FP WHEB Sustainability Impact Fund
Q1 2025 Report and Datapack

Jan - Mar 2025

Sustainability Impact

WHEB

WHEB is part of Foresight Group

Fund Objective and Investment Process

The aim of the Fund is to achieve capital growth over five years and contribute to positive sustainability impact over this period.

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.

WHEB

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From contamination to innovation: solving the PFAS problem

By Katie Woodhouse

For decades, they've been hiding in plain sight - coating your rain jacket, lining your popcorn bag, even woven into dental floss[1]. PFAS, or per- and polyfluoroalkyl substances, have quietly worked their way into nearly every part of our lives. But the tide is turning.

With growing awareness of the health and environmental risks, the world is waking up to the urgent need for change. And across the globe, companies are stepping up with the tools and technologies to make that change possible.

What are PFAS and why do they matter?

PFAS are a group of over 10,000 synthetic chemicals known for their durability and resistance to heat, water, and oil. First developed in the 1940s, they've been used in everything from Teflon pans and firefighting foams to food packaging, electronics, and textiles. Their ability to repel moisture and grease has made them a staple in industrial processes and consumer products.

However, that same resilience is also the problem. PFAS don't break down easily in the environment or the human body. Once released, they persist for decades, if not longer, earning them the nickname "forever chemicals".

The health risks associated with PFAS exposure are now well documented. Studies have linked exposure to PFAS to cancer, thyroid dysfunction, immune suppression, reproductive harm, and developmental issues in children[2]. Over time, PFAS accumulate in our bodies and ecosystems. Shockingly, 99% of all humans, including foetuses, have detectible levels of PFAS in their blood[3].

In Europe alone, there are over 17,000 PFAS "hot-spots". These could be close to manufacturing sites or military bases where firefighting foam may have been used. PFAS are an everyday concern for the residents in these areas, where they are even unable to eat the vegetables grown in their gardens[4].

The regulatory response

Governments have begun to respond. In the US, the Environmental Protection Agency (EPA) made history in April 2024, introducing national limits on PFAS in drinking water. This step alone will protect up to 100 million people[5].

The EPA also designated certain PFAS as hazardous substances under the Superfund law, holding polluters financially accountable for clean-up. Legal cases followed swiftly. Companies like 3M and DuPont are now facing thousands of lawsuits and have agreed to multi-billion-dollar settlements.

However, recent developments have created uncertainty. In early 2025, the Trump administration rescinded several proposed PFAS regulations, including a key EPA rule that would have limited PFAS discharges into waterways. This rollback shifts more of the regulatory burden to individual states and has raised concerns among environmentalists.

In contrast, the EU is proposing a near-total ban on over 10,000 PFAS. The European Chemicals Agency (ECHA) is leading efforts to phase out their use, particularly in food packaging, textiles and industrial applications[6].

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[1] https://time.com/6281242/pfas-forever-chemicals-home-beauty-body-products/
[2] https://www.epa.gov/pfas/our-current-understanding-human-health-and-environmental-risks-pfas
[3] https://chemsec.org/wrappedinchemicals/facts/pfas-fact-1/
[4] https://chemsec.org/wrappedinchemicals/facts/pfas-fact-1/
[5] https://www.epa.gov/pfas/key-epa-actions-address-pfas
[6] https://www.gleisslutz.com/en/news-events/know-how/pfas-restriction-proposal-eu-level

Who's solving the PFAS problem?

As the pressure mounts, a growing group of companies, held in the WHEB funds, are leading the charge with solutions for detection, treatment, and clean-up.

Veralto focuses on environmental and water quality technologies. Its tools help municipalities and companies monitor PFAS in real time, offering essential information for compliance and safety. Veralto's partnership with Axine also provides a solution to destroy PFAS through electrochemical oxidation technology[7]. With a strong presence in rapidly growing markets, Veralto offers stable revenue growth and margin expansion.

Agilent equips laboratories to detect PFAS at parts-per-trillion levels, helping customers meet the new regulatory standards[8]. Its advanced scientific instruments are in high demand across defensive sectors such as healthcare and environmental testing, providing resilience across the business cycle from recurring customers.

Arcadis, a global design and engineering firm, specialises in remediation services for contaminated sites. It works with cities, water utilities, and private companies to assess PFAS pollution and implement clean-up strategies like filtration, soil removal, and water treatment[9]. By consulting across a range of sectors, Arcadis can provide environmental impact along with earnings growth opportunities.

A leader in water tech, Xylem offers filtration systems capable of removing PFAS from drinking water. Its technologies are being implemented in municipal water systems around the world to meet stricter quality standards and protect public health[10]. Xylem is set to benefit from regulatory tailwinds and the rising demand for clean water solutions.

Whilst PFAS-related revenues are currently a small percentage of total revenues at these businesses, the PFAS testing market is predicted to grow at 14.5% to 2030[11], providing an opportunity for meaningful returns.

What's next?

PFAS are no longer flying under the radar. Regulatory scrutiny is rising, lawsuits are multiplying, and consumers are demanding transparency. Businesses can no longer afford to ignore PFAS.

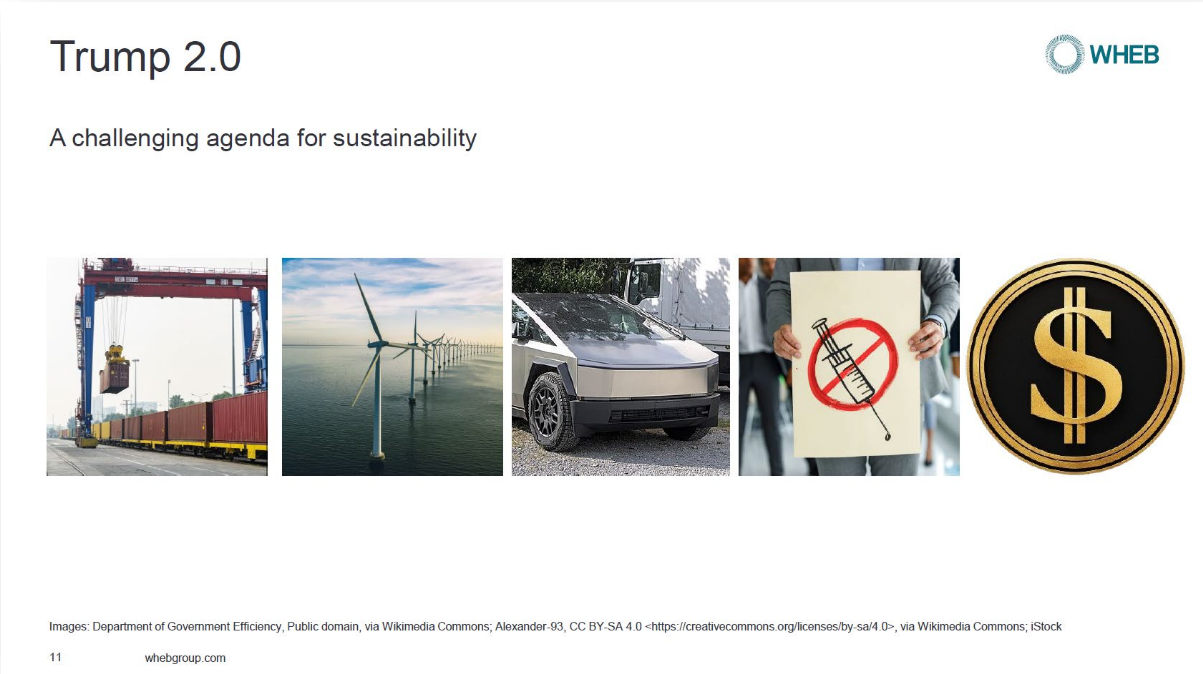
This challenge can be overcome though, provided it's met with innovation and accountability. As companies like Veralto, Agilent, Arcadis, and Xylem are showing, science and technology offer a path forward. With the right investment, collaboration, and urgency, the era of forever chemicals can become much more finite.

[7] https://investors.veralto.com/2024-11-13-Veralto-Invests-in-Axine-Water-Technologies
[8] https://www.agilent.com/en/solutions/environmental/pfas-testing
[9] https://www.arcadis.com/campaigns/pfas/index.html
[10] https://www.xylem.com/en-uk/making-waves/water-utilities-news/combatting-pfas-through-proven-water-technologies/
[11] https://www.marketsandmarkets.com/Market-Reports/pfas-testing-market-168277170.html

Here we go again

By Ted Franks

Donald Trump was elected President of the United States for a second time on the fifth of November last year, although it seems like years ago now. Shortly after, we wrote about what it would mean for sustainable investors; you can read that **here.** We also talked about the implications in our fourth quarter 2024 webinar update, shortly after his inauguration. This slide from that presentation summarised our thoughts then:

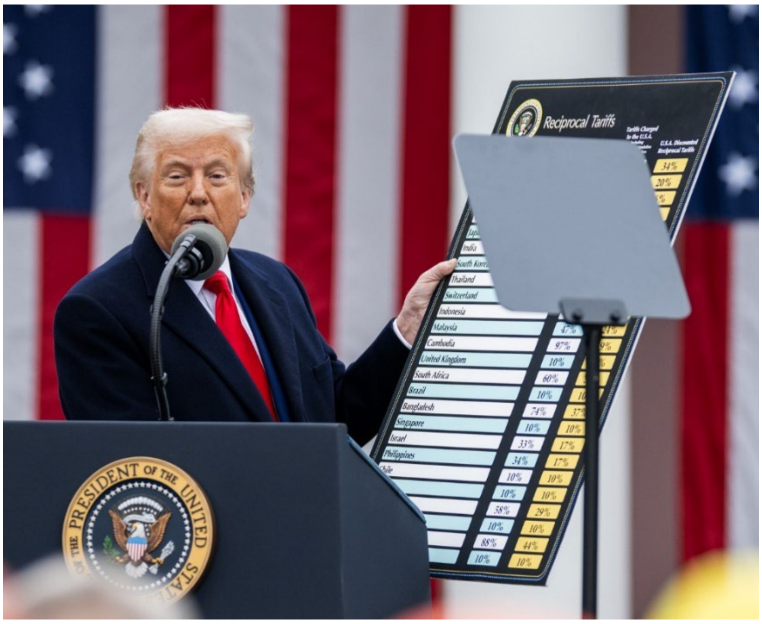


It's unusual for us to be revisiting the topic two months later, in this quarterly review. We tend to think in much longer cycles, and our investment horizon is best measured in years rather than weeks. But we are back on "Trump time", where events seem to fly by at unnatural speed. Moreover, this new administration has really hit the ground running, and moved further and faster than pretty much anyone truly expected.

