business model and strategy to its sustainability goals. Its focus on innovation in niche areas has also enabled it to deliver strong returns on investment.

Recent sales

We sold our position in **Intertek** in our Safety theme. Intertek is a global leader in assurance, testing, inspection and certification services. With the increasing complexity of product design and supply chain, the company is well placed to capture the increasing demand for quality assurance. While we continue to believe Intertek should have a high-quality business model, since the pandemic it has struggled to deliver consistent growth. It has also been slower than peers to capture the full potential of the sustainability assurance market.

We exited our position in **AO Smith** in our Resource Efficiency theme. AO Smith is one of the world's leading manufacturers of energy efficient water heating equipment and water treatment solutions. The company primarily sells residential products, which we see as having a relatively low impact compared to products in the commercial market where there is a stronger tie between energy efficiency and customer demand. We also lowered our conviction in the company due to the weaker growth prospect in the residential market following the previous strong cycle and the rising risk from its Chinese exposure.

**FP WHEB Sustainability Fund
Quarterly Datapack**

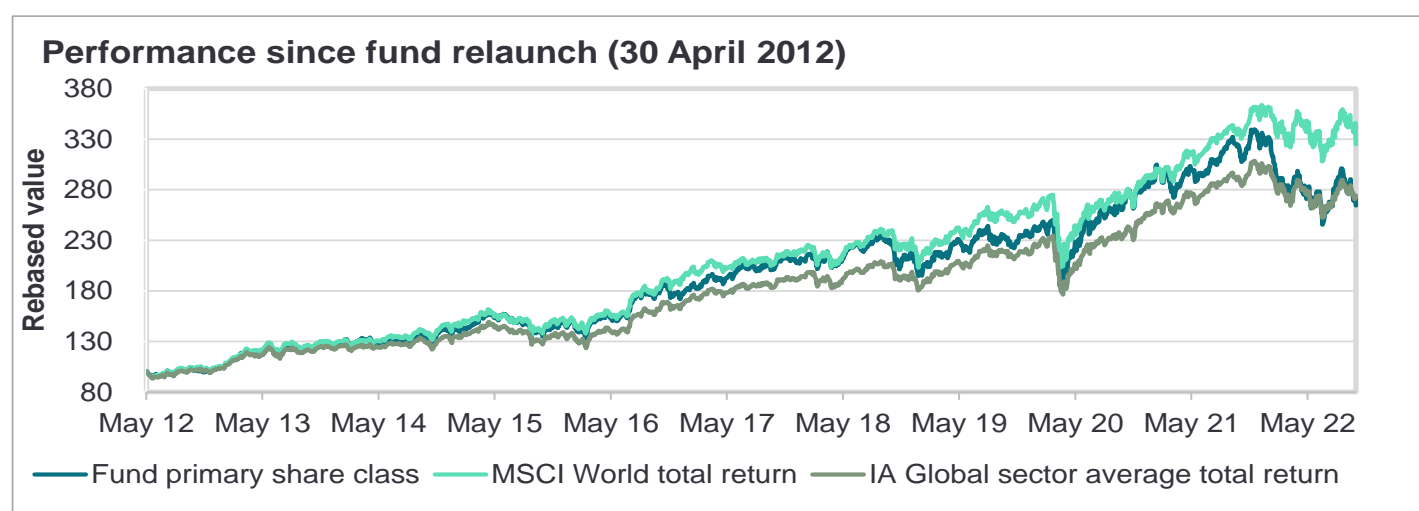
July - Sept 2022



FP WHEB Sustainability Fund: 30 September 2022

Fund size	£841m	IMA Sector	Global
Holdings	42	Expected number of holdings	40 – 60
Average holding period¹	4.52	Expected holding period	4 – 7 years
Active Share vs Benchmark²	97.4%	Index benchmark³	MSCI World Total Return Net GBP

Investment Performance⁴:

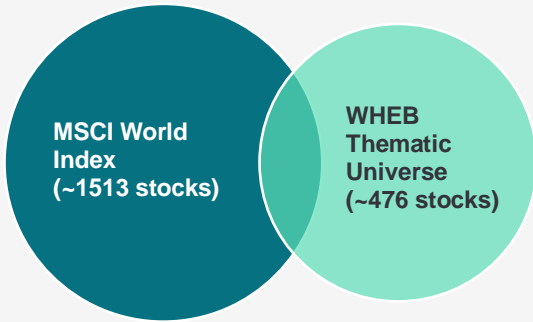


Investment returns by discrete 12-month period

	Sep 2021 – Sep 2022	Sep 2020 – Sep 2021	Sep 2019 – Sep 2020	Sep 2018 – Sep 2019	Sep 2017 – Sep 2018
FP WHEB Sustainability C Acc Primary share class (GBP)	-16.92%	19.41%	15.07%	1.87%	11.55%
MSCI World total return (GBP)	-2.93%	23.51%	5.24%	7.76%	14.44%
IA Global ⁵ sector average total return	-8.42%	23.20%	7.19%	5.98%	11.63%

Cumulative investment returns

	Fund (Primary share class) %	MSCI World (Total return - GBP) %	IA Global sector average (Total return - GBP) ⁵ %
3 Months	2.70%	2.06%	2.33%
6 Months	-10.80%	-7.26%	-7.96%
12 Months	-16.92%	-2.93%	-8.42%
3 Years (annualised)	4.51%	8.06%	6.54%
5 Years (annualised)	5.34%	9.25%	7.43%
Cumulative since relaunch (30 April 2012)⁶	164.50%	225.06%	164.79%



