

eInvest Better Future Fund (Managed Fund)

ASX:IMPQ
MONTHLY REPORT AUGUST 2021

	Month (%)	Quarter (%)	FYTD (%)	1 Year (%)	2 Year (%p.a)	Since Inception [^] (% p.a.)	Since Inception Cumulative [^] (%)
eInvest Better Future Fund (Managed Fund)	5.2	9.7	5.1	36.7	21.9	21.0	54.3
S&P/ASX Small Ordinaries Accum. Index	5.0	9.0	5.7	29.5	15.0	13.1	32.5
Value Added (Detracted)	0.2	0.7	-0.6	7.2	6.9	7.9	21.8

[^]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 5.2% net of fees in August, outperforming the benchmark return by 0.2%.
- It is over two years since the inception of the Fund. 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, the Fund has delivered a 21% p.a. return net of fees, outperforming the benchmark by 7.9% p.a.
- Positive contributors this month included Calix (+39.6%), Telix Pharmaceuticals (+20.6%), Blackmores (+37.4%) and Genetic Signatures (+18.4%).
- Negative contributors this month included Integral Diagnostics (-12.8%), Imricor Medical Systems (-32.1%) and Doctor Care Anywhere (-8.6%).

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

\$27 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

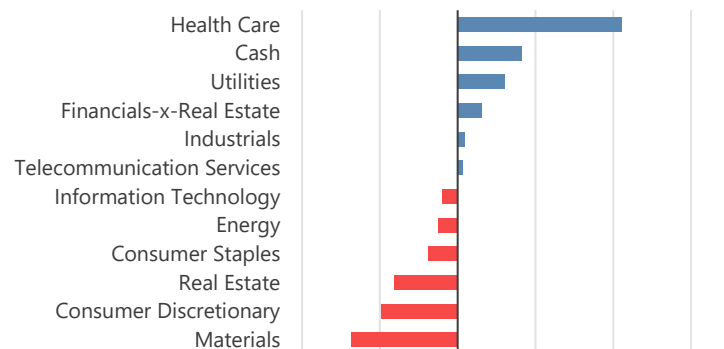
During the month Janison Education announced that the NSW Department of Education had expanded its "Check-In" Assessment Initiative. The assessments were developed by Janison and the Department of Education and are conducted on Janison's digital assessment platform. The "Check-In" initiative commenced last year post the first COVID-19 lockdown for school years 3, 5 and 9. The initiative, which focused on literacy and numeracy, was successful in that it provided teachers with timely data to pinpoint learning gaps that may have developed during COVID.

The relatively informal nature of the assessment and almost immediate feedback was seen by many, including the NSW Teachers Federation, as an enlightened approach to assessment.

The assessment has now been made available to all year groups 3 to 9 and will be conducted twice next year.

Janison's digital assessment platform has clients globally and, interestingly, last year was used to conduct university entrance exams for the Czech Republic to allow the exams to proceed during COVID.

Sector Active Exposure vs Index



Fund Review

IMPQ returned 5.2% net of fees in August, outperforming the benchmark by 0.2%.

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 21.0% p.a. return net of fees, outperforming the benchmark by 7.8% p.a.

Positive contributors this month included Calix (+39.6%), Telix Pharmaceuticals (+20.6%), Blackmores (+37.4%) and Genetic Signatures (+18.4%).

Negative contributors this month included Integral Diagnostics (-12.8%), Imricor Medical Systems (-32.1%) and Doctor Care Anywhere (-8.6%).

Calix delivered a solid full year result and indicated that it is in ongoing discussions with potential clients globally, including in the US, for the company's cement and limestone decarbonisation and sustainable processing solutions. In the past 6 months the company has announced agreements with Adbri (Australia, cement and lime), Tarmac (UK, cement and lime), RHI Magnesita (global, refractory materials), Pilbara Minerals (Australia, lithium processing) and SaltX (Sweden, salt energy storage).

Telix Pharmaceuticals announced a number of interesting developments for its products during the month including a London academic trial of the one of the company's products for patients with pediatric leukemia, a US study in relation to breast cancer imaging and a collaboration with Merck in relation to improving cancer treatment more broadly.

Blackmores delivered a better-than-expected full year result and announced 2024 targets that exceeded existing market forecasts. Genetic Signatures is expected to benefit from ongoing high levels of COVID testing globally – importantly, this will provide a global springboard for the company's other innovative testing products over the medium term.

Integral Diagnostics provided a weaker than expected outlook due to COVID-19 lockdowns, especially in New Zealand which, in essence, has stopped diagnostic imaging other than for emergencies. The company also indicated that recent changes to Medicare indexing for certain types of procedures were less positive than expected.

Imricor is experiencing continued issues in Europe due to COVID-19 delays and backlogs in hospitals. This is resulting in lower revenue for the company at the same time as it is continuing R&D on new products, putting pressure on the company's cash balance. We hold a relatively small position in the company and intend to continue to hold it given the extremely interesting medium-term outlook for the company.

During the month, we reduced our holdings in Telix Pharmaceuticals and Blackmores following strong recent performance and increased our holdings in Mercury Energy, Immutep and CleanSpace.

At month end the portfolio held 47 stocks and cash was 8.2%.

At August end, the weighted average Perennial-derived Environmental, Social, Governance and Engagement ("ESGE") Score of the Fund was 7.2 which is 25% higher than the benchmark ESGE Score of 5.8.

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ESG Activity

Relevant ESG activity during the month included:

- Kathmandu appointed Brooke Farris as CEO of Rip Curl which is one of the company's key brands. This is pleasing following our engagement with the company on improving executive gender diversity last year.
- We had discussions with Bendigo Bank on the company's progress in reducing GHG emissions, including achieving carbon neutrality in June 2021.
- We had discussions with City Chic Collective regarding recent developments in the company's supply chain initiatives including conducting worker surveys in the top 24 factories in the supply chain, commencing tracing of Tier 2 and Tier 3 suppliers and strengthening the company's Cotton Regions Ban including trialing DNA testing of cotton. In addition, the company appointed Natalie Mclean, who has over 30 years experience in the retail industry, as a non-executive director. This is pleasing following our engagement with the company on improving board gender diversity earlier this year.
- We engaged with potential IPO candidate StepOne on a number of topics including the company's supply chain, materials use and gender diversity.

Top 5 Portfolio Positions

	IMPQ	Index
Spark New Zealand	4.0%	0.4%
Integral Diagnostics	3.5%	0.3%
Immutep	3.5%	0.0%
Calix Limited	3.4%	0.0%
Meridian Energy	3.1%	0.0%



Better Future and ESG Team

Damian Cottier – Portfolio Manager

Emilie O'Neill – Co-Head ESG & Equities Analyst