



PENGANA WHEB SUSTAINABLE IMPACT FUND

AUGUST 2017
PERFORMANCE
UPDATE

FUND DESCRIPTION AND FEATURES

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'.

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| Sustainability experts & portfolio managers | Ted Franks Seb Beloe George Latham |
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|------------------|-----------|
| APIR code | HHA0007AU |
|------------------|-----------|

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|-------------------------|----------|
| Redemption price | \$0.9516 |
|-------------------------|----------|

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|-----------------------|------------|
| Management fee | 1.35% p.a. |
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| | |
|-----------------------------------|----------|
| Minimum initial investment | \$10,000 |
|-----------------------------------|----------|

| | |
|---------------------------------------|----------------|
| Strategy inception¹ | 1 January 2006 |
|---------------------------------------|----------------|

¹ The Fund inception on 31 October 2007 as the Hunter Hall Global Deep Green Trust. The Fund was relaunched 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 Fund.

FUND COMMENTARY

For the month of August, the Fund returned +2.36% compared to the MSCI World Net TR Index (AUD unhedged) which returned +0.80%.

The first part of the month included the reporting season for the first half of 2017. We were generally pleased with our companies' reports. With a long-term investment horizon, we try to use short-period reports to scan for early signs of long-term trouble. We feel confident that most of our companies are in good shape.

We closed two positions in the month, and initiated one. In the Cleaner Energy theme, we initiated a position in TPI Composites. This is a smaller US company which makes blades for wind turbines. It has a focused business underpinned by long-term contracts.

In the same theme, we sold our position in Canadian Solar, which is another smaller US company. The Strategy had been invested in the company for nearly four years. During this time, it had expanded from just manufacturing solar modules to investing in solar projects as well. We had originally supported this move as the project development business was

more attractive than manufacturing. As time passed however, it became increasingly difficult to understand the progress of the new project's business. In the meantime, the company's indebtedness rose ever higher, and disclosure and investor communications never reached the standard we were hoping for. As a result, we have lost confidence in the position and sold our stake.

The other sale in the month was Mednax, in the Health theme. Mednax operates a network of physicians in US hospitals, in anaesthetics, neonatology and radiology. It faces headwinds in each of its businesses, not least of which is the striking reduction in the birth rate in the USA. Management is unconvincing in their response, so we have exited the investment.

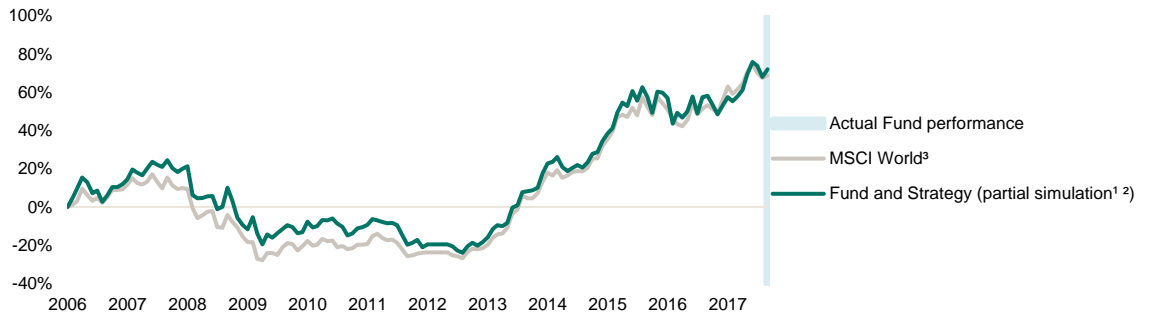
The tragic devastation caused by Hurricane Harvey is a reminder of the significant challenges posed by climate change. The Fund invests in companies which provide mitigation and adaptation as well as emissions abatement. We expect these companies to benefit from a decades-long increase in demand.

MULTI
THEMATIC
GLOBAL
LISTED
EQUITY

FUND AND STRATEGY PERFORMANCE (NET OF FEES, AUD, PARTIAL SIMULATION^{1, 2})

Net performance for periods ending 31 August 2017

| | 1M | 1Y | 3Y p.a. | 5Y p.a. | Since inception p.a. |
|---|-----|------|---------|---------|----------------------|
| Fund | 2.4 | | | | |
| Fund and Strategy (partial simulation ^{1, 2}) | 2.4 | 8.8 | 11.7 | 16.7 | 4.9 |
| MSCI World ³ | 0.8 | 10.1 | 11.9 | 17.1 | 4.7 |



² 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 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 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 Fund's GBP net track record data is historical. Past performance is not a reliable indicator of future performance. The value of the investment can go up or down.

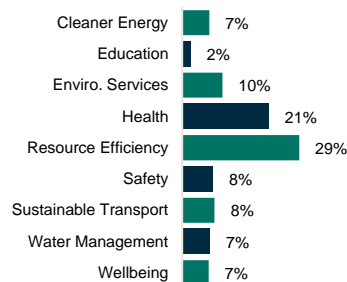
³ MSCI World Total Return Index (net, AUD unhedged).

PORTFOLIO INFORMATION

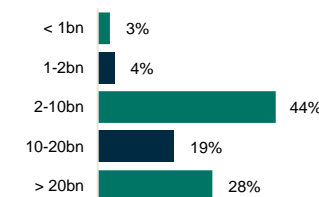
Top 10 Stocks

| Name | Sustainable Investment Theme | Description |
|------------------------------|------------------------------|--------------------------------|
| Agilent Technologies | Health | Research and diagnostics |
| Ansys | Resource Efficiency | Using IT to improve efficiency |
| Grand Canyon Education | Education | Education |
| Intertek Group | Safety | Making products safe |
| Lennox International | Resource Efficiency | Energy efficient products |
| Littelfuse | Safety | Making products safe |
| Mettler-Toledo International | Health | Research and diagnostics |
| Orpea | Wellbeing | Residential care for elderly |
| Thermo Fisher Scientific | Health | Research and diagnostics |
| Xylem | Water Management | Efficient water use |

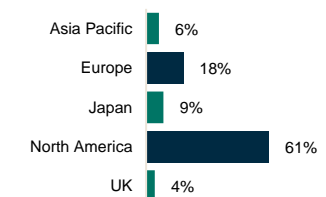
THEME EXPOSURE



MARKET CAP (U\$) EXPOSURE



GEOGRAPHIC EXPOSURE



Hunter Hall Investment Management Limited (**Pengana**) (ABN 69 063 081 612, AFSL 219 462) is the issuer of units in the Pengana WHEB Sustainable Impact Fund (ARSN 121 915 526) (**the Fund**). A Product Disclosure Statement for the Fund (**PDS**) is available and can be obtained from our distribution team or website. A person should obtain a copy of the PDS and should consider the PDS carefully before deciding whether to acquire, or to continue to hold, or making any other decision in respect of, the units in the Fund. This report was prepared by Pengana and does not contain any investment recommendation or investment advice. This report has been prepared without taking account of any person's objectives, financial situation or needs. Therefore, before acting on any information contained within this report a person should consider the appropriateness of the information, having regard to their objectives, financial situation and needs. None of Pengana, WHEB Asset Management LLP (**WHEB**), or their related entities, directors, partners or officers guarantees the performance of, or the repayment of capital, or income invested in the Fund. An investment in the Fund is subject to investment risk including a possible delay in repayment and loss of income and principal invested.

FOR FURTHER
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PLEASE VISIT
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