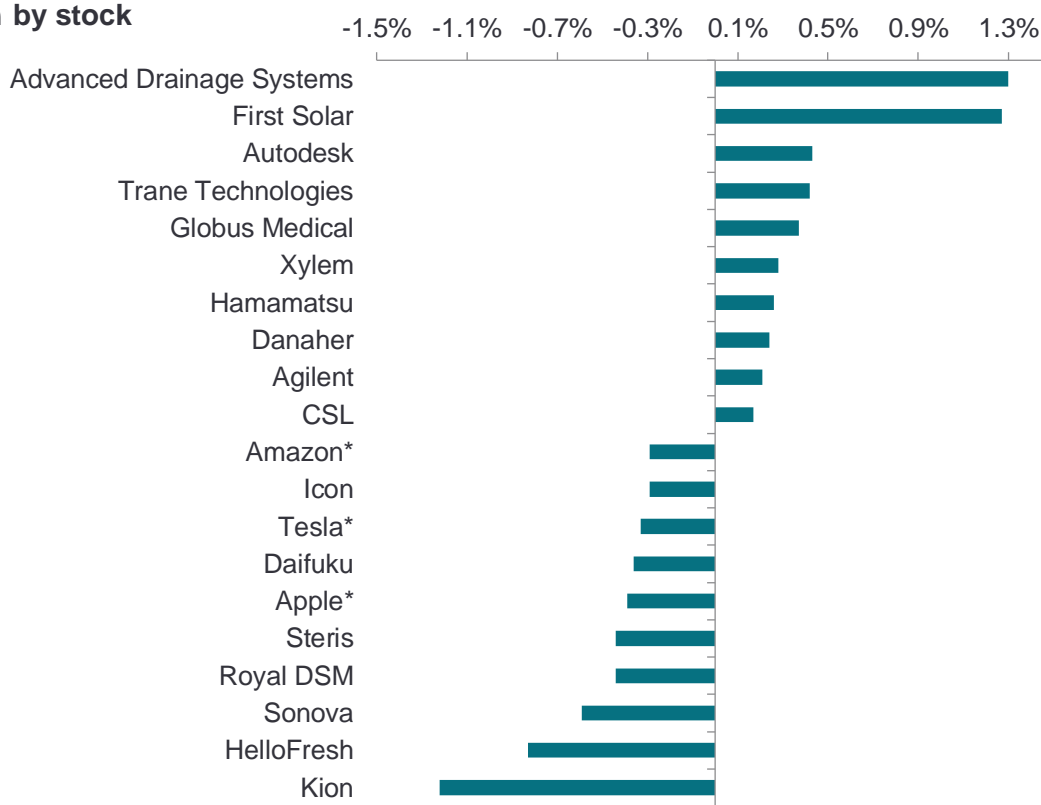
Overlap: ~251 stocks;
 16.6% (as at 30th September 2022) of MSCI World Index (market-cap weighted)

Theme Overlap

The thematic focus of the WHEB strategy means that our investable universe overlaps with the benchmark by around 15%. This leads to significant structural biases in the fund’s exposure, which may make comparison to the benchmark complex. These style biases towards growth, quality and mid-cap are all derived from the strategy’s focus on solutions to sustainability challenges. It means that we tend to be absent from significant sectors of traditional indices, such as financials and energy, and have significant overweights in other parts of the market, such as health and industrials.

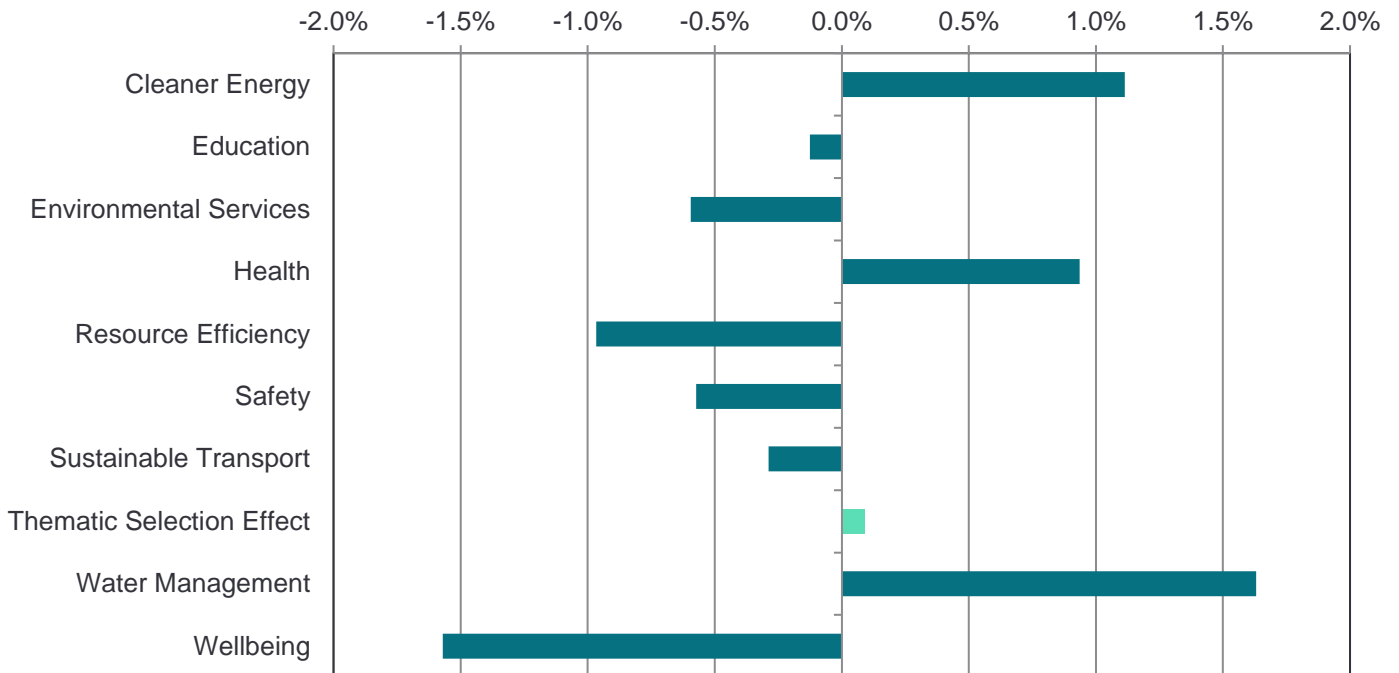
Performance Attribution – Last 3 months⁷

