



## Pengana WHEB Sustainable Impact Fund

HHA0007AU **Author:** Matthew Turnbull **Published:** 29 Apr 2026

Data is provided by the manager at 30 Jun 2025, and currency in AUD, unless otherwise stated

Refer to glossary for definition of the rating

### Product Review

#### About this Product

Investment manager	Foresight Group LLP
Benchmark	MSCI World NR Index AUD
Product structure	Managed Fund
Product size	\$158m (Mar 2026)
Inception date	Oct 2007
Asset class	Global Equities
Sector	Global Large Cap
Peer group	Thematic
Rated peers	20

#### Product Characteristics

Business Life Cycle	Mature
Product Wind-Up Risk	Low
Key Person Risk	Medium
Tenure of Decision Makers	High
Complex (RG240)	No
Strategy Remaining Capacity	\$10.82bn
ESG Approach	Minimum Standards
Peer Relative Fees and Costs	Above median

#### Annual Fees and Costs (% p.a.)

Management fees & costs	1.35
Performance fee costs	0.00
Net Transaction Costs	0.00
Buy/Sell Spread	0.25/0.25
<b>Annual fees and costs</b>	<b>1.35</b>

Source: FE fundinfo, PDS Date: 12/Nov/2025

### Product Opinion

The Fund's rating has been maintained at **'Recommended'**. The investment team is strongly committed to impact-focused investing, demonstrating high levels of transparency and accountability. The integration with UK-based parent, Foresight Group LLP, appears to be progressing well. The Fund has delivered a large and persistent underperformance gap to the benchmark, albeit the sustainability sector has faced several headwinds in recent years. The Fund's more pure ESG guardrails (relative to many peers) and exposure to 'future economy' sectors has impacted relative performance. Performance will continue to be monitored closely. Additionally, the Fund's fees are significantly higher than those of its peers.

#### Lonsec Rating Model

Rating key: ●●● Above ●●● In-line ●●● Below

Factor	Peer Rating	YoY Score Change
Business	●●●	—
Team	●●●	—
Process	●●●	—
ESG	●●●	—
Product	●●●	—
Fees	●●●	—
Performance	●●●	—

#### Allocation Profile

Core		
Satellite		
	Low Complexity	High Complexity

#### Return Profile

Income		
Capital		
	Defensive	Growth

#### Strengths

- The team has a long track record managing money as global equity ESG specialists.
- The team exhibits a strong philosophical commitment to ESG investing, which is evident in the extensive integration of ESG in the investment process.
- Superior level of transparency and accountability governing the investment stewardship of the Fund.
- The strategy is differentiated relative to some peers, albeit noting recent product development within the sub-sector.

#### Weaknesses

- The Fund's sustainability approach may translate to a less diversified portfolio versus some core global equity funds.
- Overall performance has been weak relative to the benchmark and objectives.
- Fees are expensive relative to peers.

### Key Facts

#### Key Objectives

Investment objective	The Fund's investment objective is to achieve capital growth over the medium to longer term and contribute to positive sustainability impact over this period.
Internal return objective	Outperform the MSCI World (AUD Unhedged TR) + 3% p.a. over rolling 3 year periods (gross of fees)
Internal risk objective	Tracking error 4-7% p.a. (not targeted)
Non-financial objective	To contribute to positive sustainability impact over the medium to longer term.

#### Asset Allocation (%) (as at 31/12/2025)

International Equities	99.41
Cash	0.59
<b>Total</b>	<b>100.00</b>

Source: FE fundinfo

#### Rating History

02-Apr-2025	Recommended
17-May-2024	Recommended
28-Apr-2023	Recommended

#### Product Distribution Profile

Frequency	Annually
Last Missed Distribution	30 Jun 2025
Number of Missed Distributions in the last 5 years	2
AMIT Election	Yes
TOFA Election	Fair value

#### Top 10 Holdings (as at 31/12/2025)

	Weight (%)
GLOBUS MEDICAL, INC.	4.23
INFINEON TECHNOLOGIES AG	4.22
TRIMBLE INC.	3.96
TE CONNECTIVITY PLC	3.90
FIRST SOLAR, INC.	3.87
ASTRAZENECA PLC	3.86
AUTODESK, INC.	3.77
BUREAU VERITAS SA	3.76
AGILENT TECHNOLOGIES, INC.	3.74
KEYENCE CORPORATION	3.74

Source: FE fundinfo

#### Target Market Determination

Produced by issuer	Yes
Provided to Lonsec	Yes

#### Performance Analysis - annualised after fees at 31/12/2025

	1 Year	Median	2 Year	Median	3 Year	Median	5 Year	Median
Performance (% p.a)	1.54	7.35	3.36	13.59	5.36	14.26	2.07	9.62
Standard deviation	11.03	10.43	11.81	10.51	13.04	10.29	14.97	12.12
Excess return (% p.a)	-10.89	-5.55	-17.90	-7.79	-16.49	-7.59	-13.40	-5.50
Outperformance ratio (% p.a)	25.00	33.33	20.83	33.33	22.22	36.11	25.00	38.33
Worst drawdown (%)	-10.51	-8.05	-12.26	-8.05	-14.47	-10.22	-26.58	-21.46
Time to recovery (mths)	7	-	NR	-	4	2	NR	10
Sharpe ratio	-0.22	0.30	-0.07	0.88	0.10	1.06	-0.04	0.63
Information ratio	-2.57	-1.49	-2.62	-1.46	-2.10	-1.26	-1.67	-1.01
Tracking error (% p.a)	4.23	5.26	6.83	5.29	7.85	5.23	8.01	5.05

