



# eInvest Better Future Fund (Managed Fund)

ASX:IMPQ  
MONTHLY REPORT MAY 2021

	Month (%)	Quarter (%)	FYTD (%)	1 Year (%)	2 Year (%p.a.)	Since Inception <sup>^</sup> (% p.a.)	Since Inception Cumulative <sup>^</sup> (%)
eInvest Better Future Fund (Managed Fund)	1.6	5.4	34.0	37.9	19.4	18.3	40.6
S&P/ASX Small Ordinaries Accum. Index	0.3	6.1	29.3	26.7	10.9	10.1	21.6
<b>Value Added (Detracted)</b>	<b>1.3</b>	<b>-0.7</b>	<b>4.7</b>	<b>11.2</b>	<b>8.5</b>	<b>8.2</b>	<b>19.0</b>

<sup>^</sup>Inception date was 23 May 2019. Performance shown above are net of fees. Fund returns are calculated using net asset value per unit at the start and end of the specified period and do not reflect the brokerage or the bid ask spread that investors incur when buying and selling units on the ASX. Past performance is not a reliable indicator of future performance.

## Overview

- IMPQ was up 1.6% net of fees in May, outperforming the benchmark by 1.3%.
- It is over two years since the inception of IMPQ. It is a key goal of the fund to demonstrate that there is no performance trade-off to invest with a focus on shaping a Better Future. Since inception in May 2019, IMPQ has delivered a 18.3% p.a. return net of fees, outperforming the benchmark by 8.2% p.a.
- Positive contributors of this month included Immutep (+55.2%), Telix Pharmaceuticals (+20.3%), Janison Education (+10.1%) and Kathmandu (9.6%).
- Negative contributors this month included Limeade (-28.1%), Control Bionics (-20.1%), 4D Medical (-19.3%) and Imricor (-18.4%).

## eInvest Better Future Fund (Managed Fund)

The aim of IMPQ is to grow the value of your investment over the long term by investing in companies predominantly outside the S&P/ASX Top 50 Index that conduct business taking into account environmental, social and governance ("ESG") considerations and/or conduct business in industries which have favourable characteristics having regard to ESG considerations. IMPQ seeks to provide a total return (after fees) that exceeds the S&P/ASX Small Ordinaries Accumulation Index.

### Portfolio Manager

Damian Cottier

### IMPQ FUM

\$15 million

### Distribution Frequency

Annually (if any)

### Management Cost

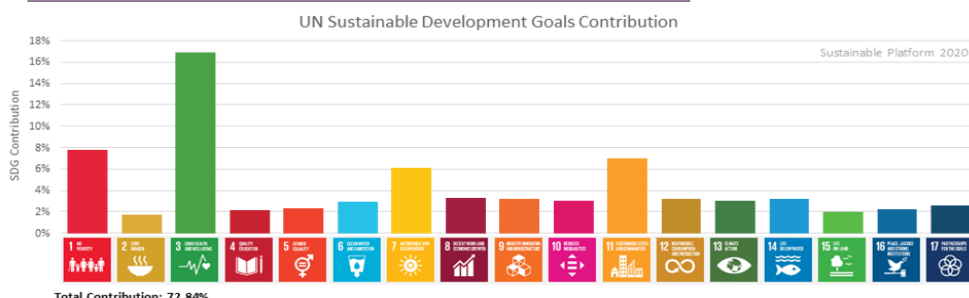
0.99% (incl of GST and RITC)

### Inception Date

23 May 2019

+ performance fee

## Portfolio's contribution to UN Sustainable Development Goals



Source: Data provided by the Sustainable Platform 30 Sept 2020; based on company revenues. Note: ~70% of holding companies revenue contributes to the UN SDGs. This is for the Perennial Better Future Trust, managed in the same investment strategy.

## Better Future Highlight

Calix is an industrial solutions company focussed on solving global sustainability challenges. Readers may recall that last month we discussed the agreement that Calix signed with Adbri (formerly Adelaide Brighton).

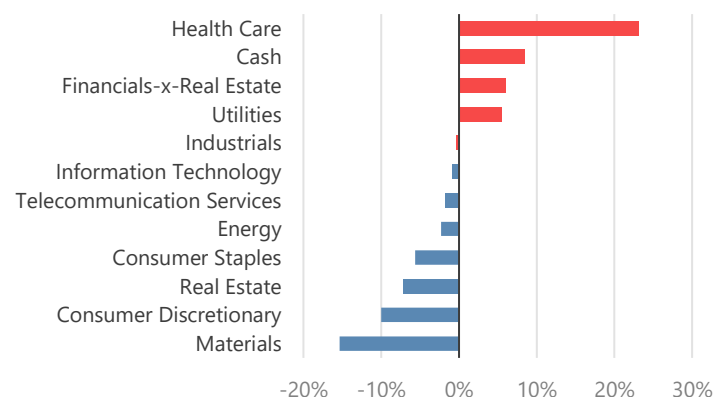
During May, Calix announced that it signed a memorandum of understanding covering the co-development of a midstream lithium chemicals processing plant utilising Calix's core technology.

It is proposed that Pilbara Minerals and Calix will jointly develop a world-first commercial demonstration scale, low-emissions lithium salt production facility.