So we'll try to recap some of the key highlights and lowlights here, and what they mean for sustainability, and our strategy.

The "Tariff Man"

The first topic we called out in our webinar was trade, and even in a crowded field, that might be the single noisiest policy area of the new era. On 2 April Trump confirmed the rates of tariffs on imports from all the key trading partners of the US. In the first Trump presidency there was lots of bluster about tariffs but the resulting levies were actually small and changed little. This time around it is a different story, with tariffs over 10% broadly all imports – and more in fact, for partners deemed "bad actors".



President Donald Trumps unveils the new tariff regime, 2 April 2025

Source: The White House, Public domain, via Wikimedia Commons

Trade disruption is a challenge for sustainability because much of it is achieved with globalised products. A large majority of our strategy, and the universe of companies we select from, have revenues split somewhat equally between the Americas, Europe and Asia.

However, our companies have learned from the first Trump term, and the Covid experience. Supply chains have moved and been duplicated, and customer relationships have been recast. Many of our companies, for example Siemens Healthineers (in the Health theme), and MSA Safety (in the Safety theme) operate a “twin factory setup” which allow them to service clients from their own regions.

Moreover, most of our companies’ products are highly differentiated. That gives them pricing power to pass those tariffs on to customers. Keyence, a machine vision company in our Resource Efficiency theme, might be the best example of that – it has operating margins over 50%. Tariffs will make things harder, but in the long term we’re confident that market shares will broadly be maintained, and that our quality companies will ride this out.

Inflation risk

There is another side to the tariff chaos though, and that is inflation. At least in the short term, we look set for an unwelcome boost to inflation around the world. Expectations for inflation have already started to rise, and there is a painful circularity to that, as sellers start to raise prices in anticipation. This in turn leads to interest rate rises, which in turn puts downward pressure on equity valuations.

In 2016 and 2022 the strategy really suffered from rising interest rates. But both times valuations in sustainability stocks were full – very full, in the latter case. This time is different. Our portfolio features a number of companies where valuations are at the lowest level for over a decade.

Source: Factset

Sustainability in the crosshairs

The second topic we saw in the crosshairs at the inauguration was wind energy. This was ruthlessly cut down with an executive order shortly afterwards. A moratorium on all federal permitting for offshore, and onshore wind projects leaves that important industry in a state of limbo. The strategy has a small exposure to market-leading turbine-maker Vestas. We're happy to hold it because its share price already prices in no further growth in the US, for the foreseeable future. For the rest of the world, wind is still very much part of the power mix.

Third on the list was action against electric vehicles. This is still potentially coming, but will need Congress's support to withdraw the key subsidies. In the meantime, the imposition of tariffs is likely to have a more profound impact on the rate of electric vehicle adoption. But the message here is slightly confused. One of the striking images of these early days, is the President himself buying an electric vehicle at the White House.

Source: The White House, Flickr

Our exposure to electric vehicles is spread across the portfolio. We have direct exposure through companies in our Sustainable Transport theme, including Infineon, Aptiv and TE Connectivity. We have indirect exposure too, for instance through Keyence in the Resource Efficiency theme. As much as their short-term prospects are uncertain, what is now evident about electric vehicles is that they are, broadly speaking, better than internal combustion vehicles, for about the same price. In the long term, it is clear what that means.

The fourth area of concern we laid out in January was healthcare. Robert F. Kennedy Junior, a noted vaccine sceptic with some interesting views on science, has now been appointed Secretary of Health and Human Services. Along with wholesale staff changes at the 13 operating divisions he oversees, there is an ideological shift taking place. This impacts the way scientific research is funded and rewarded, as well as how healthcare is provided.

With 27% of the strategy (and 40% of the universe) in the Health and Wellbeing themes, this could be significant. But given the complexity of the industry, and the importance of its outcomes, the scope for change is more limited than the new administration would admit. And the drive to discover new life-improving therapies is hard to stop. Our exposure to healthcare research, through companies such as Thermo Fisher, Lonza, and Astra Zeneca, remains a secure long-term bet, in our view.

The last of the changes we saw as significant was the introduction of the Department of Government Efficiency, or DOGE. Without any precedent for this kind of body or initiative, or how the influence of its leader Elon Musk would actually manifest itself, it was a little hard to see what this would mean. Two months later, we have a clearer view. Sweeping cuts right across government have been accompanied by more ideologically-driven changes to government leadership.

As well as creating headroom for tax cuts, the intention seems to be to meaningfully reduce the role government plays in a number of areas. By design, these include many of the most impactful areas, such as overseas aid, environmental regulation, and education. With a nearly two-decade track record, we are very familiar with the risks of over-reliance on regulation. Our holdings in these areas, such as consulting engineer Arcadis, and tertiary education provider Grand Canyon Education, have been selected for their comparatively low regulatory risk.

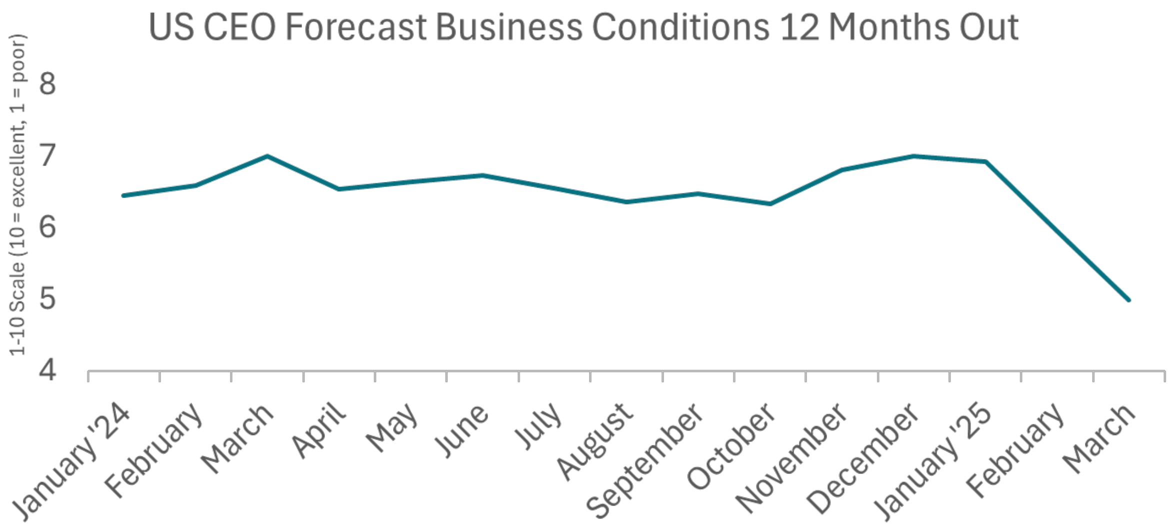
The confidence game

The above are just the areas of greatest immediate direct concern to impact investors. But there is more to this still. At the highest level, solving sustainability challenges requires investment – and co-ordinated investment, from a range of stakeholders, from the companies themselves, through intermediaries such as your manager here, through to you as the ultimate asset owner.

Investment in turn, requires confidence. And where we have been surprised, is in the extent to which the new administration is happy to be reckless with some key aspects of investment confidence. As outlined above, the moves on tariffs are clearly a big part of this. But the abrupt and aggressive changes to foreign policy (particularly on Ukraine, and Greenland) play their part too.

For those that are watching carefully (and a lot of CEOs and investors are in that category) then Trump's attacks on the rule of law are very concerning. A prime example of which is his commentary on a possible third term, in obvious contradiction of the US constitution.

The upshot is that the world is now in "wait and see" mode, not just on sustainability, but on any kind of investment.



Source: ChiefExecutive.net. https://chiefexecutive.net/ceo-optimism-plummets-in-march-amid-tariff-uncertainty/

These too shall pass

We had thought that the Trump election could be a clearing event to rebuild from, even with the direct challenges to sustainability. It's clear that, with the collapse in general investment confidence, we are going to need a little more patience.

But it will just be patience, because like everything, this too shall pass. Like any President, Trump's peak popularity is at the start of his term, and the mandate inevitably weakens from here. In this case, we are already seeing his popularity levels falling[12].

On the other hand, the drive to sustainability can only be suppressed for so long. The challenges only become more intense, and impact more people. And the technology only improves and becomes more competitive. By setting himself up so clearly in opposition to impact, Trump's policy mistakes will highlight the power of the alternative path.

In the meantime, we continue to search for the best investments for a more sustainable future, taking each development as it comes, but keeping our eyes on the long-term horizon.

[12] https://www.msn.com/en-us/news/politics/trump-approval-rating-tracker-most-americans-reject-tariffs-in-liberation-day-poll/ar-AA1BfEeR

Investor stewardship in turbulent times: The case for pragmatic ambition

By Rachael Monteiro

Whilst we get used to the views from WHEB's new home with Foresight Group in the Shard[13], the new investment landscape we find ourselves facing is a more demanding global context for investor stewardship.

Facing a new landscape

In the last quarter, geopolitical uncertainty has intensified. The populist push-back to sustainability agendas has gained momentum, while regulatory support for sustainable investing is being rolled back in both the US and EU.

Navigating these complexities is increasingly difficult for both companies and investors, reinforcing the importance of effective stewardship. But with this challenge comes an opportunity for investors to reassess what makes engagement truly effective.

Engagement under pressure

Constructive engagement is harder where Environmental, Social and Governance (ESG) issues have become politicised. Just days into President Trump's second term, new Executive Orders targeted diversity, equity and inclusion (DEI) programmes,[14]. Disney is already facing an investigation[15], despite 99% of its shareholders supporting its approach[16].

The SEC has also reversed its stance on mandatory climate risk disclosures[17] and is weakening tools like shareholder proposals[18] and collective initiatives[19]. As a result, material information may become harder to access, just as investor appetite is growing. Support has also been withdrawn from initiatives like the Climate Action 100+ and the Net Zero Asset Manager's Initiative (NZAMI).

