

eInvest Better Future Fund (Managed Fund)

ASX:IMPQ
MONTHLY REPORT FEBRUARY 2022

	Month (%)	Quarter (%)	FYTD (%)	1 Year (%)	2 Year (%p.a)	Since Inception [^] (% p.a.)	Since Inception Cumulative [^] (%)
eInvest Better Future Fund (Managed Fund)	-2.7	-9.9	-5.8	3.7	14.2	12.4	38.4
S&P/ASX Small Ordinaries Accum. Index	0.0	-7.7	-4.0	5.0	10.9	6.9	20.4
Value Added (Detracted)	-2.7	-2.2	-1.8	-1.3	3.3	5.5	18.0

[^]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 dominated by geopolitical events during February following Russia's invasion of Ukraine. Much like last month, the market favoured resource stocks while growth stocks were weaker. This resulted in IMPQ finishing the month down 2.7%, underperforming the benchmark by 2.7%.
- 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 12.4% p.a. return net of fees, outperforming the benchmark by 5.5% p.a.
- Positive contributors to relative performance this month included recycling company Sims Ltd (28.1%), Meridian Energy (+10.5%) and Smartgroup (+17.2%).
- Negative contributors this month included Telix Pharmaceuticals (-27.2%), Janison Education (-20.3%) and Integral Diagnostics (-13.6%).

Better Future Highlight

Sims Ltd is a global metal and electronics recycling business which fits into the theme of the circular economy and resource efficiency. The company purpose is to "create a world without waste to preserve our planet".

At the 1H22 Result, they demonstrated that they had made pleasing progress towards their sustainability strategy.

During the half year they were able to meet their board gender diversity target (50%) and achieved an employee engagement score of 82%. They continued to drive safety improvements in the business.

They produced their first TCFD report on climate risk and opportunity and were able to reduce carbon emissions by 4% compared to the corresponding period. They have begun looking at their Scope 3 emissions profile.

They also spend \$644,000 with indigenous-owner businesses as part of their Reconciliation Action Plan.

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

\$36 million

Distribution Frequency

Annually (if any)

Management Cost

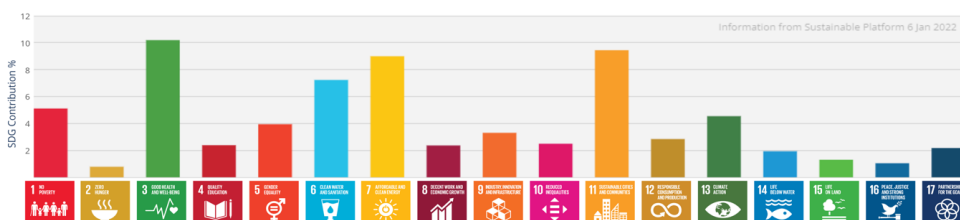
0.99% (incl of GST and RITC)

Inception Date

23 May 2019

+ performance fee

Portfolio's contribution to UN Sustainable Development Goals

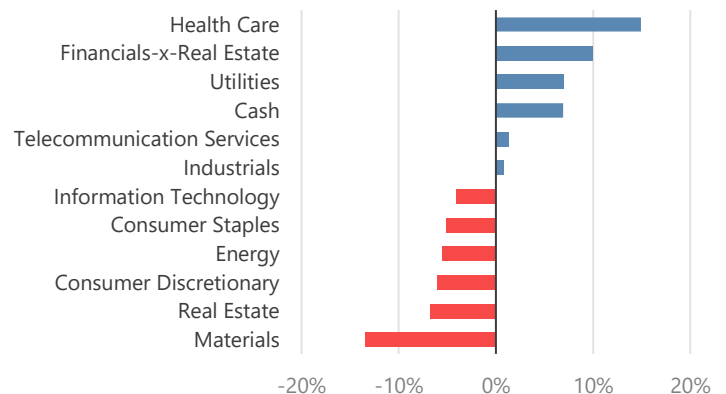


Total Contribution: 70.02%

(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

The market was dominated by geopolitical events during February following Russia's invasion of Ukraine. Much like last month, the market favoured resource stocks while growth stocks were weaker. This resulted in IMPQ finishing the month down 2.7%, underperforming the benchmark by 2.7%.

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 12.4% p.a. return net of fees, outperforming the benchmark by 5.5% p.a.

Positive contributors to relative performance this month included recycling company Sims Ltd (28.1%), Meridian Energy (+10.5%) and Smartgroup (+17.2%).

