

eInvest Better Future Fund (Managed Fund)

ASX:IMPQ
MONTHLY REPORT JUNE 2021

	Month (%)	Quarter (%)	1 Year (%)	2 Year (%p.a.)	Since Inception [^] (% p.a.)	Since Inception Cumulative [^] (%)
eInvest Better Future Fund (Managed Fund)	4.4	11.8	39.9	20.5	20.0	46.8
S&P/ASX Small Ordinaries Accum. Index	3.1	8.5	33.2	12.1	11.3	25.4
Value Added (Detracted)	1.3	3.3	6.7	8.4	8.7	21.4

[^]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 4.4% net of fees in June, 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 20% p.a. return net of fees, outperforming the benchmark by 8.7% p.a.
- Positive contributors this month included Telix (+33.9%), Control Bionics (+20.9%), Resmed (+20.9%) and Iress (+20.8%).
- Negative contributors this month included Next Science (-24.2%), Immutep (-17.4%) and Doctor Care Anywhere (-19.8%).

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

\$17 million

Distribution Frequency

Annually (if any)

Management Cost

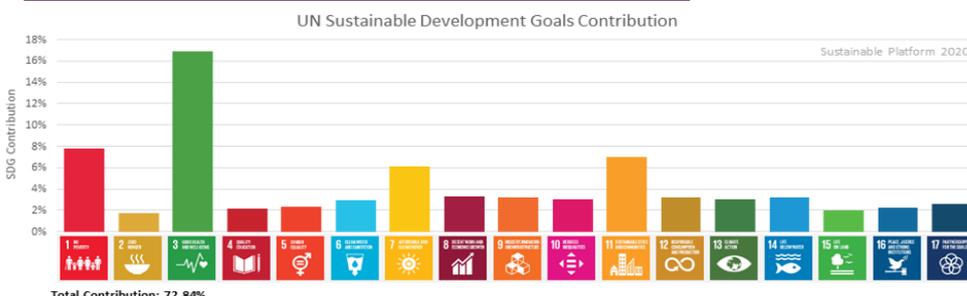
0.99% (incl of GST and RITC)

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

During the month 4D Medical announced that it is undertaking a clinical trial at the John Hopkins School of Medicine in Baltimore, USA.

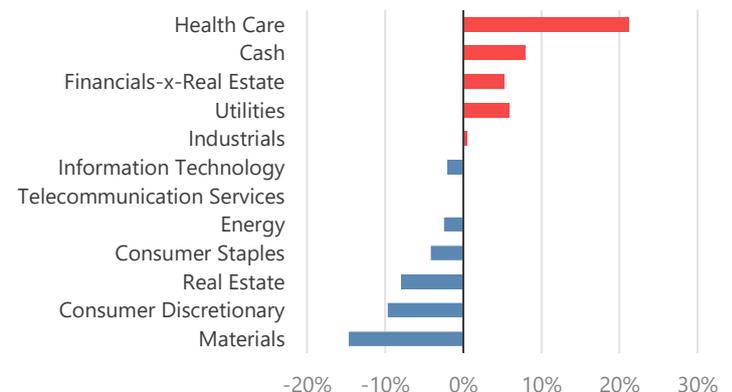
The trial will focus on validating the clinical benefit of the company's XV Lung Ventilation Analysis Software in patients with chronic obstructive pulmonary disease (COPD). COPD refers to a group of progressive lung diseases such as emphysema and chronic bronchitis. COPD is the third largest cause of death in the world.

By integrating with John Hopkins existing imaging equipment, the company's software is being utilised to detect early changes in airway function, disease progression and regional ventilation defects in patient lungs. The study is expected to be completed later this year.

With the addition of John Hopkins School of Medicine, 4D Medical currently has eight clinical trials in the US, including Cleveland Clinic, Duke University and the Vanderbilt Medical Center where the software is being used to study the effects of environmental exposure on the lungs of US war veterans.

4D Medical is also developing a world first, dedicated lung function scanner to provide safe, easy and rapid lung analysis of children and adults.

Sector Active Exposure vs Index



Fund Review

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Telix announced that it participated in a late-cycle review meeting with the US Food and Drug Administration Agency ("FDA") regarding the company's prostate cancer imaging product Illuccix. During the meeting the FDA indicated that there are no outstanding substantive review issues with Telix's submission. This is encouraging and Telix is working closely with commercial partners to prepare for the US launch of the product pending final approval.

Resmed was higher after one of the company's competitors announced a product recall and Iress traded higher after media reports suggested that strategic investors were looking to acquire a stake in the company.

Next Science provided a weaker-than-expected second half trading update and announced a potential dispute with a distributor. This was regarding the extent of the distributor's rights to distribute the company's xPerience No Rinse Antimicrobial Solution.

Immutep was weaker after recent strong gains and the announcement of a capital raising. We participated in the capital raising which will put the company in a strong position to accelerate the development of Immutep's trial program including into metastatic breast cancer.

There were no incremental announcements in relation to either Control Bionics – which was stronger over the month, or Doctor Care Anywhere – which was weaker.

During the month we participated in two other capital raisings - for Alpha HPA and Janison Education. Alpha HPA raised capital to commence the first stage of the development of the company's high-purity aluminium processing facility in Gladstone. When completed, the facility will produce materials for use in LED lights and lithium batteries with up to a 59% reduction in carbon dioxide emissions compared to traditional processes. Janison Education raised capital to accelerate the rollout of the company's platform globally including for the OECD's PISA test for schools.

Portfolio changes during the month included reducing our holdings in Iress, Kathmandu, Pandal, Resmed and Telix after strong performances. We added to our position in Meridian Energy after recent underperformance and added small initial positions in IPH Ltd, an intellectual property services provider, and Chorus Ltd, a NZ telecommunications infrastructure provider.

At month end the Fund held 46 stocks and cash was 7.9%.

At the end of June, the weighted average Perennial-derived Environmental, Social, Governance and Engagement ("ESGE") Score of the Fund was 7.1 which is 24% higher than the benchmark ESGE Score of 5.7.

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ESG Activity

Relevant ESG activity during the month included:

- We completed the data collection process for our third annual Better Future Survey which seeks to take the "ESG Pulse" of ASX listed corporates.
- We participated in the Investors Against Slavery & Trafficking engagement introduction meeting to discuss approaches to engaging with companies on modern slavery and human rights.
- Perpetual appointed a strong female NED based in New York. We have been engaging with Perpetual on gender diversity for some time. We think this is a good example of a well-qualified female director being appointed to an ASX-listed board.
- We attended a CleanSpace site tour to meet management and explore the new expanded facility in St Leonards.
- Emilie presented on MarketLit: Australia's first Millennial and Gen Z investment conference, to discuss ESG funds, greenwashing and stock examples in the Better Future strategies.
- We were pleased to receive a number of awards and recognitions over the month including Green ETF of the Year at the Finder Green Awards for our listed version of the product (ASX: IMPQ). Emilie was also awarded Green Rising Star of the Year. IMPQ was recognised by StockSpot as a top 5 performing ETF for 2020.

Top 5 Portfolio Positions

	IMPQ	Index
Integral Diagnostics	4.1%	0.3%
Spark New Zealand	4.0%	0.4%
Telix Pharmaceuticals	3.4%	0.5%
IRESS	3.4%	1.0%
Steadfast Group	3.2%	1.5%



Better Future and ESG Team

Damian Cottier – Portfolio Manager

Emilie O'Neill – ESG & Equities Analyst