The demonstration plant will take lower-grade spodumene concentrate and process it utilising renewable energy to create a low carbon, concentrated lithium salt that is used as an input to lithium batteries.

Additional benefits of the new process include that a higher recovery is obtained from the ore using this process, resulting in less mine waste and, a higher value product is produced in Australia resulting in significantly less waste product being shipped overseas.

## Sector Active Exposure vs Index



## Fund Review

IMPQ was up 1.6% net of fees in May, outperforming the benchmark return by 1.3%.

It is over two years since inception of IMPQ. It is a key goal of the fund to demonstrate that there is no performance trade-off to invest with a focus on shaping a better future. Since inception in May 2019, IMPQ has delivered a 18.3% p.a. return net of fees, outperforming the benchmark by 8.2% p.a.

Positive contributors of this month included Immutep (+55.2%), Telix Pharmaceuticals (+20.3%), Janison Education (+10.1%) and Kathmandu (9.6%).

Immutep, which is developing a "LAG-3" therapeutic product that stimulates the immune system to improve the effectiveness of cancer treatments, was stronger following the release of positive results from another "LAG-3" Phase II/III trial. This is a significant milestone in cancer immunotherapy and further recognises LAG-3 as a potentially promising checkpoint receptor.

Telix Pharmaceuticals announced that the company's Phase III Prostate Cancer Therapy Clinical Trial had commenced during May which was earlier than expected.

Kathmandu announced the appointment of the current managing director of the Rip Curl business as the new managing director of the group. It also announced the establishment of a \$100m sustainability linked loan which incorporates a pricing mechanism that incentivises improvement in material sustainability metrics, including greenhouse gas emissions, B Corp certification and continuing to improve the transparency, wellbeing and labour conditions for workers in its supply chain.

Negative contributors this month included Limeade (-28.1%), Control Bionics (-20.1%), 4D Medical (-19.3%) and Imricor (-18.4%). There were no material new announcements in relation to these stocks and we remain comfortable holding them. Our sense is that their fortunes may improve at the conclusion of the traditional tax loss harvesting period towards the end of June.

During the month, we reduced our holdings in Immutep and Telix after recent strong performance and sold out of Fluence and Synlait. We increased our holdings in Meridian Energy and Next Science and added Arena REIT to the portfolio. Arena REIT is an internally managed REIT focussed on investing in healthcare and childcare assets.

At month end the Fund held 44 stocks and cash was 8.5%.

At May end, the weighted average Perennial-derived Environmental, Social, Governance and Engagement ("ESGE") Score of IMPQ was 7.2 which is 25% higher than the benchmark ESGE Score of 5.7.

## Contact Us

📍 Level 27, 88 Phillip Street Sydney NSW 2000

☎ 1300 088 660

✉ hello@invest.com.au

🌐 www.invest.com.au

The Responsible Entity is Perennial Investment Management Limited ABN 13 108 747 637, AFSL: 275101. The Investment Manager is Perennial Value Management Limited ABN 22 090 879 904 AFSL: 247293. This report has been prepared by ETF Investments Australia Pty Ltd trading as invest Australia ('invest') ABN: 88 618 802 912, as the corporate authorised representative of Perennial Investment Management Limited. This report is for information purposes only. Accordingly, reliance should not be placed on this information as the basis for making an investment, financial or other decision. This information does not take into account your investment objectives, particular needs or financial situation. While every effort has been made to ensure the information is accurate; its accuracy, reliability or completeness is not guaranteed. Past performance is not a reliable indicator of future performance. The current relevant product disclosure statement can be found at [www.invest.com.au/IMPQ](http://www.invest.com.au/IMPQ)

## ESG Activity

Relevant ESG activity during the month included:

- Fluence appointed a female independent NED who is well qualified for the role. We have been engaging with the company on this issue for some time.
- We visited the Micro-X production facility in Adelaide where the company produces mobile X-ray devices using cold cathode technology that are more efficient than traditional devices. The company indicated that it is doing more work to quantify the improved carbon outcome for use of the devices and measuring the social benefit more broadly.
- We met with Alpha HPA to discuss the company's carbon footprint modelling which suggests up to a 59% reduction in carbon dioxide over incumbent processing of high purity alumina.
- We met with Control Bionics and encouraged the company to improve gender diversity on the board.
- We met with EROAD on their governance roadshow to discuss remuneration framework, gender diversity on the board and encouraged disclosure on the safety benefits of their products and their management of modern slavery risks.
- Emilie presented at the Financial Standard Best Practice Forum on Exchange Traded Products. Damian presented at the Inside Network Growth Assets Symposium in Melbourne and Sydney on The Green 'Arbitrage' and also presented at the RIAA Australia 2021 Conference on a panel "Impact hiding in plain sight."

## Top 5 Portfolio Positions

	IMPQ	Index
Integral Diagnostics	4.5%	0.3%
Spark New Zealand	4.0%	0.4%
IRESS	3.6%	0.8%
Immutep	3.3%	0.0%
Janison Education	3.1%	0.0%



## Better Future and ESG Team

Damian Cottier – Portfolio Manager

Emilie O'Neill – ESG & Equities Analyst