

Sustainable investing

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www.whebgroup.com

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WHEB

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The WHEB advantage



- Specialist Firm: Partnership, B-Corporation. Genuine 'Intentionality'
- Sustainability and ESG 'built in' not 'bolted on'
- 'Solutions to sustainability challenges': social and environmental themes
- Long term bottom-up investors; ESG Integration and Stewardship comes naturally
- Leading proponent of impact investing



Ted Franks, CA, CFA
Fund Manager and Partner



George Latham, ASIP
Managing Partner and CRO



Seb Beloe, MSc, DiC, CEnv
Head of Research and Partner

‘Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs.’

Gro Harlem Brundtland



Humanity's footprint is bigger than ever

SINCE 1985...



GLOBAL POPULATION
INCREASED 50%

c.1/3RD OF ARABLE
LAND HAS BEEN LOST



c.50% OF BIODIVERSITY
HAS BEEN LOST

And we face greater challenges than ever before

BY 2050...



NET ZERO
EMISSIONS



PROCESS
TWICE THE
SOLID
WASTE

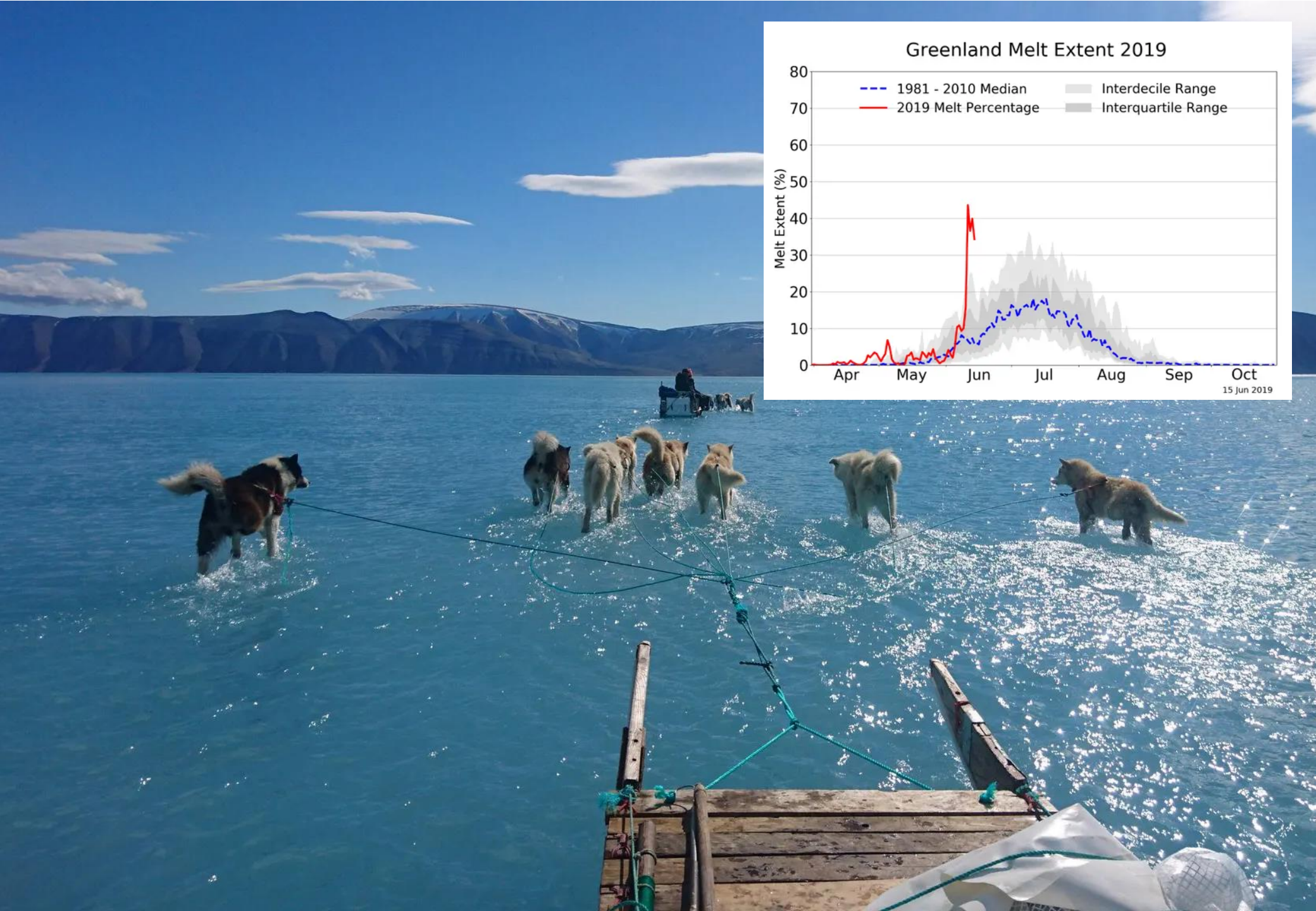


INCREASE
FOOD
PRODUCTION
BY HALF

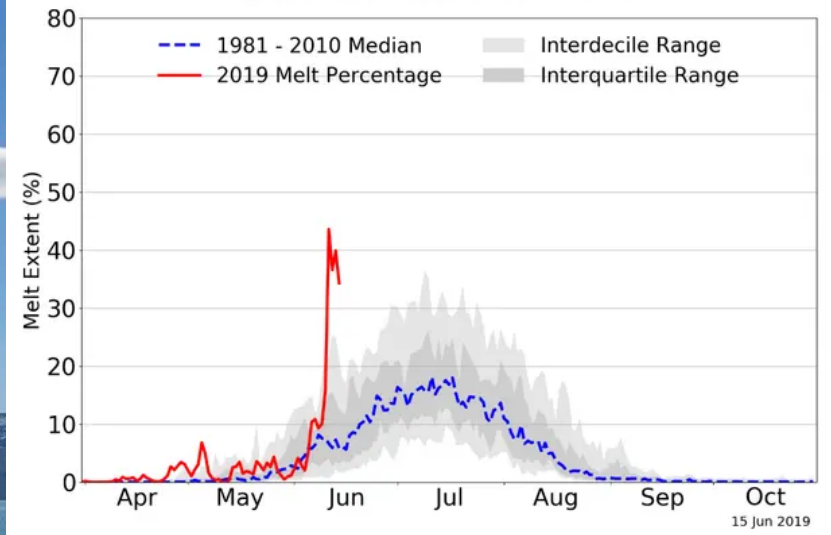


SOLVE
SOARING
CHRONIC
DISEASE

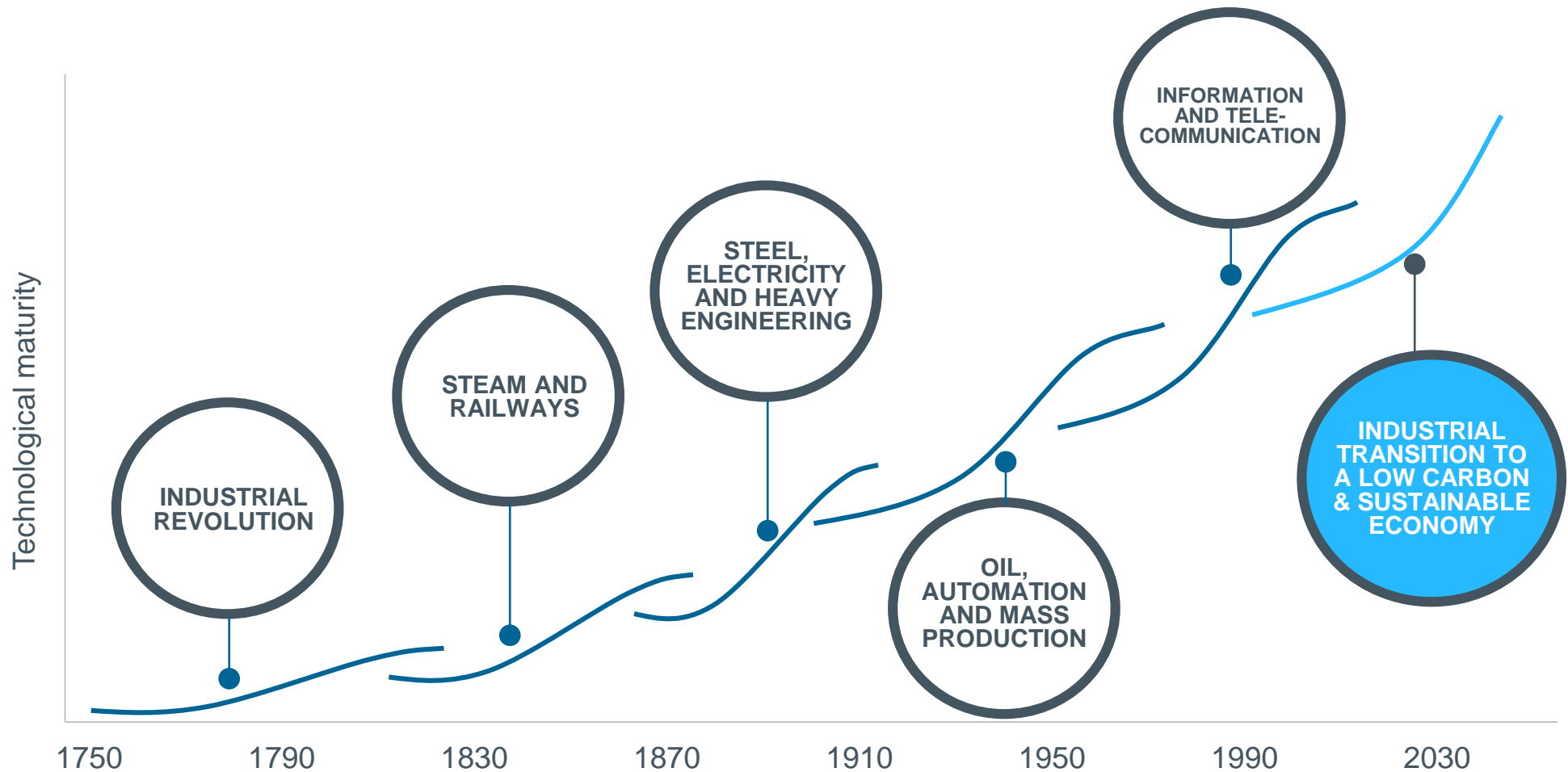
- Sources: "Climate Change: Actions, Trends and Implications for Business", The Intergovernmental Panel on Climate Change's Fifth Report, Working Group 1, September 2013; "Energy Technology Perspectives 2016: Towards Sustainable Urban Energy Systems", International Energy Agency, June 2016; "Waste Production Must Peak this Century", Hoornweg, Bhada-Tata and Kennedy, Nature Magazine, October 2013; "Food Needs and Population", United Nations Food and Agriculture Organisation



Greenland Melt Extent 2019



Investing in the sixth industrial revolution



Derived from: Technological revolutions and Financial Capital, Carlota Perez, 2002