These barriers aren't new. The overturning of *Roe v. Wade* in 2022 similarly politicised a core workforce issue. WHEB responded by encouraging companies to protect employee wellbeing—a principle that remains as important as ever.[20]

Meanwhile, global regulation continues to evolve. In the EU, the review of the Sustainable Finance Disclosure Regulation (SFDR) could raise the bar for investor disclosures. However, persistent gaps in corporate reporting remain a major challenge. Proposed reforms to the Corporate Sustainability Reporting Directive (CSRD) — which would exclude around 80% of companies and delay implementation — risk making matters worse, just as investors need more, not less, transparency from companies.

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[13] https://www.whebgroup.com/news/foresight-group-completes-acquisition-of-wheb-asset-management
[14] https://www.whitehouse.gov/presidential-actions/2025/01/ending-illegal-discrimination-and-restoring-merit-based-opportunity/
[15] https://www.fcc.gov/sites/default/files/Carr-Letter-to-Disney-DEI-03252027.pdf
[16] An anti-DEI shareholder proposal that challenged Disney's parsiticaption in the Human Right's Campaigns Corporate Equality Index – a benchmarking tool assessing corportate policies, praxctices and benefits pertinent to lesbian, gay, bisexual, transgender and queer emploees – received only 1% support https://www.reuters.com/business/media-telecom/disney-investors-reject-proposal-withdraw-hrcs-diversity-index-2025-03-20/.
[17] https://www.sec.gov/newsroom/press-releases/2025-58
[18] The SEC rescinded Staff Legal Bulletin 14L, which had strengthened shareholder rights by limiting companies' ability to exclude ESG proposals. It reinstated earlier guidance allowing companies to exclude proposals—like climate targets—on the grounds of micromanagement. https://www.sec.gov/rules-regulations/staff-guidance/staff-legal-bulletins/shareholder-proposals-staff-legal-bulletin-no-14l-cf?
[19] The SEC also updated guidance on Schedules 13D and 13G, potentially creating new hurdles for investors who cross the 5% ownership threshold and coordinate on ESG-related efforts, by increasing the risk of being deemed a "group" subject to disclosure. https://www.sec.gov/about/divisions-offices/division-corporation-finance/exchange-act-sections-13d-13g-regulation-13d-g-beneficial-ownership-reporting-021125#:~:text=Feb.,New%20Question%20103.12
[20] https://www.whebgroup.com/vestas-xylem

Time for a reset: Recalibrating expectations

NZAMI's recent decision to pause all activity, in response to signatories leaving[21], may yet serve as a reminder that investor expectations of what engagement alone can achieve had, perhaps at times, become unrealistic.

However, challenging conditions can also create opportunity. In our view, NZAMI's pause is more of a case of strategic recalibration, rather than outright retreat. Investor stewardship should take note and follow suit.

Pragmatic ambition for smarter stewardship

- **Plays to strengths to focus on the essentials***:* Addressing systemic risks, such as climate change, biodiversity loss, and inequality, requires ambition. However, engagement must be strategic and context-driven. At WHEB, we prioritise objectives with measurable outcomes focused on long-term value creation. With a concentrated portfolio and long holding periods, we focus our influence where it matters most: company policy, strategy, and governance.

  Example: Smurfit WestRock's forest exposure and limited biodiversity disclosures made it a clear engagement priority[22]. WHEB joined Nature Action 100 to push for better benchmarking, stronger community engagement, and clearer progress reporting[23].

- **Knows the limits of company engagement:** Not every issue can be resolved via company engagement alone. Systemic externalities, like the unpriced cost of carbon, extend beyond firm-specific action and require market and policy-level engagement. Recognising this helps investors focus where engagement has the most impact and seek broader avenues for change.

  Example: Despite sustained engagement, J.B. Hunt[24] couldn't commit to a 1.5°C-aligned target due to systemic barriers like poor grid infrastructure and limited access to electric trucks.

- **Uses systemic levers to amplify impact**: Where company engagement falls short, macro stewardship is critical. This means influencing policymakers, regulators, and standard-setters, while also engaging upstream with clients and advisers[25],[26].

  Example: While WHEB has limited exposure to the causes of antimicrobial resistance (AMR), we invest in companies working to reduce its spread. Recognising the limits of firm-level action, we joined the Investor Action on AMR initiative to drive broader system-level change.

[21] In an effort to halt more signatories leaving, the NZAMI has suspended activities to review and ensure the initiative remains fit for purpose https://www.netzeroassetmanagers.org/update-from-the-net-zero-asset-managers-initiative/.
[22] Smurfit Kappa, now Smurfit WestRock, has made good progress on this topic since we first began engaging it in 2023 https://www.whebgroup.com/smurfit-kappa-engagement-case-study-q3-2023
[23] https://www.whebgroup.com/smurfit-westrock-2025-engagement-case-study
[24] WHEB redirected its focus and exited the position in J.B. Hunt in early 2024.
[25] Full details of our public policy engagement are included in our Stewardship Report on p. 72 https://www.whebgroup.com/assets/files/uploads/20240730-wheb-asset-management-2023-stewardship-report.pdf A full list of our involvement in indisutry intiatives and assocations is available on our website: https://www.whebgroup.com/about/our-industry-networks
[26] https://www.whebgroup.com/assets/files/uploads/20241030-wheb-stewardship-white-paper.pdf

Stewardship and engagement for the long term

The landscape may be shifting, but investors' stewardship responsibilities endure. Global market forces demand that we recalibrate how we engage, what we prioritise, and how we define success. Stewardship must be sharper, more strategic, and grounded in long-term value.

WHEB's use of engagement targets — all based on maximising long-term impact in businesses where that impact is embedded in the product — means we're naturally incentivised to focus on what's material and relevant for a company's long-term success. And that, in turn, helps us navigate the politicisation of the sustainability agenda.

The WHEB Strategy remains committed to stewardship that is ambitious yet pragmatic, proving that even under pressure, meaningful engagement is not only possible, but also essential.

Performance commentary

Market review

Global equities, represented by the MSCI World Index, fell -4.6% in the first quarter of 2025 (in British Pounds). The period was marked by uncertainty and volatility, stemming from US trade policy, which has dampened growth expectations globally.

US stocks posted their worst quarter in almost three years as investors feared that President Trump's tariffs will slow economic growth, while also increasing prices. Given the elevated uncertainty, the US Federal Reserve decided not to change interest rates.

Meanwhile the European Central Bank (ECB) cut interest rates twice during the quarter. In Europe, the fiscal response towards defence spending was supportive for the region. European equities outperformed all other regions in developed markets.

Big tech stocks, which have dominated markets in recent years, pulled back sharply over the quarter. Worries over the economy and overspending on artificial intelligence infrastructure, weighed on the sector.

In the global market, Technology and Consumer Discretionary were the main laggards posting negative returns in double-digits. Energy, Utilities and Financials were the best performing sectors.

Performance review

The strategy delivered negative absolute performance over the quarter.

American Water Works (Water Management), **Daifuku** (Resource Efficiency) and **Nextracker** (Cleaner Energy) were the best performing stocks and the largest contributors to return in the period[27].

American Water Works outperformed due to its perceived defensive characteristics amid a volatile market environment, while Daifuku performed well after releasing its full-year guidance in February, meeting its operating margin target three years ahead of schedule.

Nextracker also contributed strongly. The company reported strong Q424 results with a record backlog and positive outlook, despite macro headwinds. Uncertain prospects for the renewable energy sector under the Trump administration remain a headwind so its valuation is very appealing.

First Solar (Cleaner Energy) was the weakest performer in the period by some margin, as political uncertainty around the Inflation Reduction Act and nervousness ahead of the company's FY'24 results pressured the stock.

Novo Nordisk (Health) was the second-weakest performer as clinical trial data from its obesity drug, CagriSema, failed to meet investor expectations. Also, the Trump administration dropped Biden's proposal of Medicare coverage of weight-loss drugs.

ATS Corp and **Power Integrations**, both in the Resource Efficiency theme, also struggled due to concerns of tariff-led economic slowdown.

The Resource Efficiency and Health themes were the main detractors from performance during the quarter. Education was the only theme that contributed positively.

[27] Past performance is not a reliable guide to future results. Your capital is at risk.

Outlook

The dramatic stock market movements during the quarter (and into April) reflect the considerable economic uncertainty brought about by the Trump administration in the USA. Less than two months after inauguration, the rate of policy change has been breathtaking and its scope wide-ranging.

Our impact investing markets had already been heavily hit by the dramatic changes in the policy framework. These include changes in healthcare, environmental protections, clean energy, and sustainable transport, amongst others. The moves in March, particularly as regards trade and even the rule of law, have impacted the whole economy and added a further layer of unpredictability for all investors.

It may seem surprising then that our confidence in the prospects for the strategy remain very strong. But current valuations are extremely depressed, with stocks now starting to price in a general recession, in addition to severe challenges to sustainability industries.

In our view, this dramatically overstates the case. The science behind our thematic drivers is well understood and settled. The capabilities of the technologies our companies produce are well-proven, and the need for them is increasingly apparent. As we have long known, political support alone cannot deliver sustainable changes to the economy. But by the same token, artificially constructed attempts to resist change will not succeed either.

The coming months are likely to see ongoing volatility as the policy moves play out. But with a patient approach, we believe the rewards for sustainability investing will be clear.

Portfolio activity

We initiated one new position in the fund during the quarter.

Purchases

We initiated a position in Japanese company **Kurita Water** in our Water Management theme. Kurita Water offers products and services for treating water for industrial applications. It has a particularly strong position in the electronics industry where it offers ultra-pure water production facilities for semiconductor manufacturing.

Kurita Water is well-positioned for growth as pressure on water resources grows along with climate change. Its innovative and flexible approach gives it a competitive advantage against less specialist and focused peers. We also like its strong focus on sustainability as another source of competitive advantage.

Sales

There were no sales during this period.