**Lonsec Peer Group:** Global Equities - Global Large Cap - Thematic

**Product Benchmark:** MSCI World NR Index AUD

**Cash Benchmark:** Bloomberg AusBond Bank Bill Index AUD

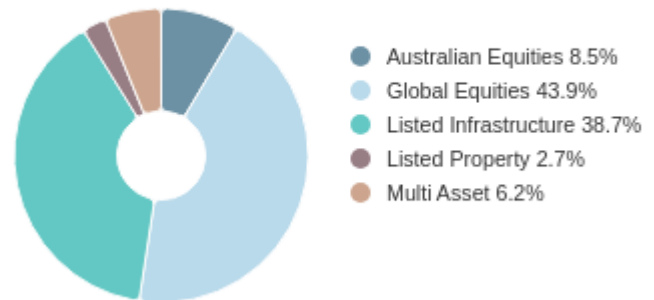
**Time to recovery:** NR - Not recovered, dash - No drawdown during period

### Business ●●●

#### Facts

Investment Manager	Foresight Group LLP
Ultimate Parent Company	Foresight Group Holdings Ltd
Headquarters	London
Inception Date	Oct 2001
% Staff Ownership	20-50%

#### AUM



#### Governance

% Independent board members	60
% Female board members	20
Independent chair	No
CEO as Chair	No
Separate Audit Committee	Yes

#### Metrics

Total AUM	£13.7b
Investment Management Headcount	425
Investment Professionals	302
Sales & Service	1
Distributor	Pengana Capital Limited

#### Who is the Manager?

In March 2025, Foresight Group completed the acquisition of the trade and assets of WHEB Asset Management LLP. Foresight Group is a British investment manager focused on private equity and venture capital investments in clean energy generation. Foresight Group offers both private and public markets investments, is listed on the London Stock Exchange (LSE: FSG) and had £13.7bn in AUM as of 30 September 2025.

Established in 2009, WHEB, a London-based ESG investment specialist, focuses on opportunities arising from the global shift towards sustainable, resource-efficient and energy-efficient economies. The WHEB investment team have integrated into Foresight Capital Management ('FCM'), the capital markets division of FSG. Pengana Capital Limited (Pengana), is the Responsible Entity (RE) for the Fund and manages distribution in Australia. It is a wholly-owned subsidiary of Pengana Capital Group Limited (ASX: PCG), a Sydney-based diversified funds management group that was founded in 2003.

### Lonsec Opinion

#### Profitability

Foresight Group Holdings is a large UK-listed funds management group with AUM of circa £13.7b, with sound financial resourcing. Prior to its acquisition, WHEB had experienced a slight decline in business profitability due to a combination market movements and softer net inflows. However, WHEB as a stand alone business was profitable since 2018, with AUM peaking at \$3.0bn in 2021.

#### Business Track record

Since its establishment in 2008, the WHEB business has seen consistent growth in Funds Under Management (FUM). Maintaining its commitment to impact investing, the business has successfully expanded its FUM through various distribution channels. This growth has been driven by investor interest, especially in the European markets. That said the boutique has experienced a modest decline in FUM in recent years; however, its new owner has an established history in impact investing, albeit predominantly within infrastructure and private equity.

#### Business Ownership

WHEB is a wholly owned subsidiary of Foresight Group Holdings, a leading UK-based investment manager listed on the London Stock Exchange ('LSE'). The WHEB partners who moved across to Foresight are committed through a three-year incentive plan and have moved across as Managing Directors. WHEB has maintained its investment autonomy over the investment process. Historically, WHEB has exhibited a strong 'boutique' investment culture, and this will be monitored over future reviews.

#### Business Governance

Foresight Group has a robust governance framework aligned with London Stock Exchange (LSE) listing requirements and has no recent history of regulatory findings. WHEB's business governance standards are accordingly aligned with those of its LSE-listed parent.

### Team ●●●

#### Key Decision Makers (KDM)

	Primary function	Dedicated to strategy	Appointed to strategy	Industry/Mgr exp. (yrs)	Exp. in PM roles (yrs)
Ted Franks	Portfolio management	Yes	2012	20/16	15
Claire Jervis	Portfolio management	Yes	2023	12/4	7
Ty Lee	Portfolio management	Yes	2015	20/14	8
Seb Beloe	Research	Yes	2012	17/13	5

#### KDM Change\*

No changes.

\* Last 3 years

#### Profile

Size	8
Structure	Centralised
Turnover	Medium

#### Alignment

KDM equity held in manager	No
KDM co-investment in strategy	Yes
Performance-Based bonus	Yes
Long term incentive plan	Yes

#### Resources

	Number	Average Years Experience
Key decision makers	4	10
Portfolio Managers		
Hybrid portfolio manager/ analysts		
Dedicated analysts	3	11
Dedicated dealers		
Quantitative	1	20
ESG/Sustainability	2	5
Macro		
Investment Specialists		

#### Who is the Team?

The investment team responsible for WHEB's thematic and company research process is led by Ted Franks. Franks was a founder of WHEB and has been the Lead Portfolio Manager of the Fund since its inception in 2009. He is fully accountable for stock research, selection and Fund positioning. Franks is supported by a five-person team comprising Associate Fund Managers Ty Lee, Senior Analyst Ben Kluffinger, Investment Manager Katie Woodhouse, and Investment Associate Chloe Tang. The team is also supported by the Impact Research Team led by Seb Beloe, who holds over two decades of sustainability-focused investment experience and is supported by Rachael Monteiro, Claire Jervis, Louis Bromfield and Anna Elliot. The Impact Research team is responsible for the integration of sustainability analysis within the investment process and leading the firm's engagement activities.