Attribution by stock

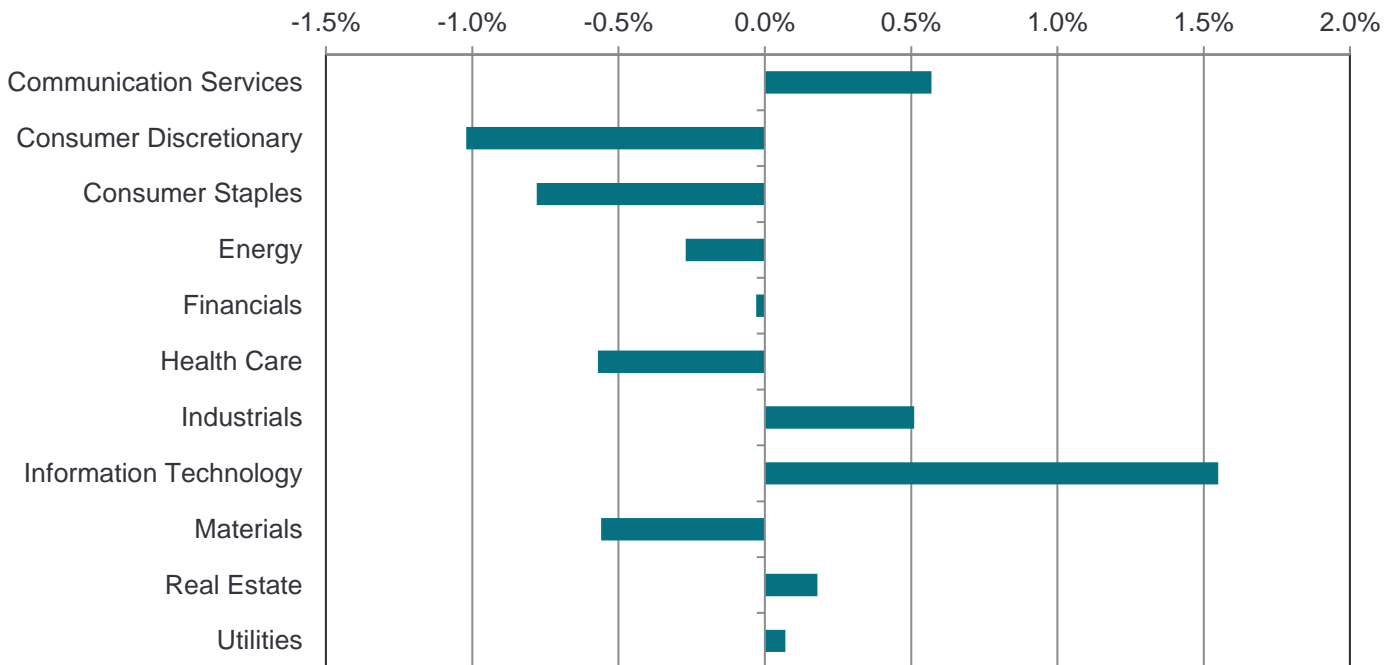


*This stock was not held in the portfolio during the period.
 The positive or negative attribution shown results from its contribution to the performance of the index.