FP WHEB Sustainability Impact Fund
Q1 2025 Datapack

Jan - Mar 2025

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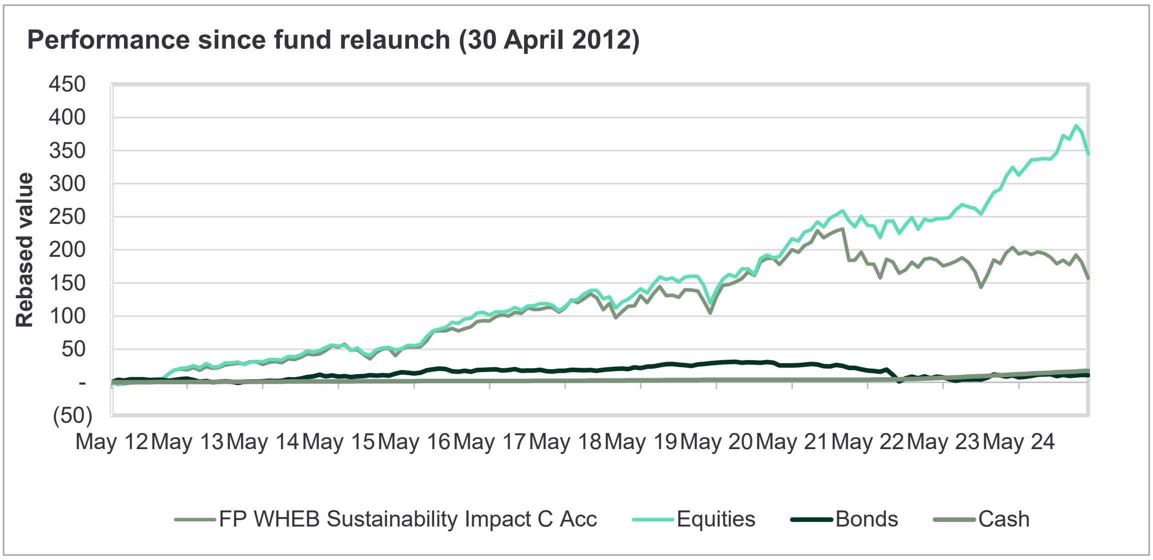
FP WHEB Sustainability Impact Fund: 31 March 2025

Fund size	£434m
Holdings	43
Holding period[1]	4.51
Active share vs MSCI World Index[2]	97.2%

IMA sector	Global
Expected number of holdings	40-60
Average holding period	4-7 years
Benchmark[3]	N/A (no comparator benchmark)

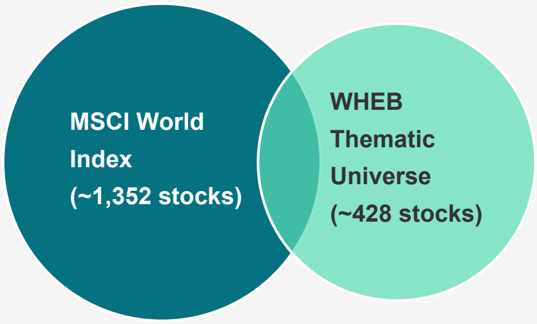
Investment performance[4]



Comparative performance

Discrete performance	Mar 2024 – Mar 2025	Mar 2023 – Mar 2024	Mar 2022 – Mar 2023	Mar 2021 – Mar 2022	Mar 2020 – Mar 2021
FP WHEB Sustainability Impact C Acc Primary share class (GBP)	-15.23%	6.76%	-4.05%	2.80%	41.20%
Equities[5]	4.76%	22.45%	-0.99%	15.39%	38.43%
Bonds[6]	0.33%	1.57%	-9.32%	-4.45%	-2.61%
Cash[7]	4.46%	5.19%	4.18%	0.69%	0.05%

Cumulative performance	Fund (Primary share class)	Equities	Bonds	Cash
3 months	-7.21%	-4.71%	1.08%	1.14%
6 months	-10.88%	1.90%	-1.36%	2.35%
12 Months	-15.23%	4.76%	0.33%	4.46%
3 years (annualised)	-4.60%	8.30%	-2.87%	3.92%
5 years (annualised)	4.74%	15.20%	-2.46%	2.37%
Cumulative since fund relaunch (30 April 2012)[8]	157.49%	345.18%	10.64%	17.27%



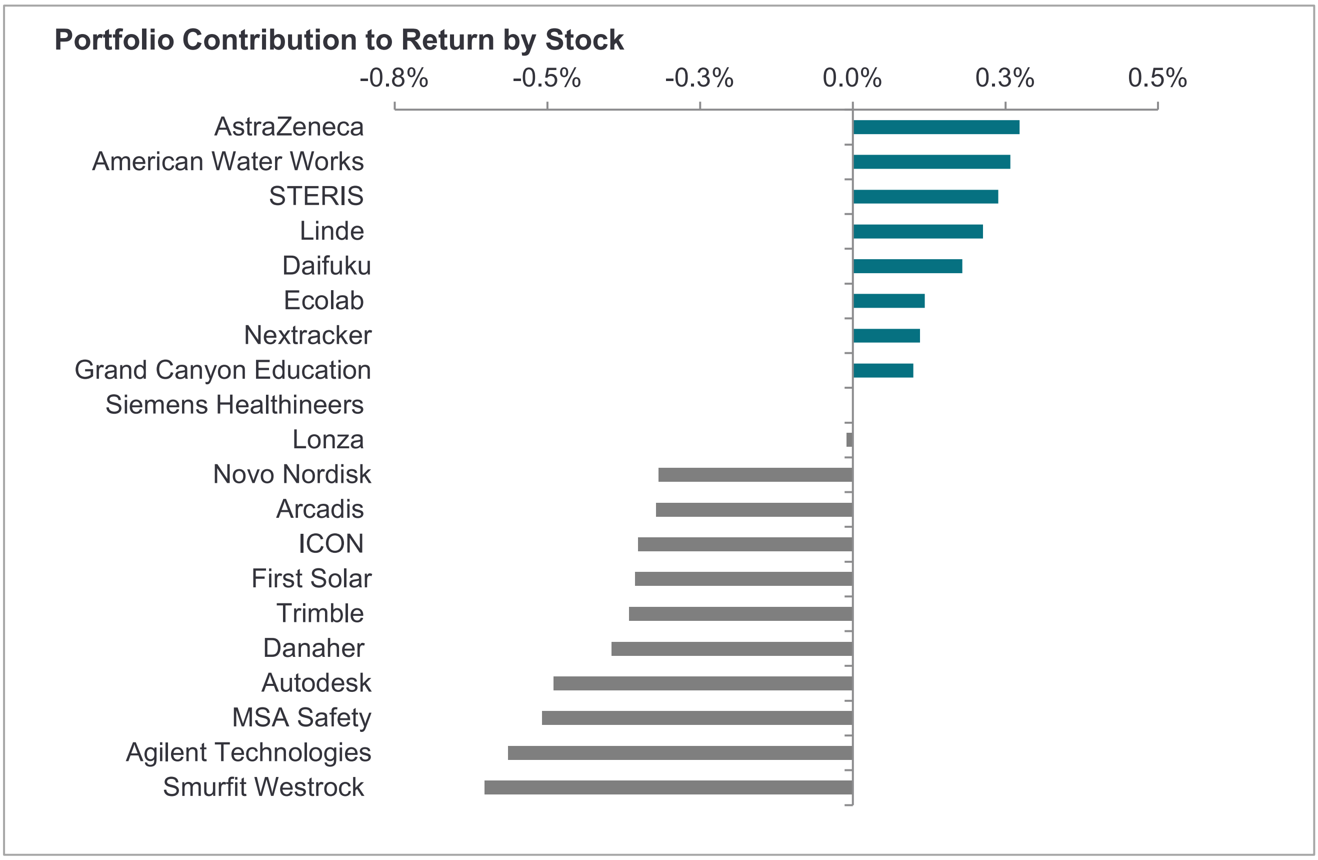
Overlap: ~213 stocks;
15.8% (as at 31 March 2025) of MSCI World Index