Additionally, an advisory committee contributes to the strategy through ESG thematic input and risk oversight. The group comprises external industry experts, who meets quarterly to discuss positioning and sustainability developments. The team reports to Nick Scullion, Partner and Head of Foresight Capital Management.

## Lonsec Opinion

### Skill

Ted Franks, within a consensus-driven decision-making approach, is ultimately accountable for the Fund's performance. Franks is seen as a capable and passionate investor, and his sound investment philosophy and understanding of overall themes, individual holdings and portfolio positioning make him a valuable resource in the team. Beloe's investment experience and leadership of the ESG focus are seen as key assets to the investment team and the Fund. Lee and Jervis serve as capable backup-PMs to Franks, however, this is Jervis' inaugural portfolio management role.

The Advisory Committee's contribution to the investment process is viewed positively, and it serves as further evidence of WHEB's commitment to maintaining the impact integrity of the investment approach.

### Team Size

The stock research effort is carried out by a team of eight investors. Given the demands of the investment process, this relatively small team has a high workload when compared to the wider global equity peer group. They also bear a significant impact reporting burden. The Impact Research team, formed in 2022, does alleviate some of this workload which is positive.

### Track Record/Co-Tenure

Franks, and Beloe have been a team at WHEB for over a decade. This long-standing stability among the firm's senior leadership is reassuring. They have shown a strong commitment to the ESG investment philosophy and have successfully instilled this culture among the less experienced members of the Investment and Impact Research teams. Following completion of the FSG acquisition, senior members have been retained as Managing Directors of Foresight Capital Management, the capital markets division of FSG.

### Alignment

The investment team's alignment with end investors is assessed as adequate. Under the new ownership structure, key decision-makers Franks and Beloe have committed to a three-year incentive plan, though this represents reduced alignment relative to the prior boutique model with direct equity ownership and co-investment. Alignment across the broader investment team has largely been preserved. This is supported by a remuneration framework that is predominately performance-linked remuneration and completed by a deferred equity plan, which together provide an appropriate level of incentive alignment.

### Key Person Risk

The risk associated with key personnel is seen as relatively high and is concentrated among Franks and Beloe. As a relatively small team, the Fund is more vulnerable to the impact of a key departure compared to teams with more resources. These individuals have committed to a three-year retention and incentive structure under the new ownership, which mitigates some of the risk. However, should one of these members of the team depart, the Fund's rating would be subject to review.

#### What is the Investment Process?

The Manager's investment philosophy is built around the principles of 'sustainability', 'growth', 'quality', and 'valuation'. The strategy targets nine sustainable investment themes, five environmental (cleaner energy, environmental services, resource efficiency, sustainable transport, and water management) and four social (education, health, safety, and well-being). The aim is to invest in companies that derive at least 50% of their revenue or profits from these themes (in practice, the portfolio exposure has averaged over 80%). Individual stocks are chosen through a 'bottom-up' fundamental research process.

Analysts are tasked with determining a fundamental score for each company. This score assesses a company's business strength, quality (both sustainable and financial), and market position, and combines this with an expected valuation over a three- to seven-year investment time horizon. The fundamental company scores and relative attractiveness of each stock in the portfolio lead to an overall conviction score, either A or B, which influences eventual position sizing, with maximum limits depending on the score. This process is accompanied by an evaluation of the relative attractiveness of the company's valuation. Analysts have the discretion to select the valuation metrics they deem most suitable for each investment case in addition to a producing a DCF analysis. Only companies that receive positive evaluations on both aspects are considered for investment.

### Lonsec Opinion & Supporting Facts

#### Philosophy and Universe

Investment Type	Fundamental
Investment Approach	Bottom-up
Investment Style	Thematic
Typical market cap	US\$2bn - US\$10bn
Minimum market cap	US\$2.0bn
Available Universe	Listed developed equity markets.

The Manager demonstrates a strong commitment to sustainable investing, reflected in a well-defined investment process. The sustainability themes are diverse and investable, allowing exposure to a wide array of companies and sectors through the sustainability lens. Despite the themes remaining constant throughout the strategy's lifespan, the Manager has shown adaptability by incorporating recent sustainability developments, reflective of an understanding of the sector's continuous evolution. The Manager's transparency in limiting investments to companies that derive a majority of their revenue or profits from the themes is seen as a crucial credibility test of the investment process and is a notable consideration for investors.

#### Research Process

Key screens	Market Cap, Top Down or Thematic
Screened universe	450
Idea generation	Newsflow/Events, Expert networks, Other, Referrals, Brokers
Stocks researched	250
Annual manager meetings	39
Key research inputs	Financial statements, Company meetings, Company data, Industry data, Economic/Market data, Sell-side reports, Quantitative model, Expert networks
Primary valuation approach	Other

The research approach is team-based and non-hierarchical and covers a reasonable breadth of stocks. To mitigate any biases, the team appoints a separate analyst for further research after initial approval and rotates stock research ownership among analysts every two years. Despite increasing the workload for a small team, this approach maintains the effectiveness of research discipline and fosters team debate.