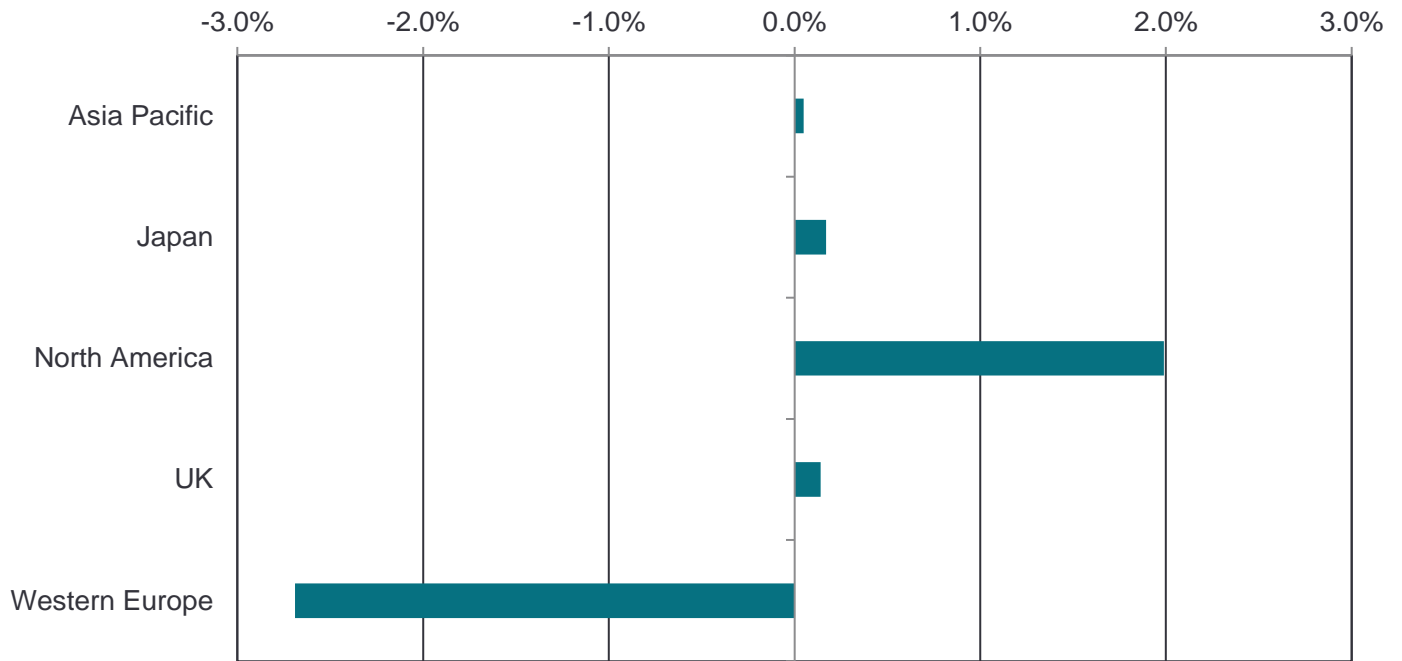
Attribution by Sustainability Theme ⁸



Attribution by Sector

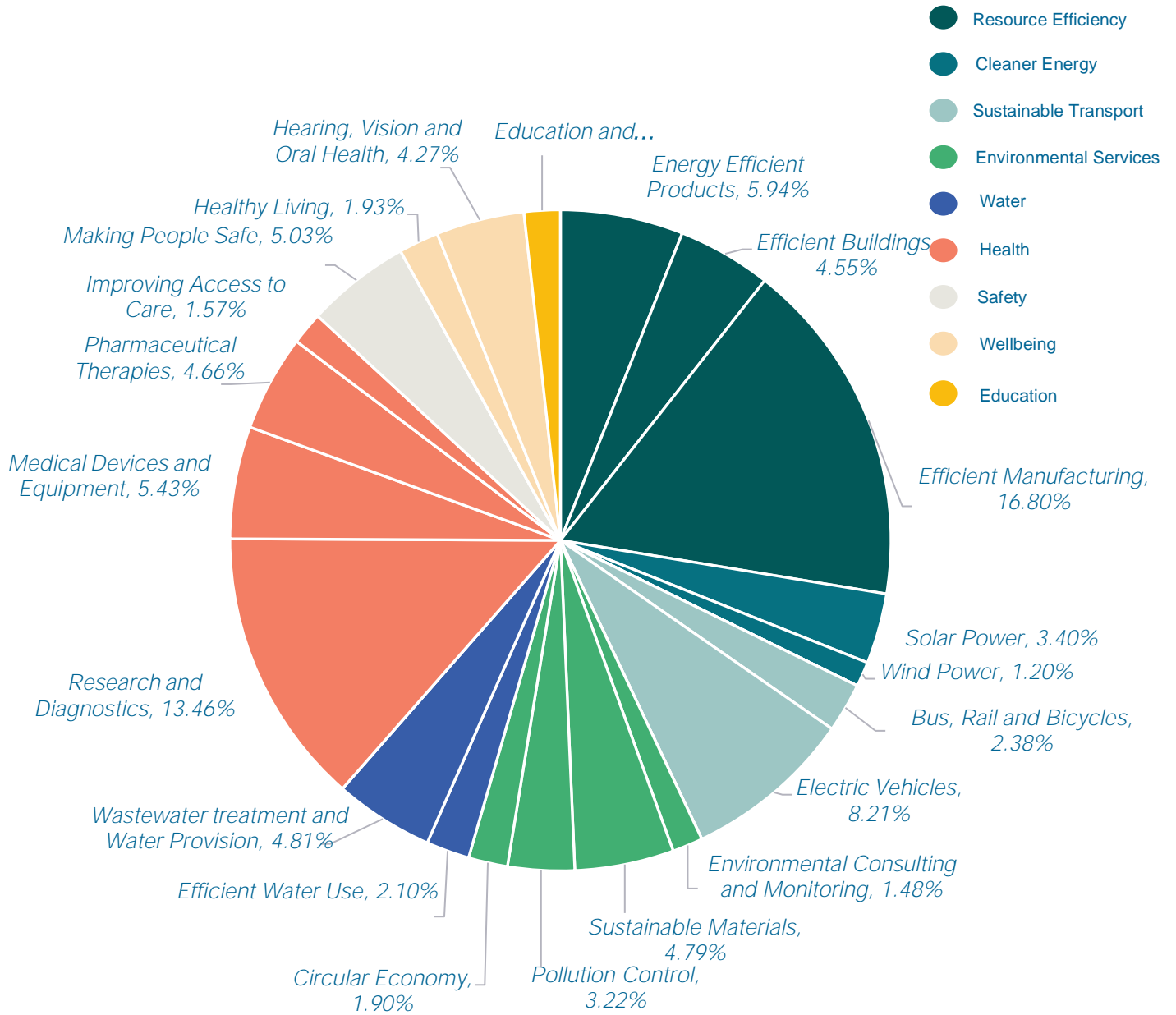


Attribution by Geography



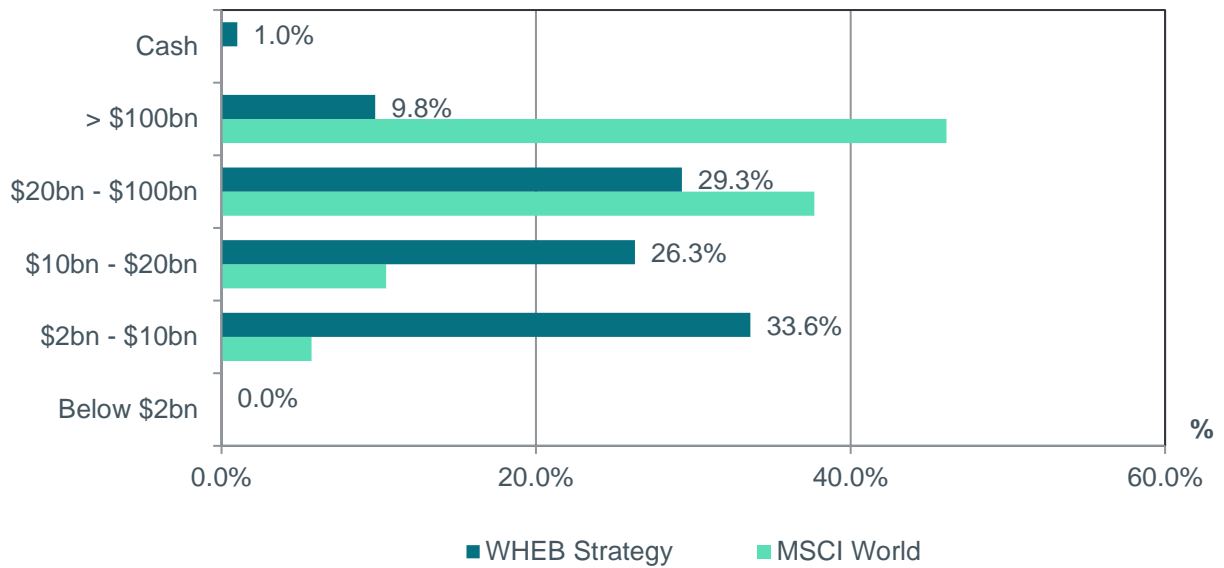
Portfolio analysis and positioning:

Portfolio Exposures⁹

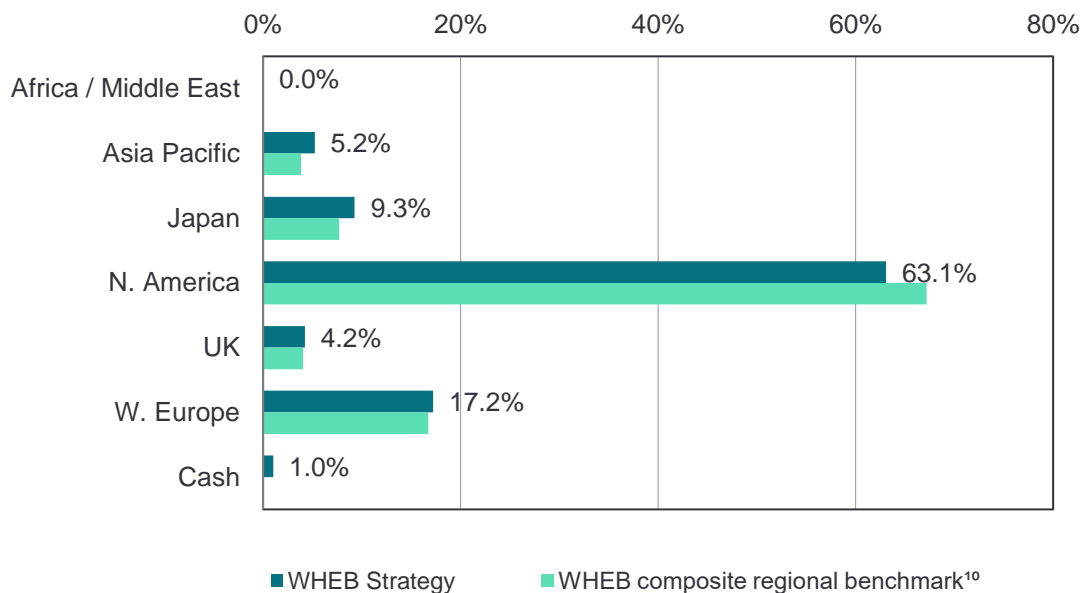


- Resource Efficiency
- Cleaner Energy
- Sustainable Transport
- Environmental Services
- Water
- Health
- Safety
- Wellbeing
- Education