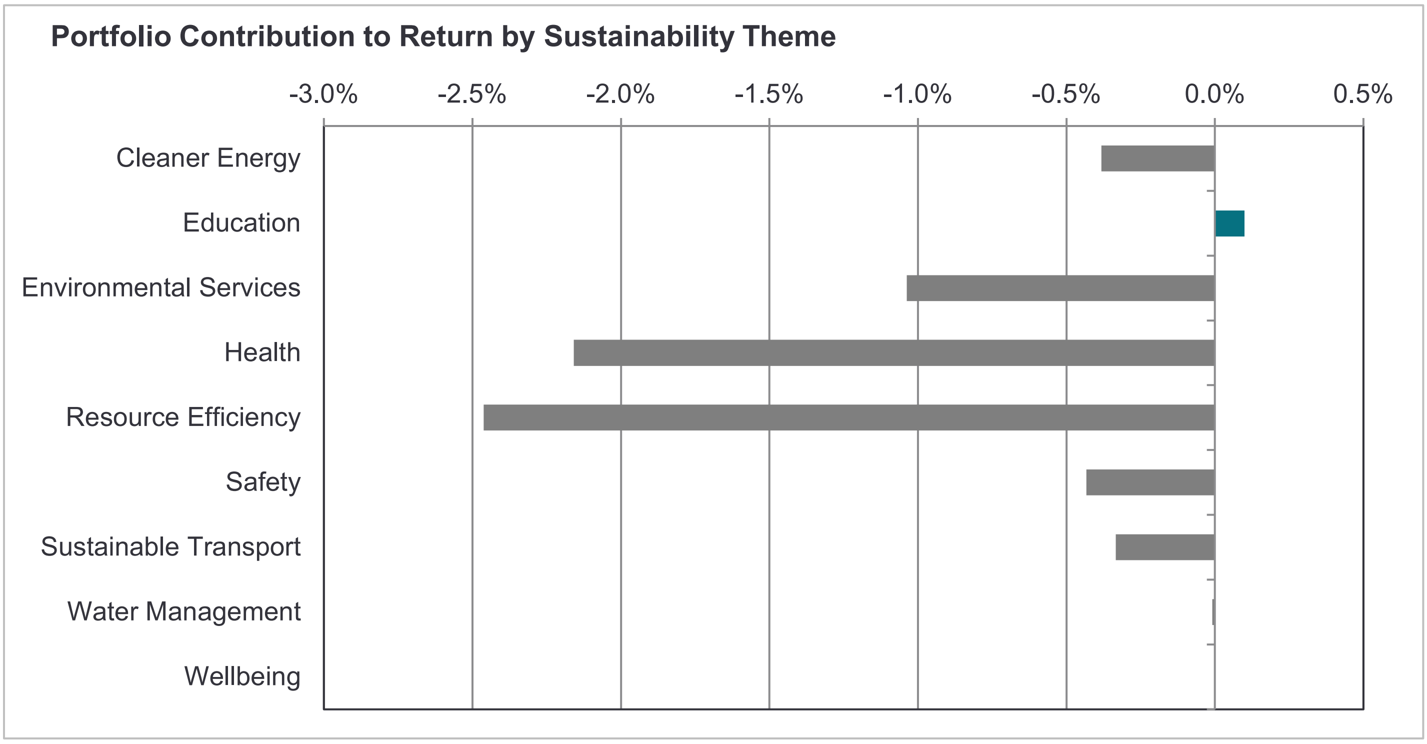
Theme overlap

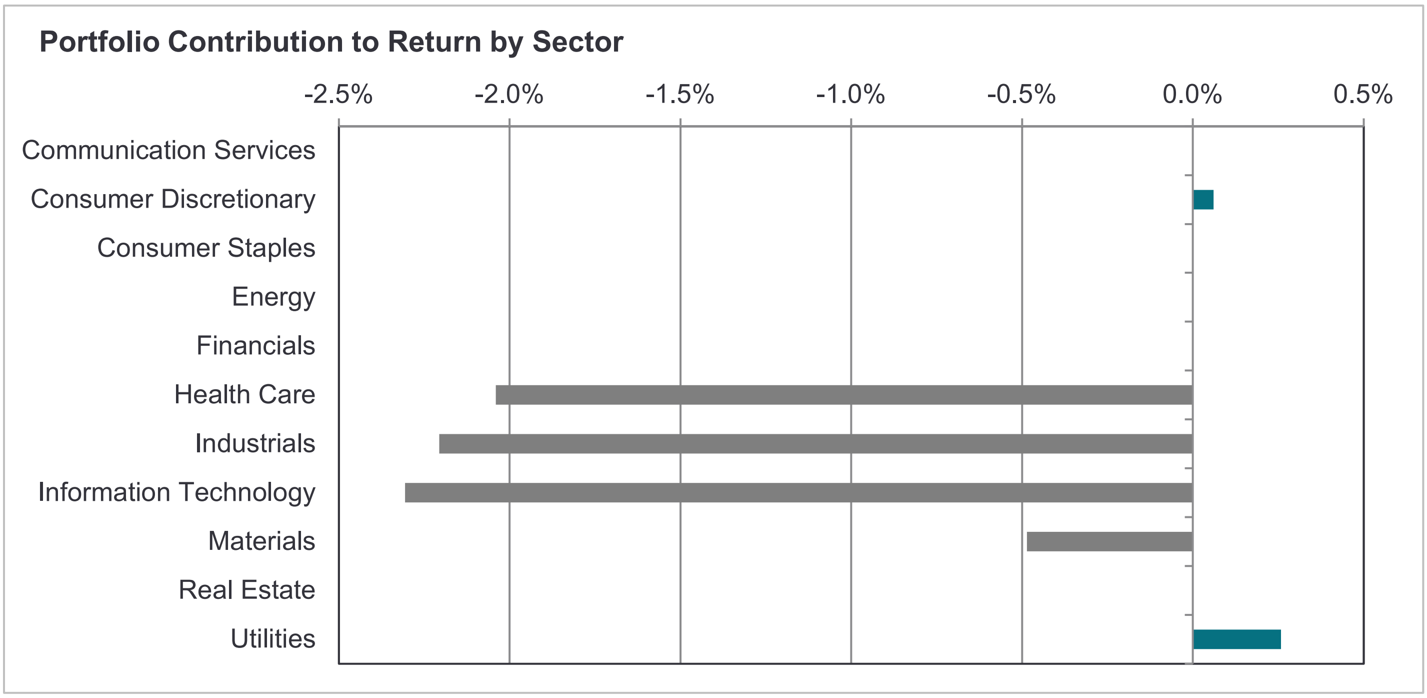
The thematic focus of the WHEB strategy means that our investable universe overlaps with this index by around 15%. This leads to significant structural biases in the fund's exposure, which may make comparison to the index complex. These style biases towards growth, quality and mid-cap are all derived 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

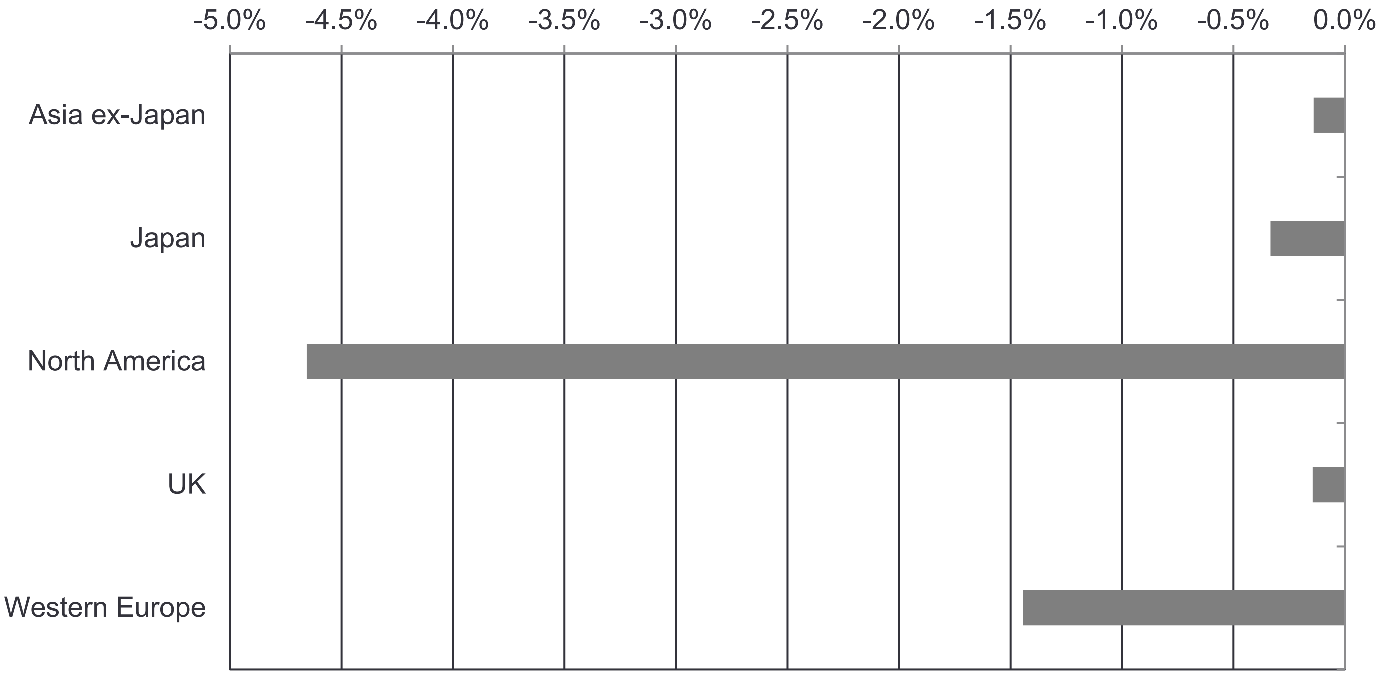
Performance: Q1 2025[9]




Portfolio Contribution to Return by Sustainability Theme
-3.0%
-2.5%
-2.0%
-1.5%
-1.0%
-0.5%
0.0%
0.5%
Cleaner Energy
Education
Environmental Services
Health
Resource Efficiency
Safety
Sustainable Transport
Water Management
Wellbeing


Portfolio Contribution to Return by Sector
-2.5%
-2.0%
-1.5%
-1.0%
-0.5%
0.0%
0.5%
Communication Services
Consumer Discretionary
Consumer Staples
Energy
Financials
Health Care
Industrials
Information Technology
Materials
Real Estate
Utilities

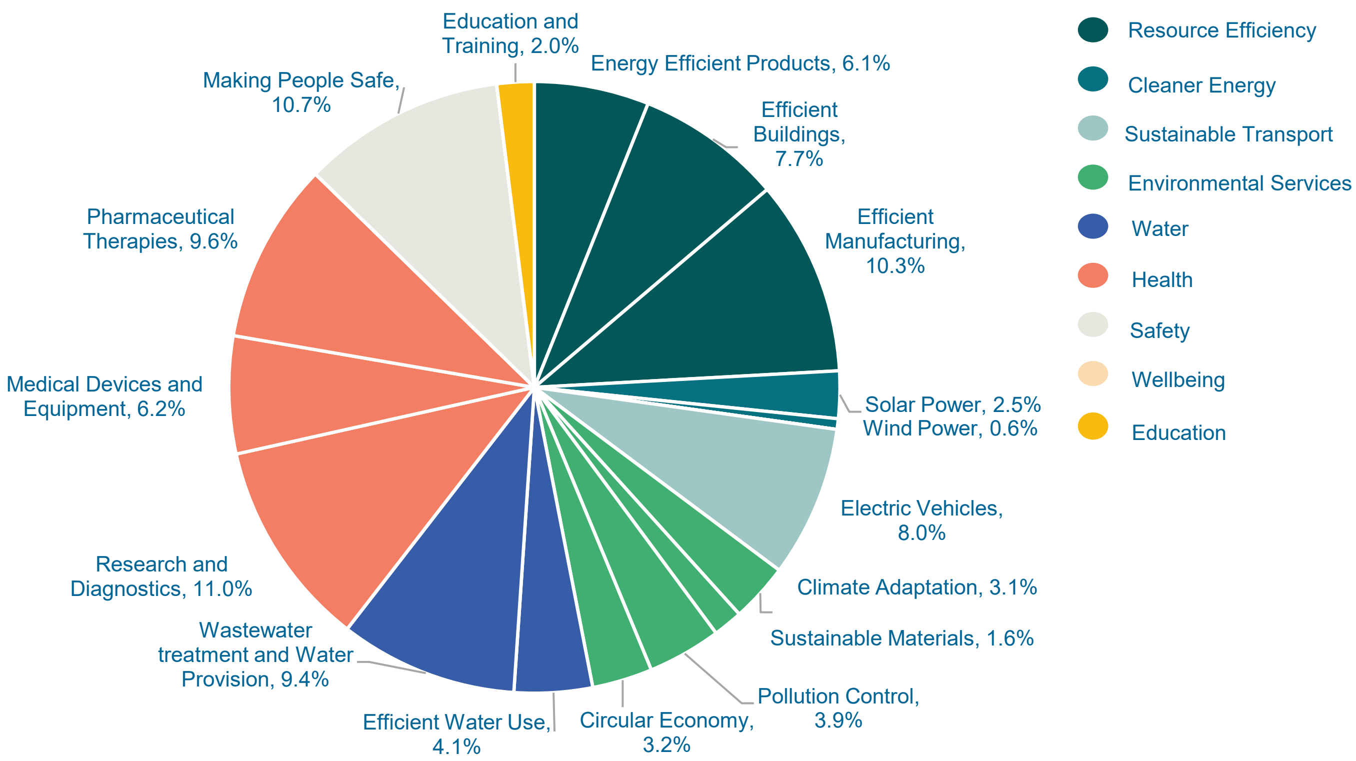
Portfolio Contribution to Return by Geography