The team regularly conducts thematic research to identify ideas. Recently, the Manager has shifted to explore thematic research on an ad-hoc basis within a cluster of stocks. This approach is considered a distinguishing feature of the process, aiding in idea generation, and enabling the Manager to identify sustainability trends earlier.

The Manager's approach is research-intensive and proprietary. While external research can be accessed to supplement and test internal conclusions, the specialised nature of the philosophy and process relies heavily on the skill and expertise of its personnel. This also underscores the importance of the ability to capture its proprietary research on suitable systems. It is believed that the Manager has structures in place to manage this risk.

### Process (continued) ●●●

#### Portfolio Construction

Portfolio management structure	Portfolio team
Approach to benchmark	Benchmark Agnostic
Typical security numbers	50
Typical securities range	40-60
Typical portfolio turnover p.a.	20.00%
Typical active share	98.00%

Like many responsible investing peers, the philosophy naturally leads to structural portfolio biases, such as underweighting (or excluding) sectors like financials and energy, while overweighting others like healthcare and industrials. A reasonable correlation is observed between the team's stock research rankings, conviction scores and the portfolio construction process, which is believed to foster consistent outcomes. Stocks are sold when there is a change in the fundamental view, such as a significant shift in management or ESG assessment or when valuation becomes unattractive. The combination of a longer-term investment view, intensive research focusing on wider impact and sustainability, and flexible valuation could lead to lenient sell discipline and as such will be monitored.

#### Capacity Management

Capacity guidance	\$12.0bn
Strategy AUM	\$1.18bn
Portfolio liquidity (1 week)	100.00%
Substantial holdings by manager	None
Strategy previously closed	No

As of September 2025, the investment team oversaw approximately \$1.2bn. The estimated capacity for WHEB's sustainable impact strategy is tentatively set at US\$8bn (approx. \$12bn) indicating ample room for growth at this stage. The conservative capacity target is appreciated, considering the Fund's small to mid-cap bias, which should help maintain its appeal and longevity.

#### Investment Risk Management

Monitoring external to investment team	Yes
Frequency of monitoring	Daily
Primary risk management system	Barra
Security Limits (Min./Max.)	Hard: Absolute, 0-5%
Sector Limits (Min./Max.)	Unconstrained
Non-index Allocation (Typical, Max.)	98%, 100%
Cash Allocation (Typical, Max.)	0%, 5%

Risk management is a central focus of the Manager's process and rigorously applied. The investment team manages portfolio risks daily, ensuring the Fund is positioned within mandated constraints and operational compliance procedures. The Manager follows a benchmark-unaware approach, with most of the portfolio comprising off-benchmark names. An independent Investment Performance and Risk Committee oversees the investment team and monitors overall portfolio risk. The Committee meets monthly to discuss factors including tracking error, portfolio volatility, scenario analysis, concentration risk, liquidity risk, valuation risk, leverage, growth and ESG risk.

#### Manager Positioning - Product

Responsible investment style	Impact
ESG approach	Minimum Standards
Sustainability thematic	General Sustainability or Impact
Non-financial objective	The Fund's investment objective is to achieve capital growth over the medium to longer term and contribute to positive sustainability impact over this period.

#### What is the Manager's ESG approach for this product?

WHEB has indicated that their Responsible Investment style is "Impact". Note, this ESG review is not a measure of the impact of either the companies in the portfolio or the portfolio itself but is an assessment of the process the investment team undertakes to assess the degree to which ESG factors are considered when assessing investment opportunities. With a primary ESG style of "Minimum Standards" Managers typically use ESG scores (internal proprietary or external) to determine a hard threshold below which they won't invest in a company. Investors need to be comfortable with this threshold.

#### Sustainability Score



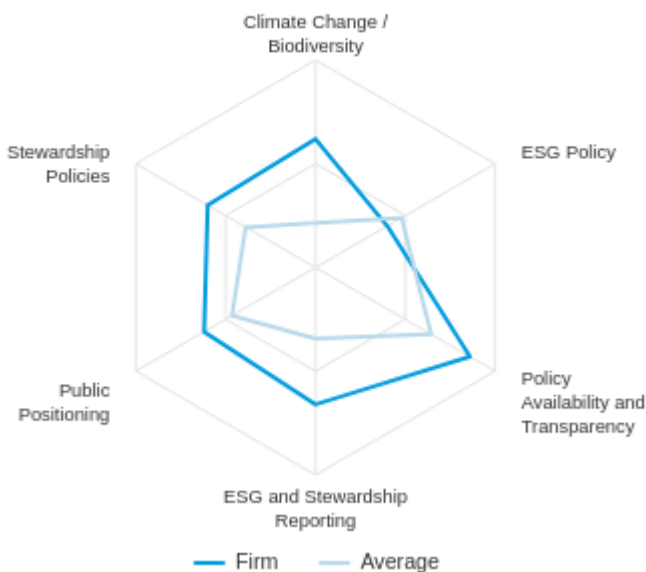
Refer to current quarterly Sustainability Report

### Lonsec Opinion & Supporting Facts

#### Overview

ESG Process Score	ModHigh
Responsible Investment strategy risk: Clarity, measurability & reporting	Low

#### ESG Snapshot



#### Product Level Approach

The investment team uses ESG data within their investment process in a structured and thorough manner. Multiple providers are accessed. The Manager demonstrates a disciplined proprietary ESG research process incorporating materiality frameworks into internal assessments. Research outputs are clear and useful for a structured approach to investment decision incorporation. Transparency on the transmission from research to portfolio construction is limited. There is monitoring of ESG characteristics of the portfolio across a number of ESG and sustainability dimensions, and a limit framework in place. The team demonstrated a strong engagement program and a structured approach. Engagements are documented with clear objectives set and outcomes tracked.

