

**PENGANA WHEB SUSTAINABLE IMPACT FUND**

**DESCRIPTION**

The Pengana WHEB Sustainable Impact Fund invests in companies with activities providing solutions to sustainability challenges. WHEB have identified critical environmental and social challenges facing the global population over coming decades including a growing and ageing population, increasing resource scarcity, urbanisation and globalisation. The Fund invests in companies providing solutions to these sustainability challenges via nine sustainable investment themes – five of these are environmental (cleaner energy, environmental services, resource efficiency, sustainable transport and water management) and four are social (education, health, safety and well-being). WHEB's mission is 'to advance sustainability and create prosperity through positive impact investments.'

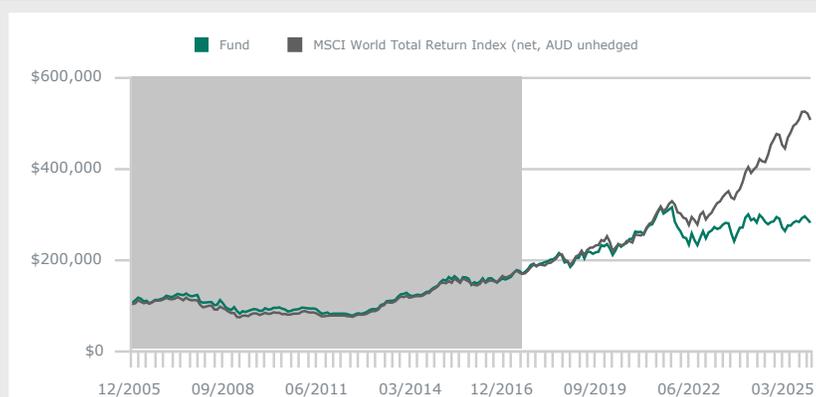
**PERFORMANCE TABLE**

NET PERFORMANCE FOR PERIODS ENDING 31 Jan 2026 <sup>1</sup>

	1 MTH	1 YEAR	3 YEARS P.A.	5 YEARS P.A.	SINCE INCEPTION P.A.
WHEB Sustainable Impact Fund	-2.6%	-4.2%	2.7%	1.5%	
Strategy (partial simulation – see below)					5.3%
MSCI World Total Return Index (net, AUD unhedged)	-2.7%	6.5%	19.6%	15.0%	8.4%

**PERFORMANCE CHART**

NET PERFORMANCE SINCE INCEPTION <sup>2</sup>



**TOP HOLDINGS (ALPHABETICALLY)**

Agilent Technologies, Inc.	Health Care
AstraZeneca PLC	Health Care
Bureau Veritas SA	Industrials
Ecolab Inc.	Materials
Globus Medical Inc Class A	Health Care
Infineon Technologies AG	Information Technology
Keyence Corporation	Information Technology
TE Connectivity plc	Information Technology
Thermo Fisher Scientific Inc.	Health Care
Xylem Inc.	Industrials

**SECTOR BREAKDOWN**

Consumer Discretionary	3.6%
Health Care	27.3%
Industrials	32.9%
Information Technology	26.4%
Materials	7.9%
Utilities	1.8%
Cash	0.2%

**CAPITALISATION BREAKDOWN**

2-10bn	18.2%
10-20bn	19.7%
>20bn	61.9%
Cash	0.2%

**CUSTOM SECTOR BREAKDOWN**

Health	23.9%
Resource Efficiency	25.9%
Sustainable Transport	11.7%
Environmental Services	6.2%
Water Management	12.9%
Safety	10.3%
Cleaner Energy	7.3%
Education	1.6%
Cash	0.2%

**REGION BREAKDOWN**

North America	62.7%
Europe ex-UK	22.2%
Japan	8%
UK	7%
Cash	0.2%

## JANUARY 2026 REPORT

### COMMENTARY

Global equity markets started 2026 with a broadly positive tone, although early gains were tempered by mixed economic data, geopolitical tensions, and a rising Australian Dollar. The MSCI World Index fell -2.7% over the month when measured in Australian Dollars. The Fund returned -2.6%, slightly outperforming the MSCI World Index, with the Water Management theme making the largest contribution to performance.

#### Market Review

Global equity markets started 2026 with a broadly positive tone, although early gains were tempered by mixed economic data, geopolitical tensions, and a rising Australian Dollar. The MSCI World Index fell -2.7% over the month when measured in Australian Dollars.

Positive sentiment was driven by rising growth expectations, especially in the US, while inflation stabilised in many markets. A clear theme for the month was “broadening” as the very large US technology stocks which have dominated the market in recent years performed relatively weakly.

Geopolitical developments again demonstrated their ability to reintroduce short term volatility. In the middle of the month the US operation to remove Venezuelan President Nicolas Maduro rattled markets and drove up assets such as gold. Renewed tariff threats from US President Trump, alongside comments relating to Greenland raised concerns about a potential escalation in trade and diplomatic tensions.