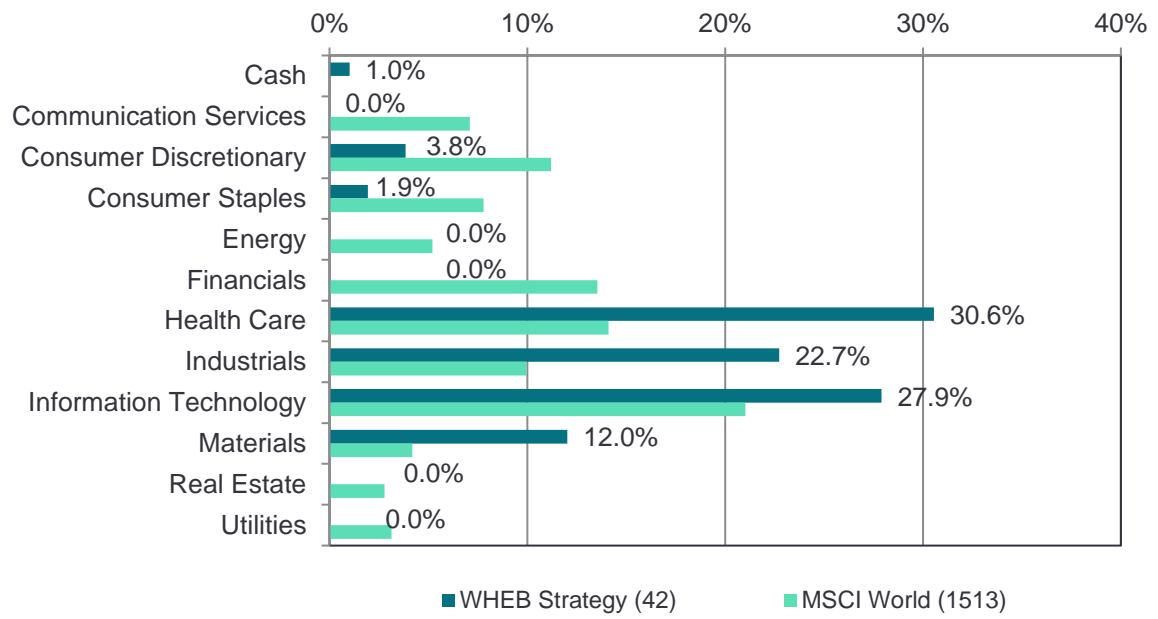
Market Cap Exposure



Regional Exposure ¹⁰



Sector Exposure ¹¹



Top Ten Holdings as of 30 September 2022

Stock	Theme	Description	Holding
Globus Medical	Health	Globus Medical is a best-in-class spinal medical technology company headquartered in Pennsylvania, US. It has a large portfolio of solutions to promote healing in patients with musculoskeletal disorders. A newer, fast growing segment called "Enabling Technologies" centres around ExcelsiusGPS, the world's first robotic navigation platform which supports surgeons in spinal operations.	3.31%
Danaher	Health	Exposed to several of WHEB's themes. It is categorised in the Health theme because of its design and manufacture of medical products including instrumentation, software and diagnostics for new drugs and critical care.	3.30%
Thermo Fisher	Health	A leading provider of analytical instruments, equipment, software and services for research and diagnostics in healthcare industries.	3.26%
Linde	Environmental Services	Supplies a variety of gases to manufacturing, petrochemical and electronics industries and also to the healthcare sector. These are used in a variety of applications to make manufacturing processes more efficient and to reduce harmful emissions.	3.23%
Advanced Drainage Systems	Water Management	Advanced Drainage Systems is a leading provider of stormwater management systems in the US. The company's products are generally lighter, more durable, more cost effective and easier to install than comparable alternatives made with traditional materials.	3.20%
Silicon Laboratories	Resource Efficiency	Silicon Laboratories designs and develops analog semiconductors and other electronic components that are used to control and connect devices. The company has particular expertise in ultra-lower power devices. It also develops and sells technologies that play a critical role in the 'internet of things' (IoT) which enables greater efficiencies through closer analysis and control of electrical equipment.	3.19%
TE Connectivity	Sustainable Transport	The leader in the connectors and sensors industry. It uses electronic components, network solutions and wireless systems to improve safety as well as fuel and energy efficiency in the automotive industry and other markets.	3.13%
CSL	Health	CSL provides human blood plasma-derived products to treat bleeding disorders, infections and autoimmune diseases. CSL also manufactures vaccines and related products including for flu and cervical cancer.	3.10%
Autodesk	Resource Efficiency	Autodesk is a global leader in 3D design and engineering software and services. Autodesk tools are a critical component in the design and operation of more resource efficient products and buildings. They can deliver quite striking resource savings, due to their impressive capabilities and critical position in design process.	3.07%
Infineon	Sustainable Transport	Infineon Technologies manufactures semiconductors and related systems. The products are key enablers of several important end markets including electric and hybrid road vehicles, renewable power generation including wind turbines, efficient power management in industrial systems and applications and in other types of electrical infrastructure.	3.00%

Fund Characteristics

	WHEB	MSCI World (Total Return – GBP)
FY1 Price/Earnings (PE) ¹²	19.00	13.57
FY2 Earnings Growth ¹²	13.49	10.48
FY1 PE/FY2 Earnings Growth (PEG)	1.41	1.30
3-year Volatility ¹³	18.53	19.94

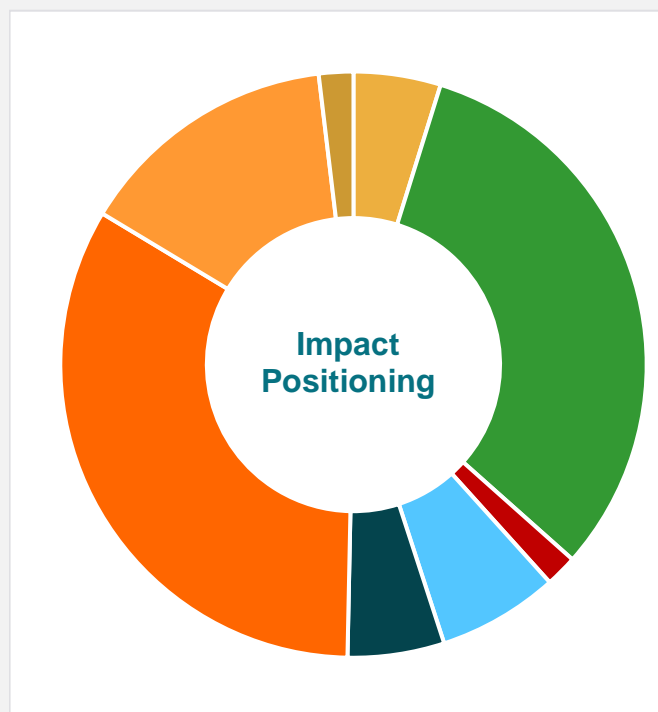
	WHEB
Beta (predicted)	1.11
1-year Tracking Error (predicted)	7.27
5-year Tracking Error (ex-post)	7.84