#### Strategy: Clarity, Measurability & Reporting

The name of the product and its underlying strategy are clearly aligned. The PDS provides a high level of clarity of the products non-financial objectives. The Product's regular reporting provides strong support that the product is managed to align with its non-financial objectives. ESG based compliance monitoring is seen as appropriate. There is a very high level of alignment between the WHEB investment team's mission/purpose and the objectives for this product. On balance this product provides a high degree of clarity, measurability and reporting of its non-financial objectives and the risk of misalignment is low.

#### Manager Level Approach

The Manager has articulated a commitment to ESG integration, supported by public positioning and a policy framework. The RI policy outlines ESG integration across the investment lifecycle, aligned with PRI; however, the approach remains largely focused on financial materiality, with limited transparency on methodology and decision-making impact. Proxy voting is conducted in-house within the FCM division, supported by third-party research, on a case-by-case basis, with disclosure limited to summary statistics. Engagement aligns with UK Stewardship principles, with thematic examples disclosed in the Stewardship report. The Manager demonstrates commitment to climate change through TCFD-aligned reporting and integration of financially material climate risks, with a formal net zero target being disclosed.

### Product ●●●

#### Service Providers

Responsible entity	Pengana Capital Limited
Investment manager	Foresight Group LLP
Custodian	BNP Paribas
Administrator	BNP Paribas
Fund Auditor	Ernst & Young
Change in Key Providers? (Over last 12 months )	No

#### Product Details

Product size	\$158m (Mar 2026)
Fund 12-month net flows	Negative
Distribution model	Affiliate
Buy/sell spreads	0.25%/0.25%
Investment structure	Direct
Product type	Registered Managed Investment Scheme (Unitised)
Currency hedged	No
Use of derivatives	No

#### What is the Product Structure?

The Fund is an Australian-based unit trust that employs a 'long only', benchmark-unaware global equity strategy. It actively invests in a concentrated portfolio across the market cap spectrum that are addressing global sustainability challenges and are categorised within WHEB's nine sustainable investment themes. To qualify for WHEB's universe, companies need to have a market capitalisation of at least US\$2 billion, and at least 50% of revenues directly exposed to WHEB's themes.

### Lonsec Opinion

#### Service Providers

The Fund operates with an independent Responsible Entity ('RE'). This RE relationship has been stable since the Fund's inception, with no issues reported. Furthermore, the Manager engages with high-quality 'tier 1' service providers for custodial, administration, audit and broking services. There have been no issues with services providers since last review.

#### Operational 'Red Flags'

The Fund is a straightforward global equity strategy, primarily targeting developed markets. It is not considered operationally challenging to implement. However, it actively invests in small to mid-cap stocks (down to a hard limit market cap of US\$2bn). This approach may occasionally present operational and liquidity challenges during market dislocations due to the Fund's daily liquid nature.

#### Wind-up Risks

There is low wind-up risk associated with the Fund at the current size of the Fund. That said, support for the strategy may come under pressure due to the persistent relative underperformance, combined with outflows from the Fund and peers in the sub-sector. This will remain a watchpoint in future reviews.

### Fees ●●●

#### Annual Fees and Costs (% p.a.)

Management fees & costs	1.35
Performance fee costs	0.00
Net Transaction Costs	0.00
Buy/Sell Spread	0.25/0.25
<b>Annual fees and costs</b>	<b>1.35</b>