Towards month end, software stocks came under pressure as investors assessed the implications of accelerating advances in artificial intelligence, following developments around Anthropic’s Claude large language model. The reaction reflected a reassessment of how rapid artificial intelligence progress could affect competitive dynamics, valuations and business models over the coming years.

At the World Economic Forum in Davos, sustainability discussions were present but framed through competitiveness, energy security and economic resilience. Water security and climate adaptation received increased attention, while, unfortunately, fewer new climate initiatives were announced than in previous years.

#### Fund Review

The Fund returned -2.6%, slightly outperforming the MSCI World Index.

On the positive side, the Water Management theme made the largest contribution to performance. **Kurita Water**, a Japanese company focused on the treatment of industrial water, benefited from rising expectations for demand for ultrapure water solutions, driven by ongoing semiconductor and artificial intelligence related capacity expansion.

At the stock level, **Nextpower**, a leader in the solar tracker market, was a standout performer. Shares rose following strong third quarter results and an upgrade to full year guidance. Momentum was maintained after the company announced a joint venture in Saudi Arabia to manufacture and deploy its products for large scale projects in the region.

Our two largest themes, Resource Efficiency and Health, were both equal negative contributors and the worst contributing themes. **Autodesk** and **Trimble**, both in the Resource Efficiency theme, were the weakest individual

contributors. Both stocks were affected by negative sentiment towards software companies as investors reassessed the implications of rapid advances in artificial intelligence for business models and valuations.

In the Health theme, life sciences tools companies, including **Danaher** and **Thermo Fisher**, saw share price weakness after reporting results and outlooks that, while broadly in line with expectations, pointed to a gradual recovery in bioprocessing and research end markets rather than a sharp rebound.

## Outlook

While the past few years have been challenging for impact strategies, we believe the foundations for future returns are quietly strengthening.

Sentiment toward sustainability and impact investing remains subdued, reflecting both political fatigue and near term uncertainty around the pace of the transition. This is visible in valuations across many of our stocks, which remain depressed relative to broader markets. In many cases, share prices are being driven more by short term order timing, cautious customer spending and macro noise than by any deterioration in long term fundamentals.

Structural thematic drivers remain firmly intact. Rising water stress, increasing demand for more affordable and efficient electricity systems, and growing power requirements for cooling and data infrastructure are reinforcing the importance of efficient water and energy management. For example, by 2030, around one in five power plants globally is expected to face high or extreme water stress, underlining the scale of the challenge.

Overall, we see scope for steady execution and improving fundamentals to reinforce confidence in the portfolio's long term outcomes, even if the path forward remains uneven.

## FEATURES

APIR CODE	HHA0007AU
REDEMPTION PRICE	A\$ 1.5376
FEES *	Management Fee: 1.35%
MINIMUM INITIAL INVESTMENT	\$10,000
FUM AT MONTH END	A\$ 179.01m
FUND INCEPTION DATE	31 October 2007 Relunched on 1 August 2017.*

## FUND MANAGERS



**Ted Franks**  
Managing Director, Fund Manager



**Seb Beloe**  
Managing Director, Head of Impact Research

1. From August 2017, performance figures are those of the Pengana WHEB Sustainable Impact Fund's class A units (net of fees and including reinvestment of distributions). The strategy's AUD performance between January 2006 and July 2017 (shown in the shaded area in the chart) has been simulated by Pengana from the monthly net GBP returns of the Henderson Industries of the Future Fund (from 1 January 2006 to 31 December 2011) and the FP WHEB Sustainability Impact Fund (from 30 April 2012 to 31 July 2017). This was done by: 1) converting the GBP denominated net returns to AUD using FactSet's month-end FX rates (London 4PM); 2) adding back the relevant fund's monthly ongoing charge figure; then 3) deducting the Pengana WHEB Sustainable Impact Fund's management fee of 1.35% p.a. The WHEB Listed Equity strategy did not operate between 1 January 2012 and 29 April 2012 – during this period returns are nulled. The Henderson Industries of the Future Fund's and the FP WHEB Sustainability Impact Fund's GBP net track record data is historical. Performance figures are calculated using net asset values after all fees and expenses, and assume reinvestment of distributions. No allowance has been made for buy/sell spreads. Please refer to the PDS for information regarding risks. Past performance is not a reliable indicator of future performance. The value of the investment can go up or down.

2. The Fund incepted on 31 October 2007 as the Hunter Hall Global Deep Green Trust. The Fund was relunched on 1 August 2017 as the Pengana WHEB Sustainable Impact Fund employing the WHEB Listed Equity strategy. This strategy was first employed on 1 January 2006 by the Henderson Industries of the Future Fund and currently by the FP WHEB Sustainability Impact Fund.

3. Annualised standard deviation since inception.

4. Relative to MSCI World Total Return Index (net, AUD unhedged)

\* For further information regarding fees please see the PDS available on our website.

## PENGANA WHEB SUSTAINABLE IMPACT FUND

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### PENGANA.COM

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