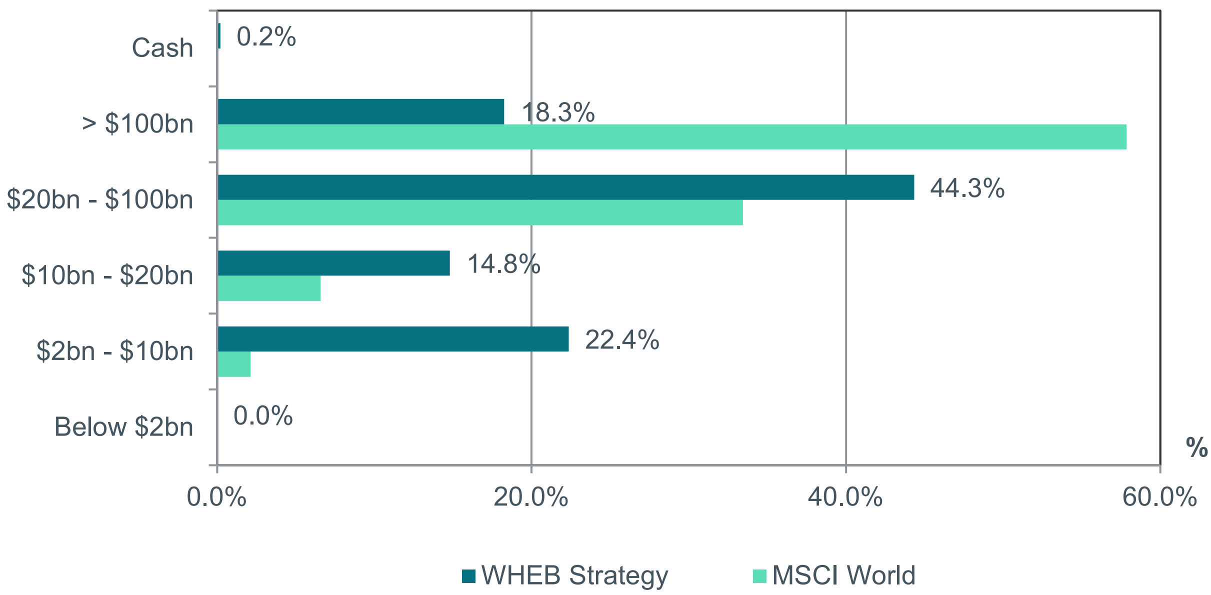
Awards and Ratings

Portfolio analysis and positioning

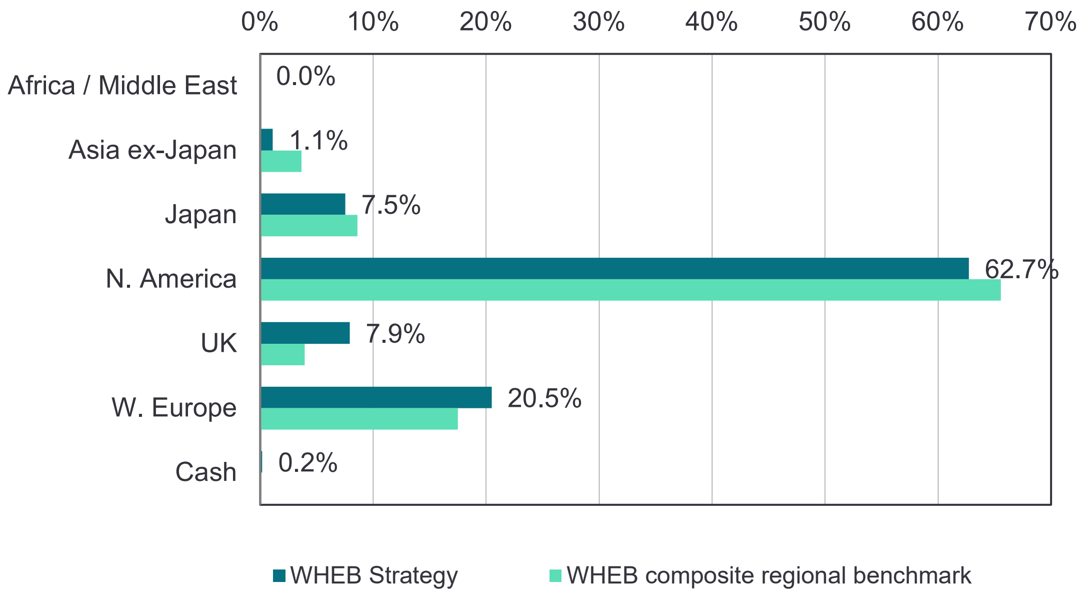
Thematic Exposure[10]



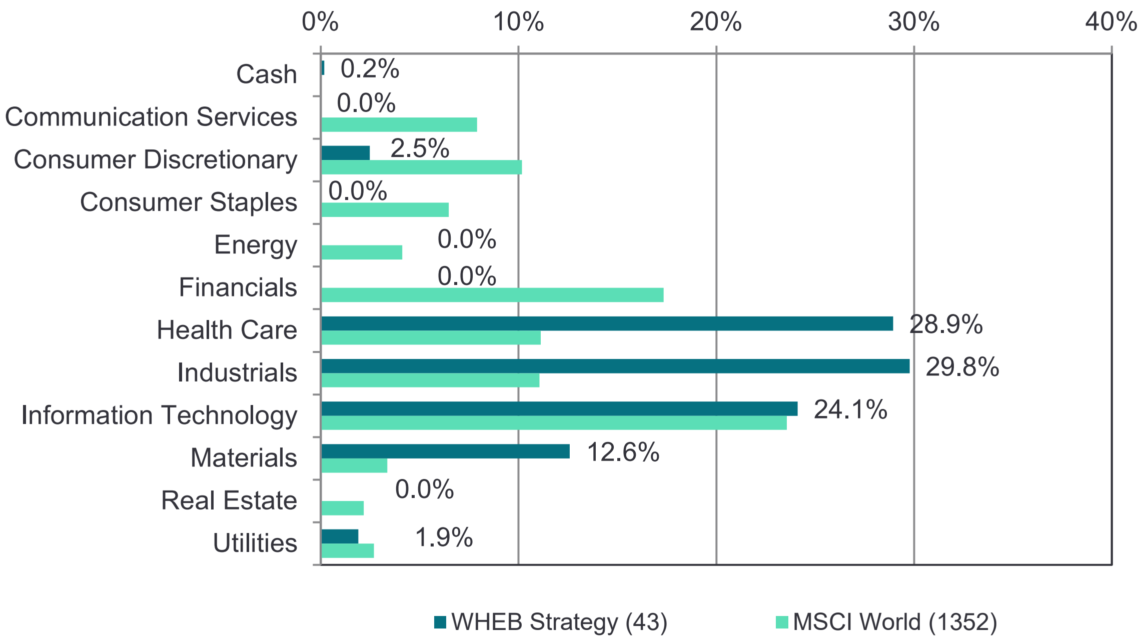
Market Cap Exposure



Regional Exposure[11]



Sector Exposure[12]



Top 10 holdings: 31 March 2025

Stock	Theme	Description	Holding
AstraZeneca	Health	A high-quality pharma company with a strong portfolio of commercial products that lead to better overall health outcomes for patients, who are often suffering from life-threatening or debilitating illness. The company's products treat a broad range of issues and target areas of high unmet need, particularly in the oncology and rare disease portfolios.	4.27%
Bureau Veritas	Safety	A world leader in testing, inspection and certification (TIC). It’s services and solutions help ensure clients meet standards and regulations covering quality, health and safety, environmental protection and social responsibility.	4.17%
Ecolab	Water Management	A global provider of hygiene products to restaurants, hotels and hospitals, e.g. detergent. The products need much less water to be effective.	4.13%
Infineon Technologies	Sustainable Transport	A manufacturer of 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, and efficient power management in industrial systems.	4.12%
TE Connectivity	Sustainable Transport	A 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.	4.12%
Agilent Technologies	Health	A provider of bio-analytical measurement solutions to the life sciences, chemical analysis and healthcare industries. It also makes pollutant monitoring equipment for food and measures human body contamination.	3.85%
Xylem	Water Management	Manufactures a wide range of products and provides services to the water industry. Also supplies commercial, residential markets with water and wastewater systems, and provides measurement and control solutions.	3.82%
Keyence Corporation	Resource Efficiency	A manufacturer of sensors and measuring instruments for factory automation. These components help achieve efficiency, energy savings, reduced wastage and quality management.	3.81%
Trimble	Resource Efficiency	The leading provider of location-based solutions which contribute to efficiency and productivity improvements. It operates predominantly in the construction, transport, and agriculture end-markets.	3.75%
Autodesk	Resource Efficiency	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.	3.75%

Fund characteristics

	WHEB strategy	MSCI World Total Return (GBP)
FY1 Price/Earnings (PE)[13]	25.59	22.14
FY2 Earnings Growth[13]	16.21	11.22
FY1 PE/FY2 Earnings Growth (PEG)	1.58	1.97
3-year Volatility[14]	16.17	12.04