Source: FE fundinfo, PDS Date: 12/Nov/2025

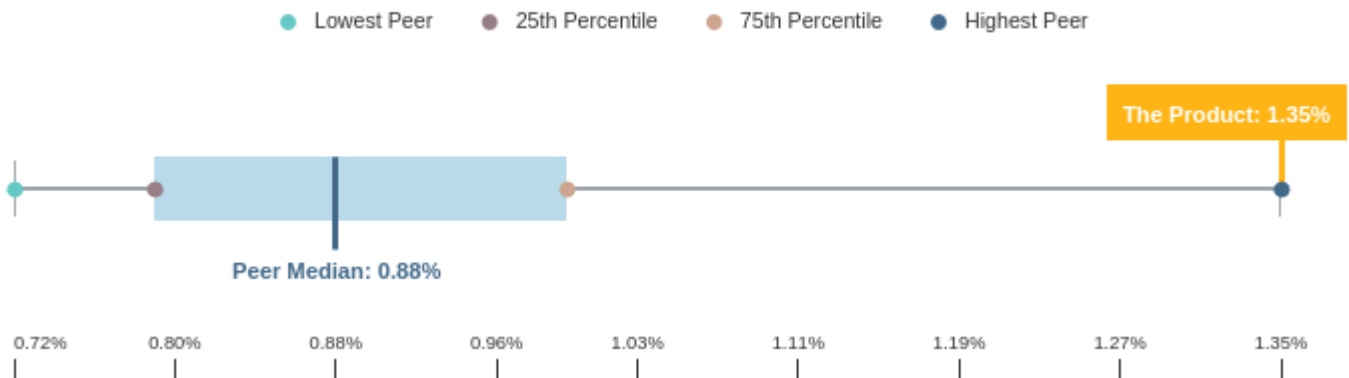
#### Performance Fees

Applicable	No
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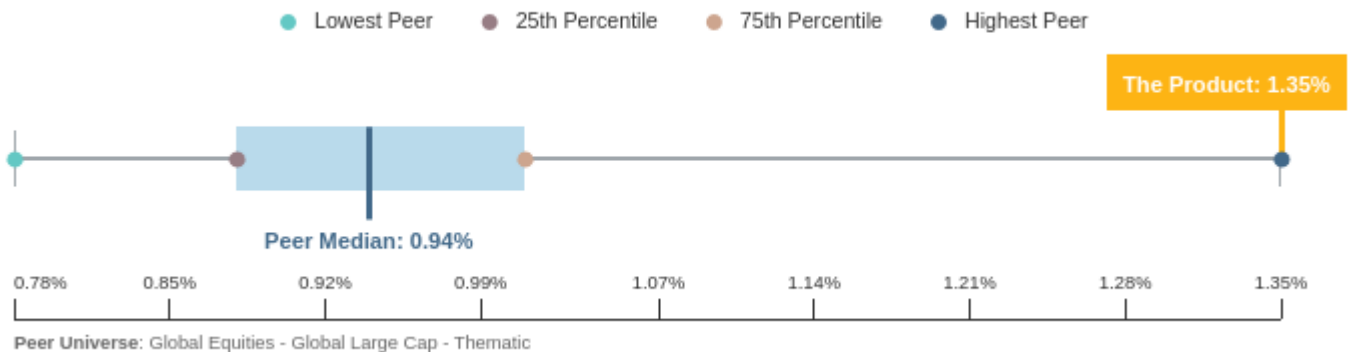
#### Fees Explained

The Fund's Annual Fees and Costs 'AFC' comprises of a management fees and costs of 1.35% p.a. only. There are no addition net transaction costs above the buy-sell spreads of +/- 0.25%. The Fund does not charge a performance fee.

#### Management Fees and Costs Peer Comparison



#### Annual Fees and Costs Peer Comparison



## Lonsec Opinion

#### Annual Fees and Costs

The total fee load of 1.35% p.a. is substantially higher than peers.

#### Fairness

Given the absence of a performance fee, total fees and costs are capped which provides certainty to investors. While the AFC is higher than peers, the Fund's more active investment approach and niche areas of investment needs to be considered.

### Performance ●●●

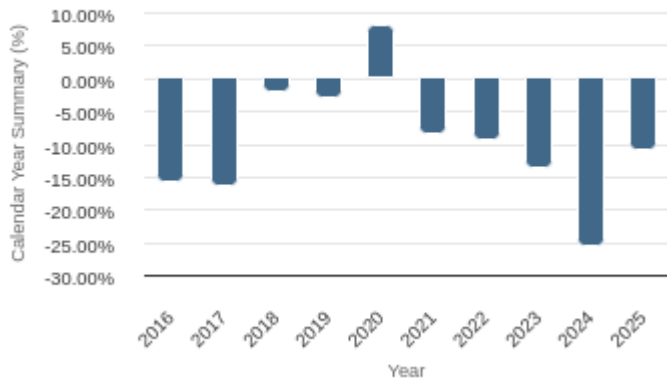
#### Performance Summary

PDS return objective	The Fund's investment objective is to achieve capital growth over the medium to longer term and contribute to positive sustainability impact over this period.
Internal return objective	Outperform the MSCI World (AUD Unhedged TR) + 3% p.a. over rolling 3 year periods (gross of fees)
Internal risk objective	Tracking Error of 4-7% p.a. (not targeted)
Product benchmark	MSCI World NR Index AUD
Lonsec peer group	Thematic

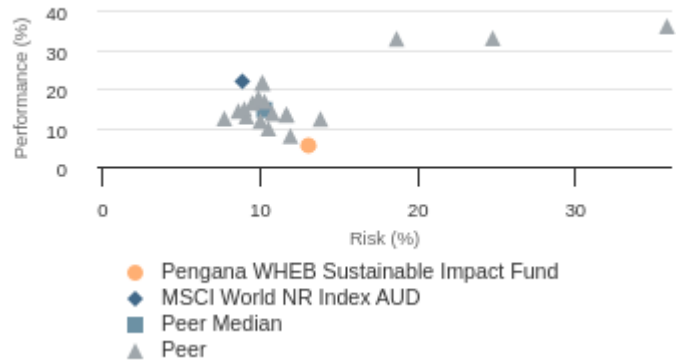
#### Alpha Generation

The Fund has not achieved its performance objective to 31 December 2025. Over the past 12-month period, the concentrated nature of the portfolio, style headwinds and mixed sector and macro uncertainty has caused a large performance gap to the benchmark. The Fund does not have any exposure to traditional energy and some cyclical sectors which have been solid contributors to broader benchmark performance. Higher tariffs and rising bond yields has tended to hurt favoured Industrials and cyclical 'future economy' mid-cap businesses which the Fund owns. The Fund's approach focuses on a diverse range of themes to capture long-term structural opportunities, and the Manager has not deviated from the investment approach given the market backdrop and subsequent underperformance.