Negative contributors this month included Telix Pharmaceuticals (-27.2%), Janison Education (-20.3%) and Integral Diagnostics (-13.6%) although there was general weakness in a number of the other growth stocks held by the Fund.

Sims announced a better than expected half year result and outlook as demand for recycled metal increases as the world looks to produce steel from less greenhouse gas intensive sources.

Meridian Energy announced a better than expected half year result and also announced that the company's project to investigate the feasibility of the world's first large-scale green hydrogen plant is progressing more quickly than expected. It has selected four substantial global companies as potential partners for the next phase of the project. The commercial production of green hydrogen is a key step on the path for the world to decarbonize and Meridian's hydro energy is relatively well-suited to this application.

Smartgroup announced a better than feared full year result and significant special dividend.

Telix Pharmaceuticals delivered a full year result which was largely in line with expectations, but the stock was caught up in growth stock weakness.

Janison Education delivered a weaker than expected result due to headwinds in an umber of key business areas due to ongoing COVID disruptions. Integral Diagnostics was weaker after confirming soft half year results and raising capital to acquire the Peloton diagnostic imaging business which is located in Southeast Queensland. While organic revenue growth has been solid, the company has been impacted by higher costs associated with managing COVID and we expect the company's profitability will recover as headwinds ease.

During the month we participated in the Integral Diagnostic capital raising. We also participated in a capital raising by Next Science which is expected to fund the ramp up of US sales of the company's Xperience product. The Xperience product is more effective than existing products to prevent and treat bacterial infections in hospital environments.

At month end, the portfolio held 49 stocks and cash of 6.9%.

At February end, the weighted average Perennial-derived Environmental, Social, Governance and Engagement ("ESGE") Score of the Fund was 7.3 which is 27% higher than the benchmark ESGE Score of 5.7.

ESG Activity

Our ESG activity during the month included:

- Immutep and Janison Education appointed a female to the board after discussions with both companies on gender diversity.
- 3P Learning reinforced the focus on the social element of ESG, particularly education and their work with the Click Foundation which is helping kids in lower socio-economic countries to learn to read. They have diversity targets at both a board and management level and have identified their largest emission sources.
- Steadfast announced a Carbon Neutral Transition Plan. This is a topic on which we have recently engaged with the company.
- We had a dedicated ESG meeting with G8 Education to discuss sustainability, GHG emissions, SASB reporting and gender diversity.

Top 5 Portfolio Positions

	IMPQ	Index
Meridian Energy Ltd	4.1%	0.0%
Integral Diagnostics Ltd	3.6%	0.3%
Spark New Zealand Ltd	3.5%	0.4%
Sims Ltd	3.4%	1.2%
Chorus Ltd	3.3%	1.2%



Better Future and ESG Team

Damian Cottier – Portfolio Manager

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

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 and you can find the IMPQ TMD at www.invest.com.au/targetmarketdeterminations/

The rating issued 09/2021 published by Lonsec Research Pty Ltd ABN 11 151 658 561 AFSL 421 445 (Lonsec). Ratings are general advice only and have been prepared without taking account of your objectives, financial situation or needs. Consider your personal circumstances, read the product disclosure statement and seek independent financial advice before investing. The rating is not a recommendation to purchase, sell or hold any product. Past performance information is not indicative of future performance. Ratings are subject to change without notice and Lonsec assumes no obligation to update. Lonsec uses objective criteria and receives a fee from the Fund Manager. Visit lonsec.com.au for ratings information and to access the full report. ©2022 Lonsec. All rights reserved.

The Zenith Investment Partners (ABN 27 103 132 672, AFS Licence 226872) ("Zenith") rating (assigned 02/2022) referred to in this document is limited to "General Advice" (s766B Corporations Act 2001) for Wholesale clients only. This advice has been prepared without taking into account the objectives, financial situation or needs of any individual and is subject to change at any time without prior notice. It is not a specific recommendation to purchase, sell or hold the relevant product(s). Investors should seek independent financial advice before making an investment decision and should consider the appropriateness of this advice in light of their own objectives, financial situation and needs. Investors should obtain a copy of, and consider the PDS or offer document before making any decision and refer to the full Zenith Product Assessment available on the Zenith website. Past performance is not an indication of future performance. Zenith usually charges the product issuer, fund manager or related party to conduct Product Assessments. Full details regarding Zenith's methodology, ratings definitions and regulatory compliance are available on our Product Assessments and at <https://www.zenithpartners.com.au/RegulatoryGuidelines>