Solutions to sustainability challenges

Markets with strong long term growth potential



Positive and negative externalities



Business at
risk

20%

ExxonMobil

Peabody
ENERGY



Transitioning

60%



MARKS &
SPENCER



Alphabet



Sustainable
growth

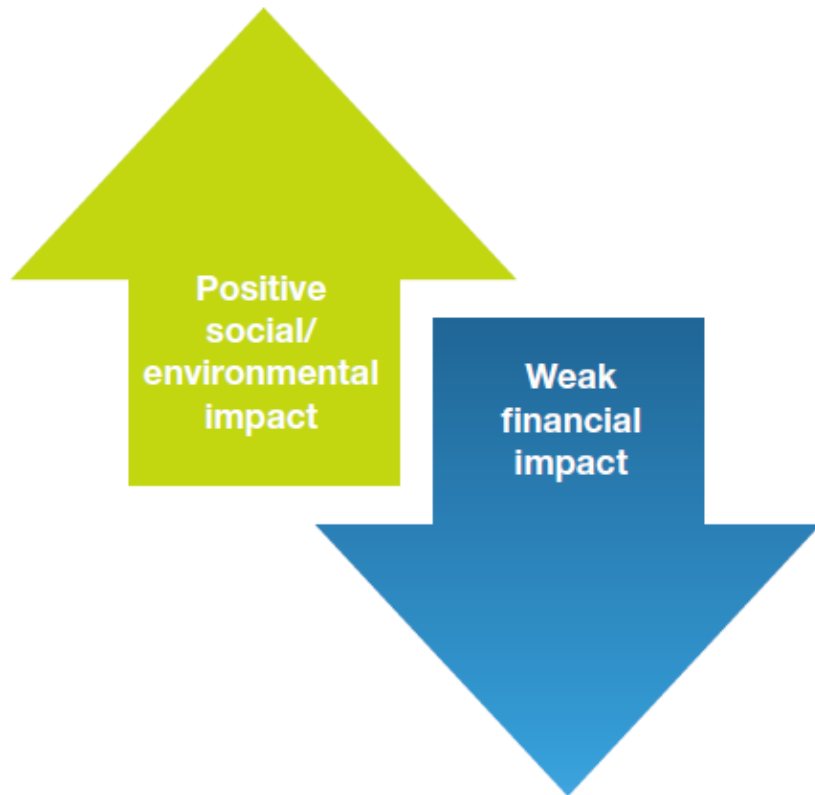
20%



Notes: Only companies shown in "Sustainable Growth" category are considered for WHEB's investment strategy. Examples shown under "Business at risk" or "Transitioning" categories are not included in WHEB's investment universe.

Performance through positive impact

What people used to think:

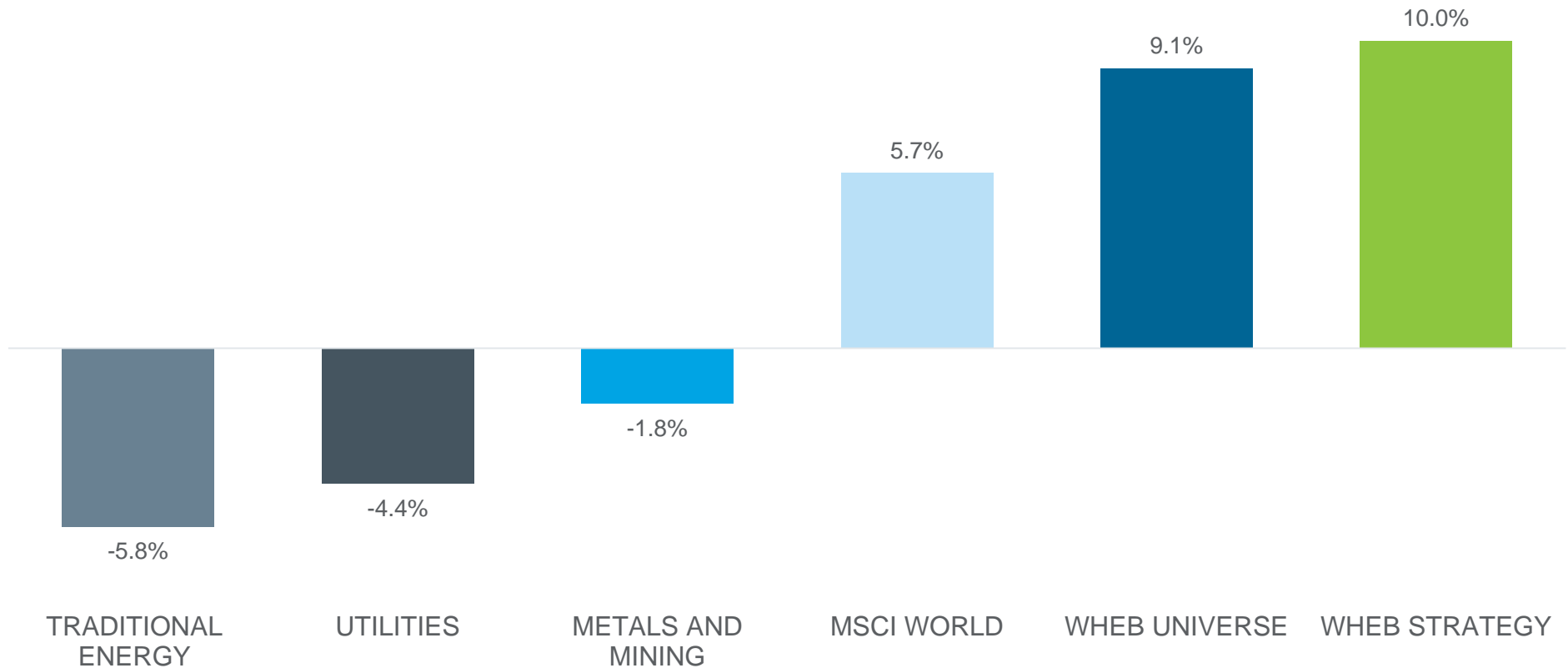


What we now know:



Superior structural growth

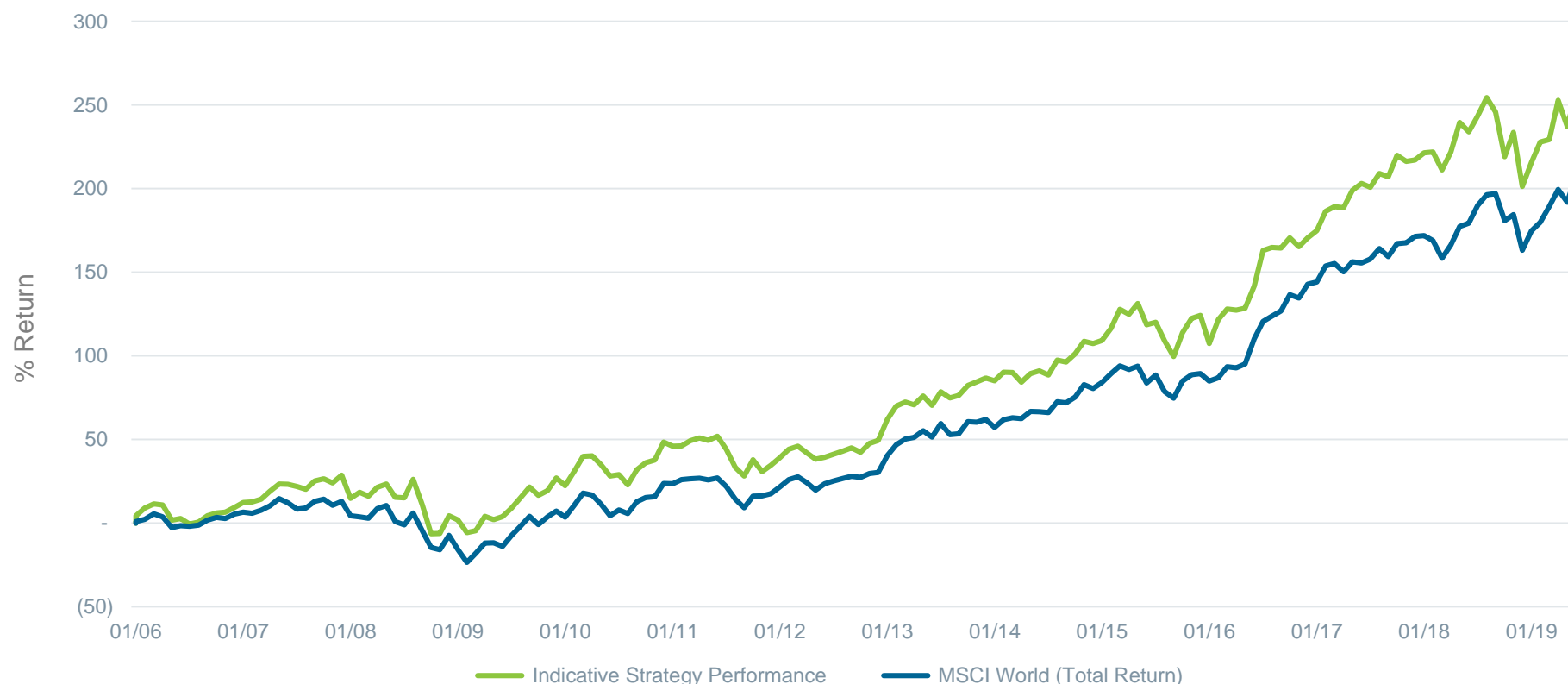
Global revenue growth by industry (listed participants), 2011-2018



Sources: MSCI World Indexes: MSCI World (ticker: MXWO), Energy (MXWO0EN), Utilities (MXWO0UT), Metals and Mining (MXWO0MM); WHEB Asset Management LLP, to 11th October 2018

“WHEB Universe” relates to the stocks included in WHEB’s investable universe. WHEB Strategy relates to the revenue growth of stocks held in funds managed by WHEB Asset Management.

Indicative gross returns for strategy since end 2005



This chart is provided for illustrative purposes only to provide a simulated long term track record for the strategy since 31/12/2005.