Calendar Year Excess Return



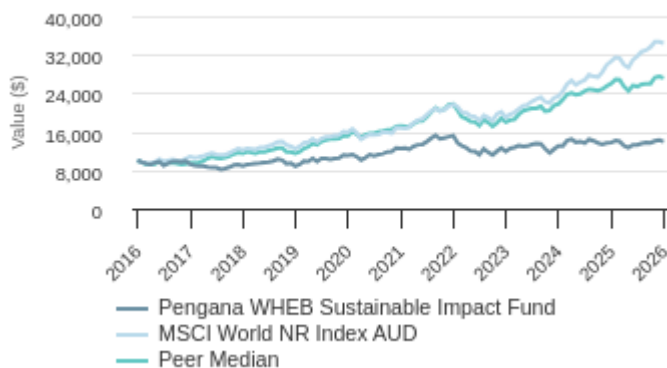
3 Year Risk and Return



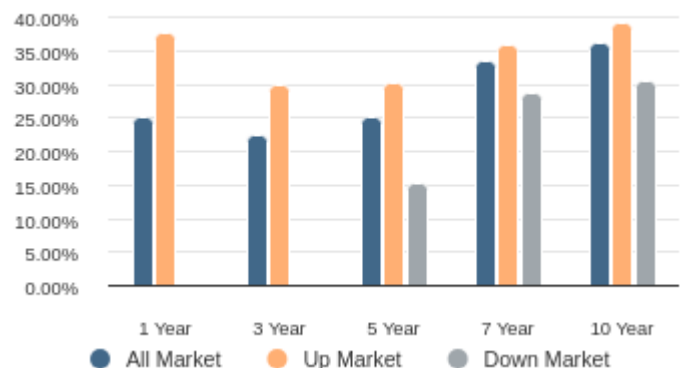
#### Alpha Consistency

The Fund has displayed inconsistent performance outcomes over the medium-term. The Manager's approach heavily relies on stock picking within themes and stocks exposed to these themes have been impacted by various exogenous pressures (i.e. policy uncertainty, sentiment and cost pressures). The structural exclusion of strong performing traditional sectors has also impacted performance with little offsetting from electrification and AI-related energy demand. Calendar year 2025 was a challenging and uneven environment for the stocks which WHEB holds.

Growth of \$10,000 Over 10 Years



Returns Consistency



### Performance (continued) ●●●

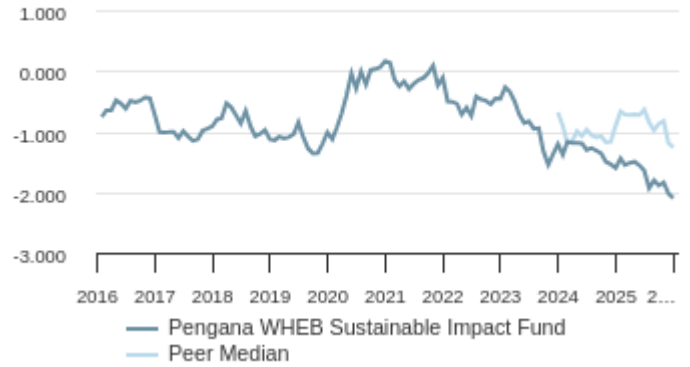
#### Benchmark Relativity

The Fund has displayed a high level of Active Share (>95%) and Tracking Error over the medium term. This is typical of a concentrated benchmark agnostic strategy. Over the medium to long term, Tracking Error has been ~8% p.a., exceeding the stated internal risk objective, albeit not targeted. This high Tracking Error is indicative of the Fund's strong overweight exposures to Healthcare and Industrials.

3 Year Rolling Tracking Error Over 10 Years



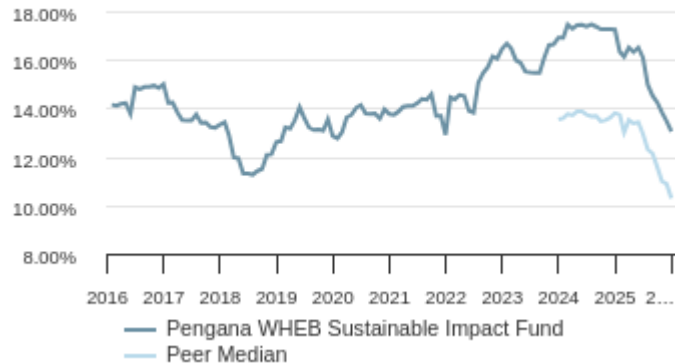
3 Year Rolling Information Ratio Over 10 Years



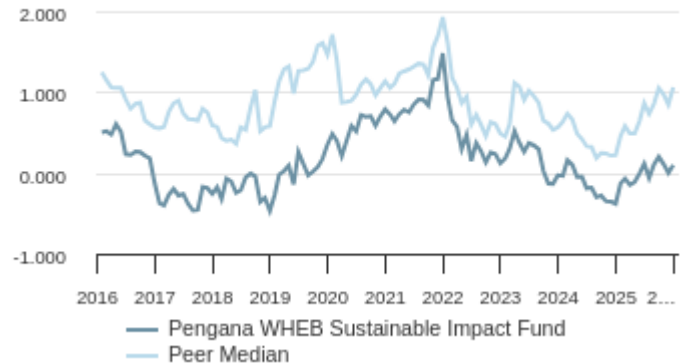
#### Return Volatility

The Fund is expected to experience elevated volatility due to its long-term investment horizon and bias toward small and mid-cap companies. Accordingly, it has exhibited higher volatility than both the benchmark and the peer median across most evaluation periods. The volatility profile reflects the concentrated benchmark unaware thematic approach. Investors should expect large deviations from the benchmark and a bumpier ride than typical global equity funds.

