

eInvest Better Future Fund (Managed Fund)

ASX:IMPQ
MONTHLY REPORT SEPTEMBER 2021

	Month (%)	Quarter (%)	FYTD (%)	1 Year (%)	2 Year (%p.a)	Since Inception [^] (% p.a.)	Since Inception Cumulative [^] (%)
eInvest Better Future Fund (Managed Fund)	0.2	5.3	5.3	38.2	20.4	20.3	54.6
S&P/ASX Small Ordinaries Accum. Index	-2.1	3.4	3.4	30.4	12.3	11.6	29.7
Value Added (Detracted)	2.3	1.9	1.9	7.8	8.1	8.7	24.9

[^]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 0.2% net of fees in August, outperforming the benchmark return by 2.3%.
- 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 20.3% p.a. return net of fees, outperforming the benchmark by 8.7% p.a.
- Positive contributors this month included Calix (+34.8%), Janison Education (+18.3%) and Smartgroup (+21.8%).
- Negative contributors this month included Iress (-20.4%), Limeade (-22.4%) and Sims Ltd (-11.1%).

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

\$30 million

Distribution Frequency

Annually (if any)

Management Cost

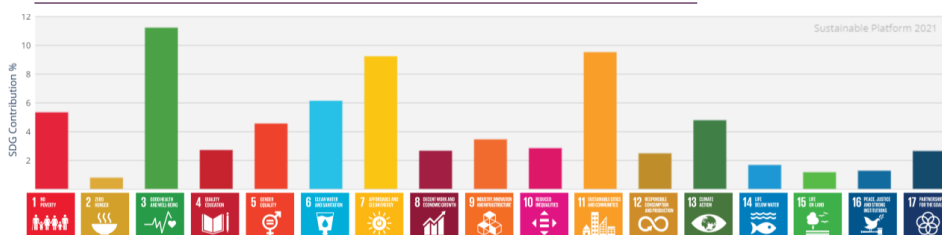
0.99% (incl of GST and RITC)

Inception Date

23 May 2019

+ performance fee

Portfolio's contribution to UN Sustainable Development Goals



Total Contribution: 72.26%

(equal to 58.66% social impact contribution and 13.6% environmental impact contribution)

Source: Data provided by the Sustainable Platform 31 August 2021; based on company revenues

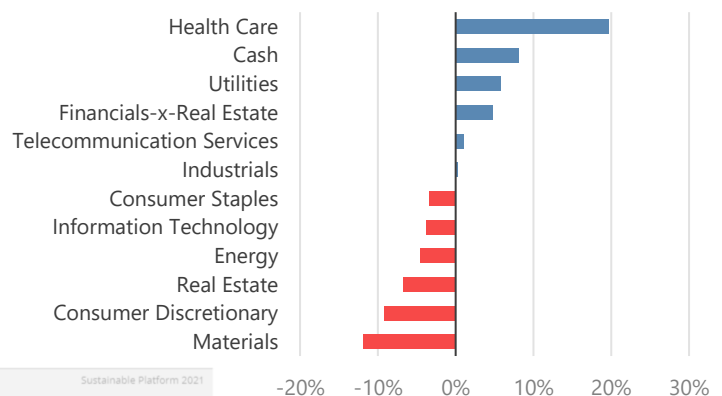
Better Future Highlight

During the month, Calix held an investor day to update the market on the progress it is making in different areas of the business.

Calix is pursuing a number of interesting opportunities, each of which is focused on improving real world sustainability outcomes. These include carbon dioxide mitigation in the cement and lime industry, wastewater treatment, sustainable mineral processing, next generation battery materials and marine coatings. The newer opportunities that is highlighted included the energy storage project that the company is working on with SaltX in Stockholm. It is developing a pilot plan for a renewable energy alternative to traditional city district heat systems that are used in northern hemisphere cities such as Helsinki during winter.

Later in the month, Calix announced that a New York-based impact investor, Carbon Direct Capital Management, took a 7% stake in Calix's carbon dioxide mitigation "LEILAC" business for A\$24.5 million, valuing this part of the business at around A\$350 million. This received a lot of interest, particularly as this is just one of a number of promising technologies that Calix is developing and Calix has retained a 30% royalty on revenue generated by the LEILAC business

Sector Active Exposure vs Index



Fund Review

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Positive contributors this month included Calix (+34.8%), Janison Education (+18.3%) and Smartgroup (+21.8%).

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As discussed on the front page, Calix announced an investor in the company's LEILAC business at an attractive valuation.

Smartgroup announced that it had received a non-binding indicative proposal to acquire the company from a private equity consortium at 30% premium to the prevailing share price. The board indicated that it intended to recommend the proposal in the absence of a higher offer.

On the flip-side, Iress announced that the potential bidder for the company had indicated that it was not proceeding which caused the share price to fall. Following this announcement, the company commenced the buy-back which it had announced prior to receiving the bid.

Limeade announced that American Airlines, one of the company's top 10 customers, is terminating its contract with effect from 1 January 2022. This is a disappointing outcome, albeit the company has a pipeline of new customers that are becoming more active as COVID-19 eases in the northern hemisphere.

We added a number of new stocks to the portfolio during the month including 3P Learning and Pacific Edge.

3P Learning is focused on K-6 education in the areas of reading and maths. The company has recently bolstered its product offering following a merger with Blake e-Learning and has added ownership of the Reading Eggs product to the company's existing Mathletics offering. The merger has created a company with greater scale to market these well-regarded early learning products globally to schools, education departments and parents.

We participated in a capital raising for Pacific Edge to facilitate this New Zealand company becoming dual-listed on the Australian Stock Exchange. Pacific Edge has developed the Cxbladder diagnostic test which is used for the detection and management of bladder cancer. The urine-based test is far easier and less painful than existing techniques for the detection of bladder cancer and has regulatory approval and customers in the US, Singapore and New Zealand. The capital raised will fund ongoing research and development and increased marketing to drive growth in the US and Asia.

At month-end the portfolio held 49 stocks and cash was 8.2%.

At September end, the weighted average Perennial-derived Environmental, Social, Governance and Engagement ("ESGE") Score of the Fund was 7.2 which is 26% higher than the benchmark ESGE Score of 5.7.

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ESG Activity

Our ESG activity during the month included:

- We have been compiling results and writing a summary report of our Better Future Survey which aims to take the "ESG Pulse" of ASX listed companies. The report has now been released and can be accessed [here](#).
- We participated in a webinar with the Workplace Gender Equality Agency and we also met with the Director of Policy at Chief Executive Women (CEW) to discuss the findings of the Chief Executive Women Senior Executive Census that has been recently released. We discussed how we can better engage with companies to improve gender diversity in executive teams, particularly for "in line roles".
- We met with the Chair of the remuneration committee of Steadfast group to discuss the company's remuneration policy and encourage the company to continue to improve gender diversity at an executive level.
- We met the CleanSpace and discussed the company's approach to end-of-life recycling of products and the work that the company is doing to better demonstrate the carbon footprint benefits and waste benefits from using the company's products.
- We met with Alpha HPA and discussed the work that the company is doing on improving climate disclosures at both a corporate level and the company's industrial process.

Top 5 Portfolio Positions

	IMPQ	Index
Calix Limited	4.0%	0.0%
Spark New Zealand Ltd	3.9%	0.3%
Integral Diagnostics Ltd	3.7%	0.3%
Janison Education Group Ltd	3.1%	0.0%
Meridian Energy	3.0%	0.0%



Better Future and ESG Team

Damian Cottier – Portfolio Manager

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