Trading Activity

Significant Portfolio Changes

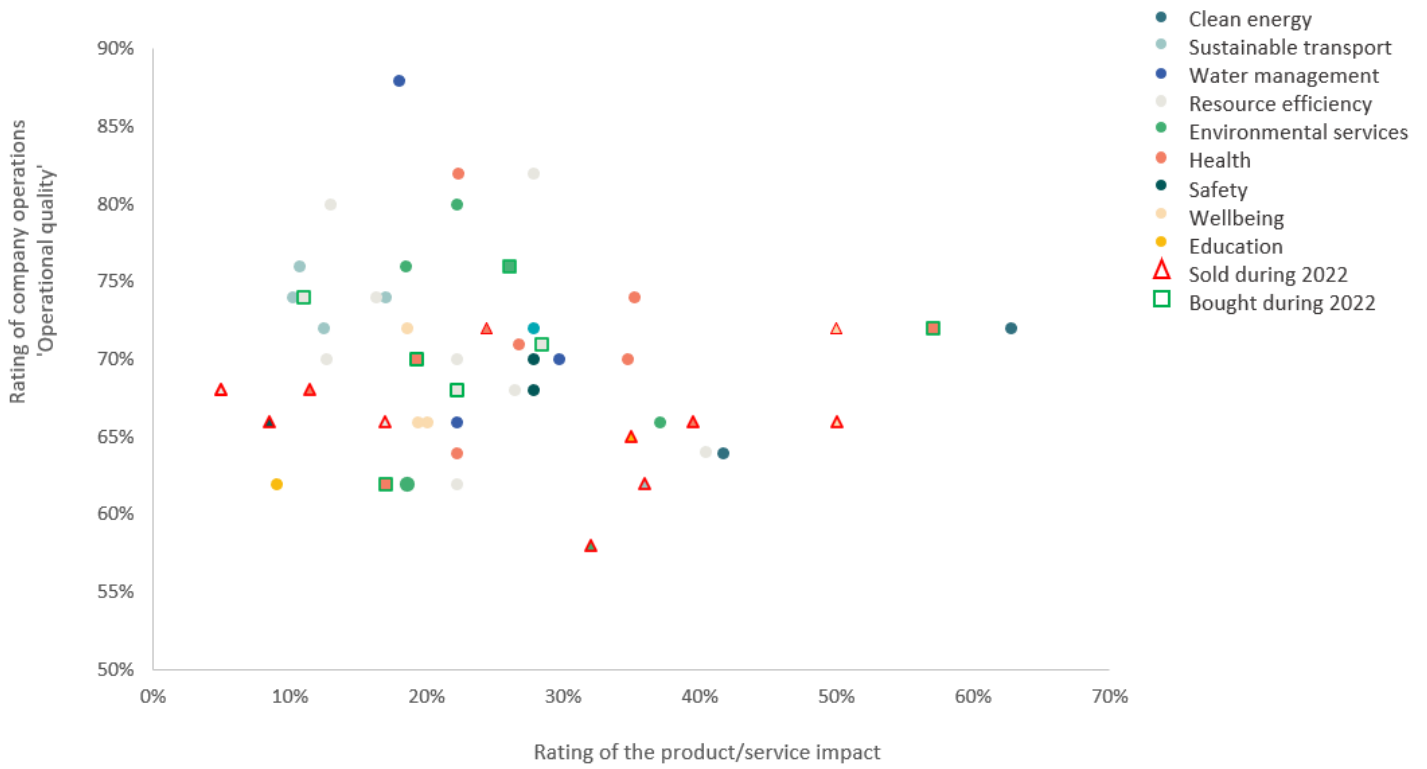
Stock Name	Purchase or sale	Theme	Brief description or sale rationale
Intertek	Sale	Safety	Sold in favour of Croda, where impact and fundamental conviction are higher.
Croda	Purchase	Environmental Services	High quality specialty ingredients supplier with a strong focus on sustainability.
AO Smith	Sale	Resource Efficiency	Lower impact story and weakening residential market.

Impact Positioning: Supporting the UN Sustainable Development Goals¹⁴



- 5% in agriculture & nutrition
- 32% in health & well-being
- 2% in education
- 7% in clean water & sanitation
- 5% in affordable & clean energy
- 33% in industry, innovation & infrastructure
- 14% in sustainable cities & communities
- 2% in responsible consumption & production

Impact map of the FP WHEB Sustainability Fund portfolio following changes in 3Q 2022 ¹⁵



Engagement and voting activity

Voting Record: Q3 2022

The table below summarises the voting record at companies held in WHEB's investment strategy from 1 July – 30 September 2022. Full details of how we voted on each of the individual votes are detailed on our website:

<http://www.whebgroup.com/investment-strategy/fund-governance/engagement-and-voting-records/>

Meetings	No. of meetings	%
# votable meetings	6	
# meetings at which votes were cast	6	100%
# meetings at which we voted against management or abstained	5	83%

Resolutions	No. of resolutions	%
# votes cast with management	54	82%
# votes cast against mgmt. or abstained (see list in appendix)	12	18%
# resolutions where votes were withheld	0	0%

Company Engagement Activity

Company	Topic	Objective	Method	Outcome
ADS	Auditor Independence	Vote against Chair of Audit Committee because auditor tenure is too long.	Vote/Letter	Ongoing
	Gender diversity	Vote against Chair of Nominations Committee due to lack of Board-level gender diversity.	Vote/Letter	Ongoing
	Executive Remuneration	Advisory Vote on Say on Pay Frequency: Vote for one year	Vote	Ongoing
	Net Zero Carbon target	Company to set a formal Net Zero Carbon Target verified by SBTi	Letter	Successful
A.O. Smith	Auditor Independence	Vote against the Chair of the Audit Committee where auditor tenure exceeds ten years.	Vote/Letter	Unsuccessful
	Sustainability Leadership	Vote against, or withhold a vote for, the Chair of the Compensation Committee when executive compensation fails our criteria.	Vote/Letter	Unsuccessful
	Combined Chair/CEO	Vote against the Chair where the CEO/Chair is combined in one role	Vote/Letter	Unsuccessful
	Board Independence	Vote against the Chair of Nominations Committee where we do not consider the board to be majority independent	Vote/Letter	Unsuccessful
	Committee Independence	Vote against the Chair of Nominations Committee where we do not consider the Committee to be majority independent	Vote/Letter	Unsuccessful
	Director Independence	vote against continuous service without a vote for more than two years.	Vote/Letter	Unsuccessful
	Gender Diversity	Vote against the Chair of the Nomination Committee due to lack of Board-level gender diversity.	Vote/Letter	Unsuccessful