3 Year Rolling Standard Deviation Over 10 Years



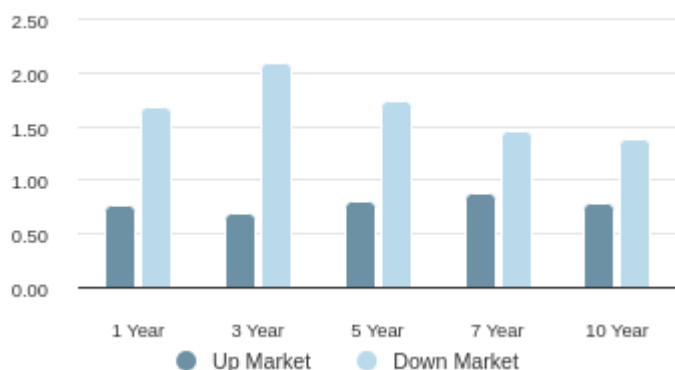
3 Year Rolling Sharpe Over 10 Years



#### Product Defensiveness

The Fund has historically had higher risk than the benchmark and this exacerbated the deeper drawdown at the beginning of calendar year 2022, which is yet to be recovered. The strategy's higher volatility, deeper drawdowns, and elevated tracking error, combined with its lack of exposure to traditional defensive sectors, mean it does not exhibit the defensive characteristics typically seen in more core peers.

Market Capture Ratio



Drawdowns



## Ratings

'**Highly Recommended**' rating indicates that Lonsec has very strong conviction the product can meet its investment objectives.

'**Recommended**' rating indicates that Lonsec has strong conviction the product can meet its investment objectives.

'**Investment Grade**' rating indicates that Lonsec has conviction the product can meet its investment objectives.

'**Approved**' rating indicates that Lonsec believes the product can meet its investment objectives.

'**Not -Approved**' rating indicates that Lonsec does not believe the product can meet its investment objectives.

'**Closed / Wind Up**' status is applied when the product has been closed.

'**Fund Watch**' status is applied when a rating is under review due to the occurrence of a significant event relating to the product.

The '**Redeem**' rating indicates Lonsec no longer has sufficient conviction that the product can meet its investment objectives.

The '**Screened Out**' rating indicates Lonsec was unable to attain sufficient conviction that the product can meet its investment objectives.

'**Discontinued Review**' status is applied where a product issuer withdraws the product from the review process prior to completion, for any reason other than the product being closed or unavailable to investors.

The '**Ceased Coverage**' status is applied when a rated product is withdrawn from the research process by the product issuer.

## General

**Climate Change / Biodiversity:** the extent to which a manager has a leading climate and biodiversity policies.

**ESG and Stewardship Reporting:** the transparency, accessibility and usefulness of a manager's reporting.

**ESG Policy:** the strength of commitment to ESG as ascertained by a review of a manager's ESG policies.

**Excess return:** Return in excess of the benchmark return.

**Information ratio:** Relative reward for relative risk taken (Excess Returns / Tracking Error).

**Key decision maker (KDM):** A nominated investment professional who has portfolio decision making discretion for a Fund, e.g. 'buy' or 'sell' decisions.

**Market capture ratio:** A product's performance during either 'up' or 'down' market trends relative to an index.

**Policy Availability / Transparency:** the ease of public access to, and transparency of, a manager's overall ESG policy suite.

**Public Positioning:** the resolve of a manager's commitment to ESG as ascertained by their public positioning.

**Returns consistency:** The proportion of a product's monthly outperformance during a period relative to the benchmark when it was rising, falling and in aggregate.

**Sharpe ratio:** Excess return earned for additional volatility experienced when holding riskier assets versus risk-free asset.

**Standard deviation:** Volatility of monthly Absolute Returns.

**Stewardship Policies:** the strength of a manager's proxy voting and engagement policies with respect to ESG.

**Time to recovery:** The number of months taken to recover the Worst Drawdown.

**Total return:** 'Top line' actual return, after fees.

**Tracking error:** Volatility of monthly Excess Returns against the benchmark (the Standard Deviation of monthly Excess Returns).

**Worst drawdown:** The worst cumulative loss ('peak to trough') experienced over the period assessed.

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## Lonsec Research FSG Financial Services Guide

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### 1.1 What is a Financial Services Guide?

This FSG's purpose is to provide you with important information regarding services offered by Lonsec Research. You should read this FSG prior to using our services. This document was prepared to inform you about:

- who we are and our contact details;
- the financial services we provide;
- the remuneration that may be paid to us and other persons in relation to the financial services we provide;
- how we deal with conflicts of interest; and
- how we deal with complaints

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- deposit and payment products limited to basic product products
- derivatives
- interests in managed investment schemes including investor directed portfolio services
- superannuation
- retirement savings accounts
- foreign exchange products
- life products including:
  - investment life insurance products as well as any products issued by a Registered Life Insurance Company that are backed by one or more of its statutory funds; and
  - life risk insurance products as well as any products issued by a Registered Life Insurance Company that are backed by one or more of its statutory funds;

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## Lonsec Research FSG (continued)

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#### Complaints Manager

Level 39, 25 Martin Place  
Sydney NSW 2000

Tel: 1300 826 395

Email: [complaints@lonsec.com.au](mailto:complaints@lonsec.com.au)

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Email: [info@afca.org.au](mailto:info@afca.org.au)

Phone: 1800 931 678

#### Mail:

Australian Financial Complaints Authority  
GPO Box 3  
Melbourne, Victoria, 3001.

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