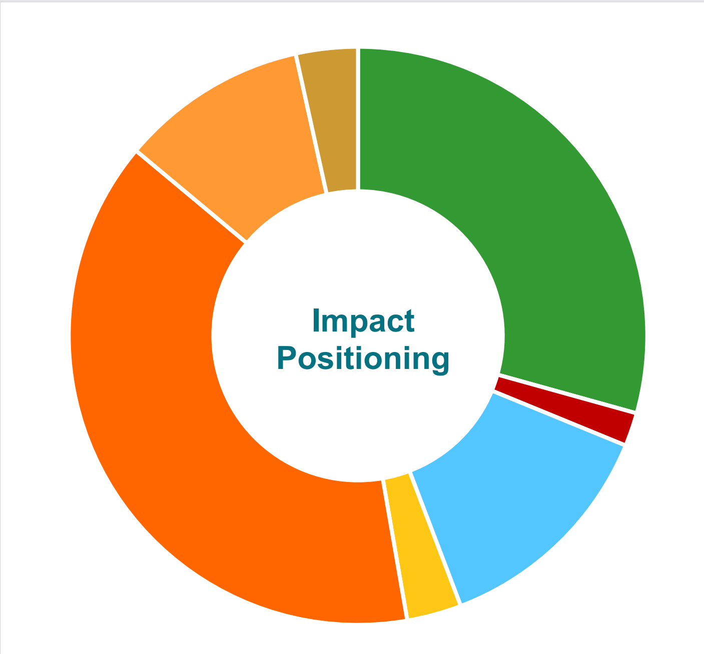
	WHEB strategy
Beta (predicted)	0.94
1-year Tracking Error (predicted)	6.65
5-year Tracking Error (ex-post)	8.86

Significant portfolio changes

Stock	Theme	Purchase or sale	Rationale
Kurita Water	Purchase	Water Management	An industrial water treatment company, Kurita Water is well-positioned for growth with its strong focus on sustainability, innovative solutions, and long-term service contracts.

Impact and ESG profile

Impact Positioning: Supporting the UN Sustainable Development Goals[15]



29% in health & well-being

2% in education

13% in clean water & sanitation

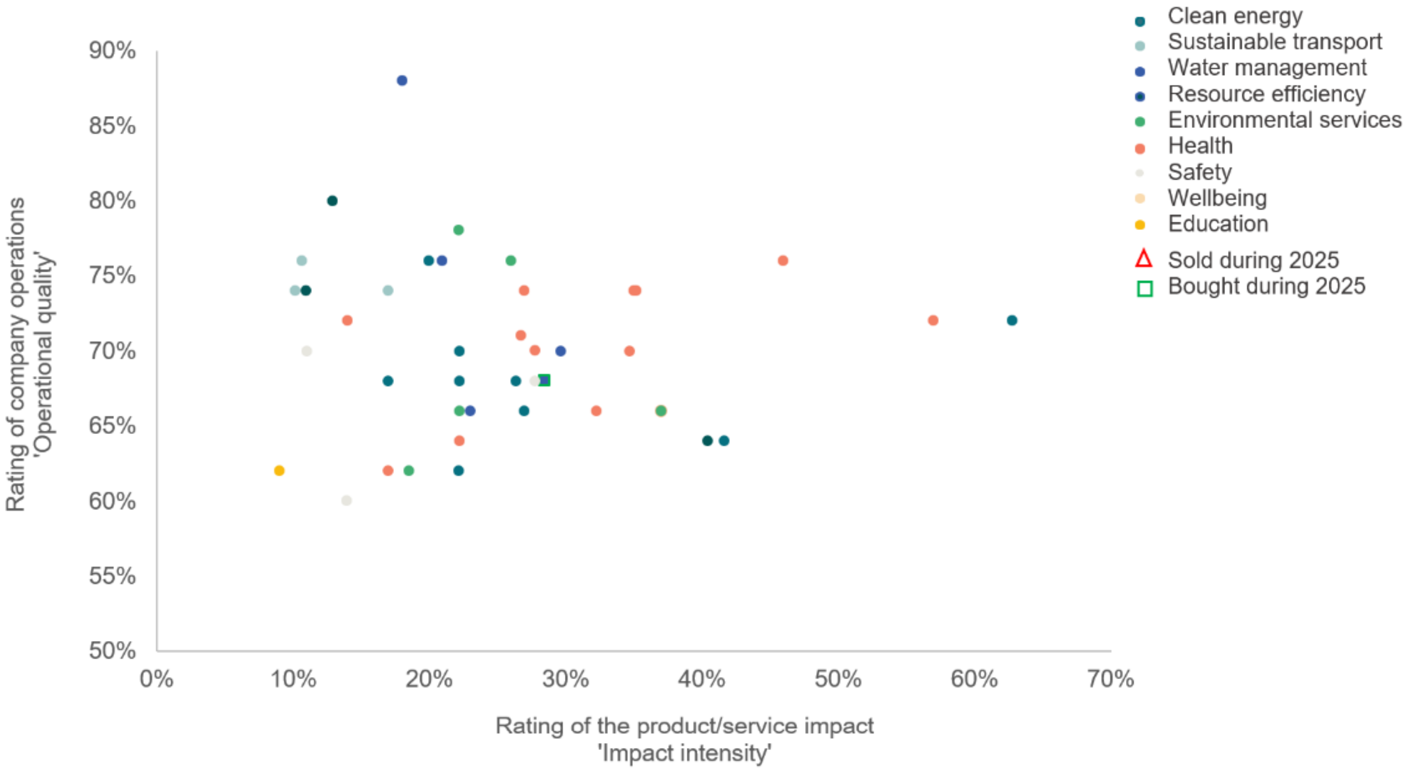
3% in affordable & clean energy

40% in industry, innovation & infrastructure

10% in sustainable cities & communities

3% in responsible consumption & production

Impact map of WHEB portfolio following changes in Q1 2025[16]



ESG profile of WHEB portfolio: 31 March 2025 (Source: Impact Cubed)

ESG performance: Q1 2025 (Source: Impact Cubed)

Measure	WHEB strategy	Proportion reported	MSCI World
Weighted average carbon intensity (scope 1 and 2)	100 tCO_2e/£1m of revenue	9%	185.9 tCO_2e/£1m of revenue
Scope 3 carbon efficiency	1,523 tCO_2e/£1m of revenue	79%	1061tCO_2e/£1m of revenue
Waste efficiency	11.3 tonnes / £1m of revenue	78%	512 tonnes / £1m of revenue
Water efficiency	5.1 thousand m^3 of fresh water/£1m of revenue	78%	12.1 thousand m^3 of fresh water/£1m of revenue
Gender equality	31% of board and top management positions are occupied by women	100%	28% of board and top management positions are occupied by women
Executive pay	77x – ratio of executive pay to employee pay	90%	129x - ratio of executive pay to employee pay
Board Independence	75% of board members are independent	100%	73% of board members are independent
Environmental good	33% of portfolio invested in environmental solutions	100%	12% of portfolio invested in environmental solutions
Social good	28% of portfolio allocated to help alleviate social issues	100%	12% of portfolio allocated to help alleviate social issues
Avoiding environmental harm	<1% of portfolio in industries that aggravate social issues	100%	7% of portfolio in environmentally destructive industries
Avoiding social harm	0% of portfolio in industries that aggravate social issues	100%	4% of portfolio in industries that aggravate social issues
Economic development	$54,300 – median income of portfolio-weighted area of economic activity	100%	$53,700 – median income of portfolio-weighted geography of economic activity
Avoiding water scarcity	2.4 – geographic water use	100%	2.5 – geographic water use
Employment	4.34% - unemployment in portfolio-weighted area of economic activity	100%	4.31% - unemployment in portfolio-weighted area of economic activity
Tax gap	3.03% - estimated % of tax avoided by corporate tax mitigation schemes	100%	3.62% - estimated % of tax avoided by corporate tax mitigation schemes

Engagement and voting activity

Voting record: Q1 2025

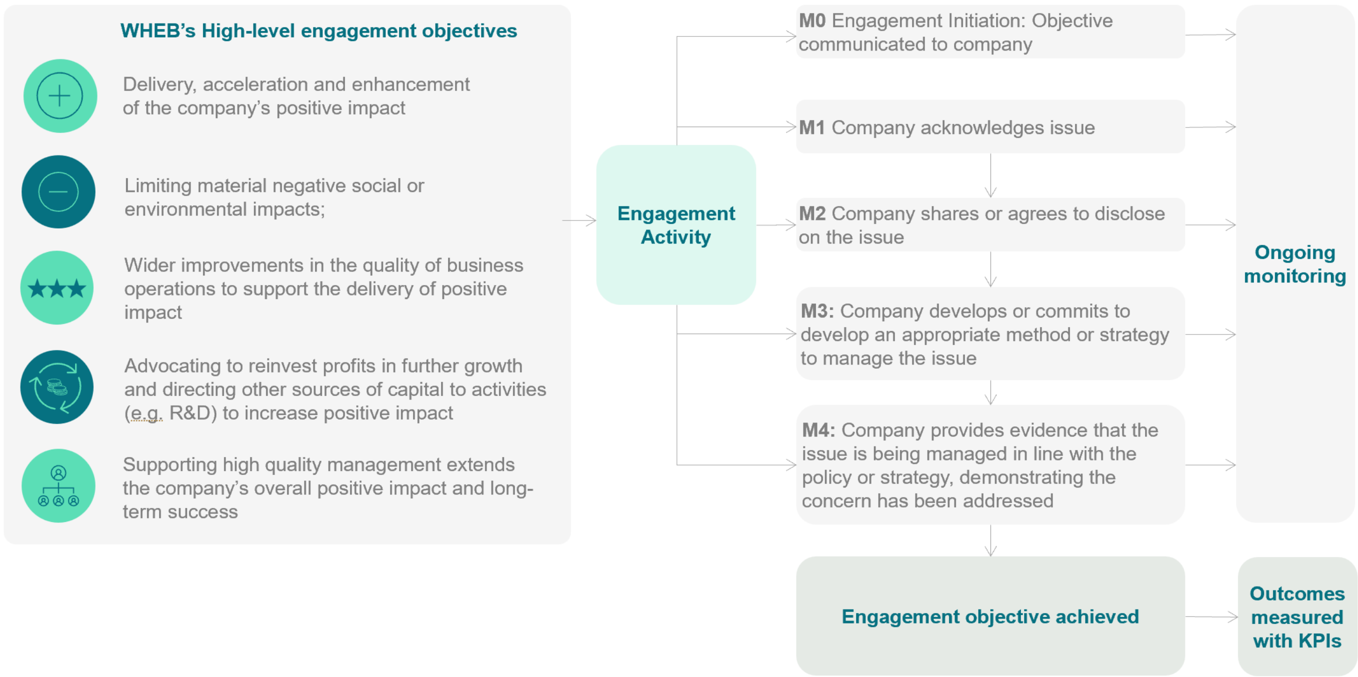
The table below summarises the voting record at companies held in WHEB's investment strategy from 1st January to 31st March 2025. Full details of how we voted on each of the individual votes are detailed on our website: http://www.whebgroup.com/investment-strategy/fund-governance/engagement-and-voting-records/