	Sustainability Reporting	We would like to see the company reporting on sustainability annually and we would encourage more granular disclosure of targets, strategy and data.	Vote/Letter	Unsuccessful
Centene	Governance of healthcare provision	Clarification of changing company attitudes towards decision making in light of recent controversies.	Conference call	Successful
CSL	Sustainability Leadership	Encourage inclusion of sustainability factors in long-term incentive plans and setting of a net zero carbon strategy.	Conference call	Successful
	Net Zero Carbon Targets	Encourage company to set a net zero carbon strategy	Conference call	Successful
Daikin Industries	Net Zero Carbon Strategy	Suggestions for refinement and improvement of company's newly implemented Net Zero Carbon Strategy following request for feedback from CA100+ investors	Email	Ongoing
Ecolab	Hazardous Chemicals	Seeking a meeting to discuss findings of ChemScore reports on the use of hazardous chemicals at Ecolab	Email	Partially successful
	Combined CEO/Chair	Understand reasons for this recent change and whether it will be a permanent decision.	Call	Successful
	Net Zero Targets	Ascertain progress against recently set SBTi and understand challenges.	Call	Successful
Evotec	EH&S	Enquiry about increase of number incidents, accidents and lost time accidents in the last year.	Call	Successful
FirstSolar	Hazardous Chemicals	Encouraging a proactive approach to phasing out hazardous chemicals in the solar value chain	Collaborative	Ongoing
Fisher & Paykel Healthcare Limited	Classified Board	Vote against nominations committee member	Vote/Letter	Partially Successful
	Auditor Independence	Abstained from voting with regards to the authorization to fix the remuneration of the auditor	Vote/Letter	Partially successful
Grand Canyon Education	Carbon emissions	Discussion to understand company's energy consumption	Call	Successful
HelloFresh	Supply Chain	Question to understand quality control of suppliers	Email	Successful
Icon	Auditor Independence	Authorise Board to Fix Remuneration of Auditors	Vote	Unsuccessful
J.B. Hunt Transport	Board Independence	Vote against the Chair of Nominations Committee where we do not consider the board to be majority independent	Vote/Letter	Unsuccessful
	Committee Independence	Vote against the Chair of Nominations Committee where we do not consider the Committee to be majority independent	Vote/Letter	Unsuccessful
	Gender Diversity	Vote against the Chair of the Nomination Committee due to lack of Board-level gender diversity	Vote/Letter	Unsuccessful
	Executive Remuneration	Advisory Vote to Ratify Named Executive Officers' Compensation	Vote/Letter	Unsuccessful
	Sustainability Leadership	Advisory Vote to Ratify Named Executive Officers' Compensation	Vote/Letter	Unsuccessful
	Net Zero Carbon Targets	Vote against re-election of Chair of the Board where there is no Net Zero Carbon Target	Vote/Letter	Unsuccessful
Keyence	Sustainability Reporting	Encouraging the company to set ESG targets and progress made against them	Call	Successful
Lenzing	Product Impact	Call with IR to clarify sustainability claims of Lenzing products	Call	Unsuccessful
Linde	Gender Diversity	Vote against Chair of the nomination committee as gender diversity is too low.	Vote	Unsuccessful
	Director overboarding	Vote against Chair of the nomination committee as numerous board members are overboarded.	Vote	Unsuccessful
	Executive Remuneration	Advisory Vote to Ratify Named Executive Officers' Compensation.	Vote	Unsuccessful

	Sustainability Leadership	Authorize Board to Fix Remuneration of External Auditor(s).	Vote	Unsuccessful
	Net Zero Carbon Target	Request for an update on the company's SBTi initiative	Email	Partially successful
MSA Safety	Combined CEO/Chair	Vote against the Chair where the CEO/Chair is combined in one role	Vote/Letter	Partially Successful
	Classified Board	Vote against the Chair where the board is classified	Vote/Letter	Unsuccessful
	Board Independence	Vote against the Chair where we do not consider the board to be majority independent	Vote/Letter	Unsuccessful
	Sustainability Leadership	Vote against the Chair where there is no board oversight for sustainability.	Vote/Letter	Successful
	Gender Diversity	Vote against the Chair due to lack of Board-level gender diversity.	Vote/Letter	Unsuccessful
	Net Zero Carbon Targets	Vote against re-election of Chair of the Board where there is no Net Zero Carbon Target	Vote/Letter	Successful
	Executive Remuneration	Vote against, or withhold a vote for, the Chair of the Compensation Committee when executive compensation fails our criteria.	Vote/Letter	Unsuccessful
	Sustainability Leadership	Question whether sustainability related metrics are included in executive remuneration.	Email following discussion at conference with IR	Successful
	Sustainability Reporting	Understand why the company chooses to report females and diverse males together as DE&I reporting.	Email following discussion at conference with IR	Successful
Power Integrations	Board Independence	Vote against the Chair of Nominations Committee where we do not consider the board to be majority independent	Vote/Letter	Unsuccessful
	Committee independence	Vote against the Chair of Nominations Committee where we do not consider the Committee to be majority independent	Vote/Letter	Unsuccessful
	Sustainability Leadership	Vote against the Chair of the board where we sustainability/ESG targets are not included in executive remuneration and/or where there is no board oversight for sustainability and ESG matters	Vote/Letter	Unsuccessful
	Sustainability Reporting	Vote against the Chair of the Board where disclosure is insufficient	Vote/Letter	Unsuccessful
	Auditor Independence	Vote against the Chair of the Audit Committee where auditor tenure exceeds ten years.	Vote/Letter	Unsuccessful
	Net Zero Carbon Targets	Vote against re-election of Chair of the Board where there is no Net Zero Carbon Target	Vote/Letter	Unsuccessful
Silicon Labs	Investor Materiality Assessment	Company is engaging with a handful investors to conduct their own materiality assessment of ESG topics	Email	Ongoing
Smurfit Kappa	Human Rights	Discussion with CSO on allegations of land appropriation from the Misak tribe	Call	Successful
SolarEdge	Product Impact	Better understand the impact of SolarEdge inverters relative to competitors'.	Call	Successful
Sonova	Net Zero Carbon Targets	Vote against re-election of Chair of the Board where there is no Net Zero Carbon Target	Vote/Letter	Unsuccessful
	Director Independence	Vote against Director as they have too many board-level commitments.	Vote/Letter	Unsuccessful
	Gender Diversity	Vote against the Chair of the Nomination Committee due to lack of Board-level gender diversity.	Vote/Letter	Unsuccessful
	Authorised Capital	vote against extension where the proposed authorized capital without voting rights would exceed 5%	Vote/Letter	Unsuccessful
Sweco AB	EU Taxonomy	Proportion of revenue exposed to green policies	Call	Successful

