

eInvest Better Future Fund (Managed Fund)

ASX:IMPQ
MONTHLY REPORT JANUARY 2022

	Month (%)	Quarter (%)	FYTD (%)	1 Year (%)	2 Year (%p.a)	Since Inception [^] (% p.a.)	Since Inception Cumulative [^] (%)
eInvest Better Future Fund (Managed Fund)	-9.5	-7.2	-3.2	4.1	11.1	13.9	42.2
S&P/ASX Small Ordinaries Accum. Index	-9.0	-8.0	-4.6	6.7	6.0	7.1	20.4
Value Added (Detracted)	-0.5	0.8	1.4	-2.6	5.1	6.8	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

- The market was weak in January with the benchmark down 9.0%. Atypically for a month of weakness the resources sector (which we are underweight) outperformed strongly while more traditional defensive sectors such as healthcare (which we are overweight) were weak. IMPQ finished down 9.5%, underperforming the benchmark by 0.5%.
- It is coming up to three years since inception of the Fund. It is a key goal of the Fund to demonstrate that there is no performance trade-off to invest for shaping a better future. Since inception, the Fund has delivered a 13.9% p.a. return net of fees, outperforming the benchmark by 6.8% p.a.
- Positive contributors to relative performance this month include Alpha HPA (+11.7%), Janison Education (-4.9%) and G8 Education (+0.0%).
- Negative contributors this month include Immutep (-22.4%), Calix (-23.9%) and Integral Diagnostics (-16.4%).

Better Future Highlight

3P learning is a provider of educational tools to assist with reading and maths. The solutions include Mathletics, Mathseeds and Reading Eggs which are used by children from kindergarten to year 12 across 100 countries at school and at home.

One particularly socially positive element of the business is the 3P Learning and Click Learning collaboration in South Africa which is helping 100,000 children to learn to read.

In South Africa 78% of children cannot read for meaning and 58% of households do not own a book and have no access to a computer.

Reading Eggs and Click Learning developed a technology solution taking underutilized hardware, providing log ins to the Reading Eggs literacy program and employing unemployed youth to facilitate the program in the computer lab.

You can learn more about the Click Learning collaboration here:

<https://www.youtube.com/watch?v+8WgoeLOray4>

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

\$37 million

Distribution Frequency

Annually (if any)

Management Cost

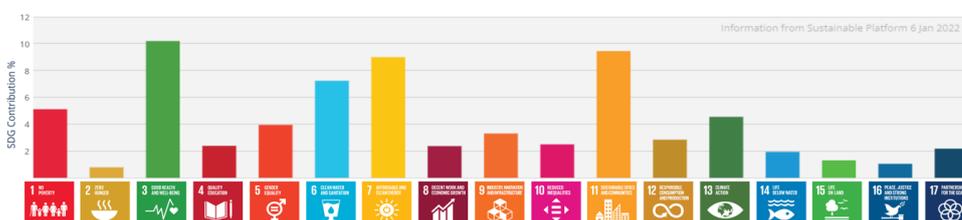
0.99% (incl of GST and RITC)

Inception Date

23 May 2019

+ performance fee

Portfolio's contribution to UN Sustainable Development Goals



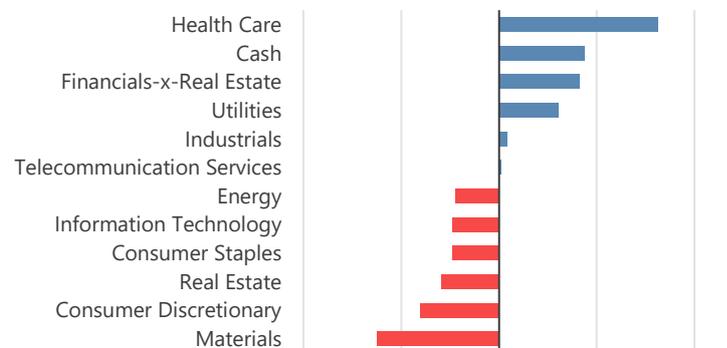
Total Contribution: 70.02%

(equal to 56.12% social impact contribution and 13.91% environmental impact contribution)

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

Based on the Better Future Trust Portfolio

Sector Active Exposure vs Index



Fund Review

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There was no material news for Alpha HPA although market appears to be increasingly confident that the company may announce a key global offtake partner for the company's high purity alumina processing facility. Alpha HPA's innovative process are expected to reduce greenhouse gas emissions associated with the product of high purity alumina by up to 59%. High purity alumina and associated by-products are used in the production of LED lights, lithium ion-batteries and smartphone screens.

There was no incremental negative announcements for Immutep or Calix. Integral Diagnostics announced that despite 5% organic revenue growth which is pleasing in a severely COVID-impact environment, first half profit will be lower than expected due to higher COVID-related costs. We expect these cost impacts will abate over time and we remain comfortable with the company's medium-term outlook.

There was an interesting development for portfolio holding Next Science (-2.9%) during the month. Next Science has developed products which are more effective than existing products to prevent and treat bacterial infections in hospital environments. Next Science announced that it had signed a distribution agreement with Zimmer Biomet for the company's Xperience product. Zimmer is a global leader in products used in orthopedic surgery and Zimmer's 2,000 sales executives will be selling a white-label version of the Xperience product in the US. This presents a significant addition to the company's existing sales force which commenced sales to leading US hospitals during 2021.

At month end, the portfolio held 50 stocks and cash of 6.0%.

At January 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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invest Better Future Fund (ASX:IMPQ) – Monthly Report January 2022

ESG Activity

Our ESG activity during the month included:

- During January, the Better Future team targeted measurement and disclosure of GHG Emissions. We contacted each company in the portfolio that had not disclosed GHG Emissions and requested that they measure, disclose and take steps to reduce their emissions profile for Scope 1 and 2 emissions, and where possible Scope 3. We were met with positive responses from directors and managers including from City Chic, 3P Learning, Nitro Software and G8 Education.
- Pendal appointed a female chair to the board and BEN appointed a female NED.
- We discussed sustainability, and in particular gender diversity with Immutep including the importance of a gender diverse board of directors.

Top 5 Portfolio Positions

	IMPQ	Index
Meridian Energy Ltd	3.6%	0.0%
Integral Diagnostics Ltd	3.5%	0.3%
Janison Education Group Ltd	3.4%	0.0%
Sims Ltd	3.2%	0.9%
Spark New Zealand Ltd	3.2%	0.4%



Better Future and ESG Team

Damian Cottier – Portfolio Manager

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