Meetings	No. of meetings	%
# Votable meetings	8	
# Meetings at which votes were cast	8	100%
# Meetings at which we voted against management or abstained	7	100%
Resolutions	**No. of resolutions**	**%**
# Votes cast with management	166	88%
# Votes cast against mgmt. or abstained (see list in appendix)	22	12%
# Resolutions where votes were withheld	1	0%

Company engagement: Q4 2024

Engagement Summary	Count	%
# Companies engaged	14	
# Engagements	32	
# Milestone 0 – company does not acknowledge issue	19	59%
# Milestone 1 – company acknowledges issue	4	13%
# Milestone 2 – company shares or agrees to disclose information on the issue	4	13%
# Milestone 3 – company develops or commits to developing an appropriate policy or strategy to manage the issue	3	9%
# Milestone 4 – company provides evidence that the issue is being managed in line with the policy or strategy, demonstrating concerns have been addressed	2	6%

WHEB's engagement milestones



Company	Topic	WHEB's high-level objective	Company objective	Method	Milestone
Agilent Technologies, Inc.	Classified Board	Supporting high quality management extends the company's overall positive impact and long-term success	Declassify board to improve corporate governance.	Vote/AGM Letter	0
	Director Independence/ Overboarding	Supporting high quality management extends the company's overall positive impact and long-term success	Rotate directors; director tenure over 10 years	Vote/AGM Letter	0
	Remuneration - Excessive Pay	Supporting high quality management extends the company's overall positive impact and long-term success	We consider any combined remuneration award in excess of 100 times of the median employee pay to be excessive and justifiable only in exceptional circumstances.	Vote/AGM Letter	0
	Remuneration - Sustainability/ESG metrics	Supporting high quality management extends the company's overall positive impact and long-term success	To include sustainability objectives within your compensation KPIs.	Vote/AGM Letter	0
	Auditor Independence/	Supporting high quality management extends the	Change auditor; tenure exceeds 10 years	Vote/AGM Letter	0

	Tenure	company's overall positive impact and long-term success			
	Diversity - Gender	Supporting high quality management extends the company's overall positive impact and long-term success	Understand measures to counteract stall in improved female board representation	Vote/AGM Letter	0
Aptiv PLC	Tax	Supporting high quality management extends the company's overall positive impact and long-term success	Requesting that Aptiv abandon plans to move tax jurisdiction to Swiss subsidiary. Aptiv's objective is to avoid the minimum effective tax rate. We believe companies should pay a fair level of tax.	Vote/AGM Letter	0
Croda International Plc	Carbon - Net Zero Target/Strategy	Delivery, acceleration and enhancement of the company's positive impact	Further detail on the Scope 1 and 2 emission reduction plans (capex plans, engagement with suppliers and customers to drive further reductions) - Further detail on the carbon avoided disclosures that are generated through product sales	Collaborative	1
Daifuku Co., Ltd.	Diversity - Gender	Supporting high quality management extends the company's overall positive impact and long-term success	Increase gender diversity on the board and within the business.	Vote/AGM Letter	0
	Combined CEO and Chair	Supporting high quality management extends the company's overall positive impact and long-term success	Separate the roles of Chair of the Board and CEO.	Vote/AGM Letter	0
Datang International Power Generation Co., Ltd. Class H	Carbon - Net Zero Target/Strategy	Limiting material negative social or environmental impacts	Further progress on net zero carbon strategy	Collaborative/Group	4
Ecolab Inc.	Environmental Pollution - Hazardous Chemicals	Limiting material negative social or environmental impacts	1. Increase transparency 2. Publish a time-bound phase-out plan of products that are, or in persistent chemicals. 3. Develop safer alternatives for hazardous chemical	Collaborative/Group	1
Genmab A/S	Remuneration - Excessive Pay	Supporting high quality management extends the	Bring compensation in line with local peers.	Vote/AGM Letter	3

		company's overall positive impact and long-term success			
	Director Independence/ Overboarding	Supporting high quality management extends the company's overall positive impact and long-term success	Rotate directors; director tenure over 10 years	Vote/AGM Letter	1
	Carbon - Net Zero Target/Strategy	Limiting material negative social or environmental impacts	Set a net zero carbon target/ SBTi targets	Email	2
Infineon Technologies AG	Remuneration - Excessive Pay	Supporting high quality management extends the company's overall positive impact and long-term success	Improve remuneration structure to ensure it aligns with long-term shareholders' interest.	Vote/AGM Letter	0
	Carbon - Net Zero Target/Strategy	Limiting material negative social or environmental impacts	Specific request to develop a long-term net zero target including reference to the NZIF six core asks around ambition, targets, disclosures, emissions performance, decarbonisation strategy and capital allocation alignment.	Collaborative/Group	3
Keyence Corporation	Carbon - Net Zero Target/Strategy	Limiting material negative social or environmental impacts	Develop more complete decarbonisation strategy	Collaborative/Group	1
Rockwell Automation, Inc.	Auditor Independence/ Tenure	Supporting high quality management extends the company's overall positive impact and long-term success	Rotate auditor; tenure over 10 years	Vote/AGM Letter	0
	Remuneration - Excessive Pay	Supporting high quality management extends the company's overall positive impact and long-term success	We consider any combined remuneration award in excess of 100 times of the median employee pay to be excessive and justifiable only in exceptional circumstances.	Vote/AGM Letter	0
	Classified board	Supporting high quality management extends the company's overall positive impact and long-term success	Declassify board to support best practice corporate governance	Vote/AGM Letter	0
	Combined chair and CEO	Supporting high quality management extends the company's overall positive impact and long-term success	Separate the Chair and CEO roles to maintain a balance of power and enhance independent oversight	Vote/AGM Letter	0

Schneider Electric SE	Carbon - Net Zero Target/Strategy	Limiting material negative social or environmental impacts	Clear articulation of a credible net zero target include the six 'core asks'	Collaborative/Group	4
Smurfit Westrock PLC	Biodiversity	Limiting material negative social or environmental impacts	1. strengthen biodiversity and nature loss management by a) resolving score discrepancies with NA100 secretariat and b) strengthening engagement with local, vulnerable and indigenous communities, including: i. Update investors on mediation with Misak People ii. Improve related disclosures by providing quantitative progress indicators. 2. Strengthening public commitments to disclosures on climate targets	Collaborative/Group	2
	Disclosure - ESG	Supporting high quality management extends the company's overall positive impact and long-term success	Company request for assistance in TNFD adoption	Email	3
TE Connectivity plc	Carbon - Net Zero Target/Strategy	Limiting material negative social or environmental impacts	Establish a net zero target	Email	1
	Director Independence/ Overboarding	Supporting high quality management extends the company's overall positive impact and long-term success	Encouraging company to improve director independence as	Vote/AGM Letter	1
	Remuneration - Excessive Pay	Supporting high quality management extends the company's overall positive impact and long-term success	Ensure Fair Compensation Practices: Align CEO compensation with company performance and median employee pay to maintain fairness and transparency.	Vote/AGM Letter	1
	Auditor Independence/ Tenure	Supporting high quality management extends the company's overall positive impact and long-term success	Ensure Auditor Independence: The outside statutory auditor nominee's affiliation with the company could compromise independence.	Vote/AGM Letter	1

Vestas Wind Systems A/S	Biodiversity	Limiting material negative social or environmental impact	Understand the company's approach to CSRD and TNFD and encourage the company to disclose approach to biodiversity according to these frameworks.	Call	2

Footnotes and important risk warnings

General: This report (“Report”) is issued by Foresight Group LLP (“Foresight”). 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 Impact 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 Impact 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 Hamilton Centre, Rodney Way, Chelmsford, England, CM1 3BY.

The state of the origin of the Fund is England and Wales. The Representative in Switzerland is Acolin Fund Services AG, Maintower, Thurgauerstrasse 36/38, 8050 Zürich, 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 Foresight 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 31st March 2025 the UCITS holding period based on the UCITS methodology was 4.51 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 20 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 31st March 2025. Source: Factset.

[3] The Fund is not managed with reference to or constrained by any benchmarks or indices, as the Authorised Corporate Director (FundRock) does not consider that there is a representative index or sector that can be accurately used as a comparator benchmark.

[4] Performance data for the FP WHEB Sustainability Impact 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 Impact 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] The MSCI World Index is presented as a way of seeing how an investment in equities may perform. The 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. MSCI returns may increase or decrease as a result of currency fluctuations. Performance figures for the FP WHEB Sustainability Impact Fund are calculated mid to mid.

[6] The UK Gilt 5-10 Year Index is presented as a way of seeing how an investment in bonds may perform, source Bloomberg (as a proxy for the ICE BofA UK Govt 5-10 yr Bond Index).

[7] The SONIA interest rate benchmark is presented as a way of seeing how a deposit in a bank account could grow, source Bloomberg (as a proxy for the UK Bank of England base rate).

[8] The FP WHEB Sustainability Impact 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.

[9] Performance attribution is calculated as portfolio contribution to return, 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 performance figures may therefore deviate from the quarterly performance quoted in the investment performance section of the report. Prior to 1Q24 this was reflected as the performance relative to the MSCI World.

[10] Source: Apex, data as of 31st December 2024. Numbers may not add up to 100% due to rounding.

[11] Comparative data for regional exposure is calculated as an average of The MSCI World Index, The MSCI World Mid-Cap Index and The WHEB Universe.

[12] The figures in brackets relate to the number of companies included in the fund or the index.

[13] 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. Outliers more than 3 standard deviations from the mean have been excluded.

[14] Volatility data as at 31st March 2025, source: Bloomberg.

[15] For information on impact mapping please see our Impact Measurement Methodology, available here: https://www.whebgroup.com/assets/files/uploads/202303-impact-measurement-methodology.pdf

[16] ibid