Sweco AB	Executive remuneration	Enquiry about whether there are plans to include sustainability-related metrics within the compensation structure. Currently they are considering this.	Call	Successful
	Sustainability Strategy	Question about how sustainability strategy enables differentiation from competitors.	Call	Successful
Steris	Auditor Independence	Vote against Chair of Audit Committee because auditor tenure is too long.	Vote/Letter	Partially Successful
	Director independence	Vote against Board Chair when any board committee does not consist of a majority of independent directors and overall, the board does not contain a majority of independent directors.	Vote/Letter	Partially Successful
	Gender diversity	Vote against Chair of Nominations Committee due to lack of Board-level gender diversity.	Vote/Letter	Partially Successful
	Net Zero Carbon target	Vote against Chair of Nominations Committee as the company does not have a net zero carbon target	Vote/Letter	Partially Successful
	Sustainability Reporting	Vote against Chair of Nominations Committee as ESG disclosure is poor	Vote/Letter	Partially Successful
	Director Overboarding	Vote against: Elect Director Jacqueline B. Kosecoff	Vote/Letter	Partially Successful
	Director independence	Vote against: Elect Donal O'Dwyer as Director	Vote/Letter	Partially Successful
	Auditor Independence	Vote for Authorize Board to Fix Remuneration of the Auditors	Vote/Letter	Partially Successful
Vestas	Reproductive Rights	Clarifying company position on reproductive rights in light of Roe v Wade developments	Call/Email	Successful
Xylem	Net Zero Carbon Targets	Vote against re-election of Chair of the Board where there is no Net Zero Carbon Target	Vote/Letter	Partially Successful
	Auditor Tenure	Vote against Chair of Audit Committee because auditor tenure is too long	Vote/Letter	Partially Successful
	Director Independence	Vote against Director as they have too many board-level commitments.	Vote/Letter	Partially Successful
	Gender diversity	Vote against Chair of Nominations Committee due to lack of Board-level gender diversity.	Vote/Letter	Partially Successful
	Executive remuneration	Vote against the Chairman of the Remuneration Committee where CEO pay exceeds 100x the median pay of the company	Vote/Letter	Partially Successful
	Sustainability Leadership	Vote against the Chairman of the Remuneration Committee where there are insufficient ESG or sustainability criteria within executive remuneration	Vote/Letter	Partially Successful
	Net Zero Carbon Target/Product Impact	Better understand the Net Zero Carbon commitments made in the Sustainability report	Call	Successful
	Sustainability Leadership	Better understand approach to executive ESG targets	Call	Successful
	Gender Diversity	Encourage better Gender Diversity at the board level and understand the company's plans for improvement	Call	Successful
	Reproductive Rights	Understand company's approach in light of Roe v Wade	Call	Successful

Footnotes and important risk warnings

General: This report (“Report”) is issued by WHEB Asset Management LLP (“WHEB Asset Management”). It is intended for information purposes only and does not constitute or form part of any offer or invitation to buy or sell any security including any shares in the FP WHEB Sustainability Fund, including in the United States. It should not be relied upon to make an investment decision in relation to Shares in the FP WHEB Sustainability Fund or otherwise; any such investment decision should be made only on the basis of the Fund scheme documents and appropriate professional advice. This Report does not constitute advice of any kind, investment research or a research recommendation, is in summary form and is subject to change without notice.

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FundRock Partners Limited (formerly Fund Partners Limited) is the Authorised Corporate Director of the Fund and is authorised and regulated by the Financial Conduct Authority with Firm Reference Number 469278 and has its registered office at 6th Floor, Bastion House, 140 London Wall, London EC2Y 5DN.

The state of the origin of the Fund is England and Wales. The Representative in Switzerland is ACOLIN Fund Services AG, Leutschenbachstrasse 50, CH-8050 Zurich, whilst the Paying Agent is NPB Neue Privat Bank AG, Limmatquai 1/am Bellevue, P.O. Box, 8024 Zurich. The relevant documents such as the prospectus, the key investor information document (KIIDs), the Articles of Association as well as the annual and semi-annual reports may be obtained free of charge from the representative in Switzerland. This is a marketing document.

Notes to data tables

¹ The average holding period is calculated by WHEB in accordance with the requirements of the UCITS V directive, and derived from fund turnover over the last 12 months as of the end of the reporting month. This calculation method can result in very long reported holding periods when most of the trading volume is explained by subscriptions and/or redemptions, and can even result in a negative portfolio turnover figure when subscriptions and redemptions exceed purchases and sales. As of 30th September 2022 the UCITS holding period based on the UCITS methodology was 4.52 years. During periods when the resulting figure is negative or more than 100 years, we will report the outcome here within the footnotes and not on page 22 of this report to avoid the risk of presenting a confusing figure.

² Active Share refers to the % overlap between the Fund and MSCI World Index weightings. Data as at 30th September 2022. Source: Factset.

³ The MSCI World Index is quoted at month end with net dividends reinvested and without the deduction of any expenses (in contrast to the portfolio). Index data are provided by MSCI Barra via Bloomberg, calculated using GBP. The MSCI World Index is unmanaged and cannot be invested in directly. Performance figures for the FP WHEB Sustainability Fund are calculated mid to mid.

⁴ Performance data for the FP WHEB Sustainability Fund Primary Share Class comprises the A share class since inception of the fund on 8 June 2009, and the C share class since its launch on 11 Sept 2012. Prices are last quoted prices for each day i.e., MSCI World quoted after market close in North America; FP WHEB Sustainability quoted at midday in UK. Effective from 2nd January 2020, we have introduced a single, fixed rate "Management Fee" which includes all of the costs and charges that were previously in the ongoing charges figure (or "OCF") of the Fund. As a result, various costs and charges associated with services to the Fund such as depository and custody, transfer agency, legal, audit and fund accounting charges are now paid out of the single, fixed rate Management Fee. For further information see: <http://www.whebgroup.com/fp-wheb-sustainability-fund-moves-to-a-single-fee/>

Past performance is not a reliable guide to future performance. Your capital is at risk.

⁵ IA Global refers to the fund weighted average performance of the UK Investment Association Global equity sector peer group. Source FE Analytics.

⁶ The FP WHEB Sustainability Fund was originally launched on 8 Jun 2009. Effective re-launch as at 30 April 2012 after the portfolio was transitioned to a new investment process by a new investment team.

⁷ Performance attribution is calculated with reference to the MSCI World Index, and based on the Fund's valuation at the market close. Depending on timing differences between midday pricing of the Fund's unit price and the market close, the total attribution may therefore deviate from the quarterly performance quoted in the investment performance section of the report.

⁸ The "Thematic Selection Effect" is calculated as the attribution from not having any holding in stocks which are constituents of the MSCI World Index but are not in WHEB's investable universe.

⁹ Source: Apex, data as of 30th September 2022. Numbers may not add up to 100% due to rounding.

¹⁰ The WHEB Benchmark for regional exposure is calculated as an average of The MSCI World Index, The MSCI World Mid-Cap Index and The WHEB Universe.

¹¹ The figures in brackets relate to the number of companies included in the fund or the index.

¹² Earnings growth data source: Factset forecast estimates. FY1 is the forecast estimate for the next year, FY2 is the forecast estimate for the following year.

¹³ Volatility data as at 30th September 2022, source: Bloomberg.

¹⁴ For descriptions of impact mapping methodologies please see WHEB's impact reports, available at <https://impact.whebgroup.com/methodology/> The SDG mapping methodology is described in the 2020 Impact Methodology Report, available at <https://impact.whebgroup.com/methodology/>, and the impact positioning graph is described in detail in the 2021 impact report.

¹⁵ ibid