The strategy was first managed as Henderson Industries of the Future Fund ('Henderson IoF') during the period from 1 January 2006 to 31 December 2011. The FP WHEB Sustainability Fund was relaunched to run on a similar strategy from 30/4/2012.

Strategy returns represented by Henderson Industries of the Future Fund from 31/12/2005 to 31/12/2011, MSCI World Index prices from 31/12/2011 to 30/04/2012, and FP WHEB Sustainability Fund from 30/04/2012 onwards. (Until 30 September 2013 the FP WHEB Sustainability Fund was named the IM WHEB Sustainability Fund).

Prices are last quoted prices daily in GBP i.e. MSCI World quoted after market close in North America; Henderson IoF and FP WHEB Sustainability Fund quoted at midday in UK.

Prices are shown gross of fees, with the Total Expense Ratio ('TER') added back to the net returns on a monthly basis. TER estimate for Henderson.

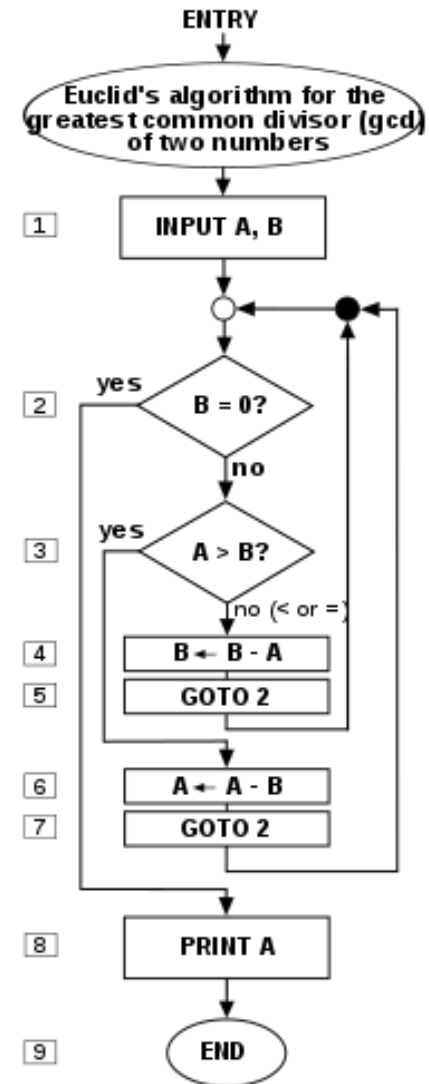
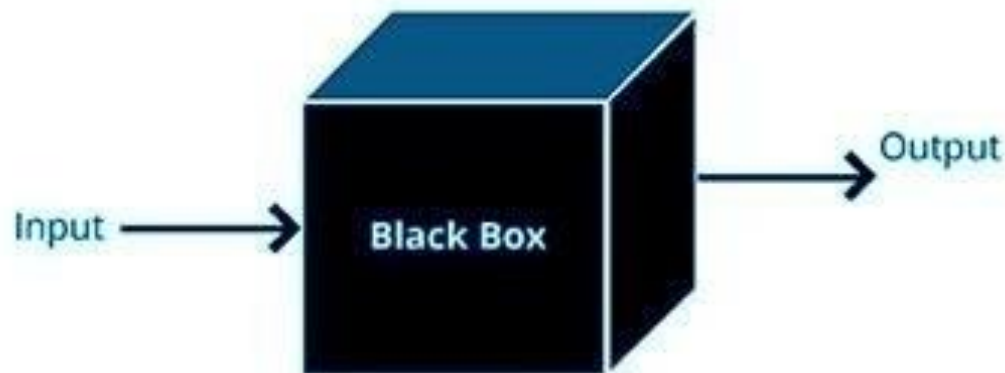
IoF Fund A Shares = 1.65%, TER for FP WHEB Sustainability Fund A Shares actual costs (figures for each period vary between 1.67% and 1.81%).

Sources: Bloomberg; MSCI, 30/06/2019.

Savers are disengaged



Black boxes and algorithms



Impact Calculator

Theresa

Your investment of £1,000,000 in the FP WHEB Sustainability Fund in December 2018 has been associated with the following positive impact from January 2017 to December 2018:

