

	Month (%)	Quarter (%)	1 Year (%)	2 Years (% p.a.)	3 Years (% p.a.)	5 Years (% p.a.)	Since Inception [^] (% p.a.)	Since Inception Cumulative [^] (%)
Perennial Better Future Active ETF	-3.8	-5.0	-4.4	0.8	-3.4	9.7	4.6	29.8
S&P/ASX Small Ordinaries Accumulation Index	-3.6	-2.0	-1.3	6.0	-0.8	10.2	3.7	23.6
Value Added	-0.2	-3.0	-3.1	-5.2	-2.6	-0.5	0.9	6.2

[^]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

During March, the benchmark fell 3.6% as the market continued to be concerned with the uncertainty created by the tariff policies of the new US Administration. The Fund fell 3.8%, underperforming by 0.2% with the underperformance largely due to our nil holding in gold which was a 2.1% headwind to relative performance during the month as investors continued to buy largely gold stocks as defensive exposure. Our lack of gold exposure has been a 4.6% headwind to relative performance over the three months to 31 March and a 5.9% headwind over the last year.

Positive contributors to relative performance during the month included NIB Holdings (+4.6%), EQT Holdings (+4.9%) and Integral Diagnostics (+8.7%).

The main relative detractors were gold stocks with the top 5 relative detractors being not-held gold stocks. The main held relative detractors included Immutep (-9.7%), PolyNovo (-19.9%) and PEXA Group (-9.3%).

Looking forward, our target price forecasts* suggest that the portfolio is well positioned with a preference for stocks with company-specific drivers that we expect to materialise in the short to medium term and/or are expected to be operationally resilient regardless of the macroeconomic environment.

*Based on Perennial Value Management Forecasts. While due care has been used in the preparation of forecasts information, actual outcomes may vary in materially positive or negative manner.

Better Future Highlight

During March, Nanosonics announced that the US Food and Drug Administration (FDA) has granted de novo clearance for the company's CORIS system. This builds on the Trophon device as part of Nanosonic's product portfolio. Trophon is a global leader in high level disinfection for ultrasound devices.

CORIS is a novel technology designed to reduce infection risk and enhance patient safety by delivering improved cleaning outcomes for flexible endoscopes, such as colonoscopes. In particular, cleaning the complex channels of endoscopes which are prone to biofilm build up. Through an automated mechanism of action, CORIS combines engineering with practical usability to address what is recognised as one of the most critical challenges in medical device reprocessing today which is largely a difficult, time-consuming, manual process.

The FDA approval is a key milestone for the CORIS product and the company is preparing for commercial launch later in the year.

Perennial Better Future Active ETF

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 businesses that are making a positive contribution to creating a better future. 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

\$47 million

Distribution Frequency

Annually (if any)

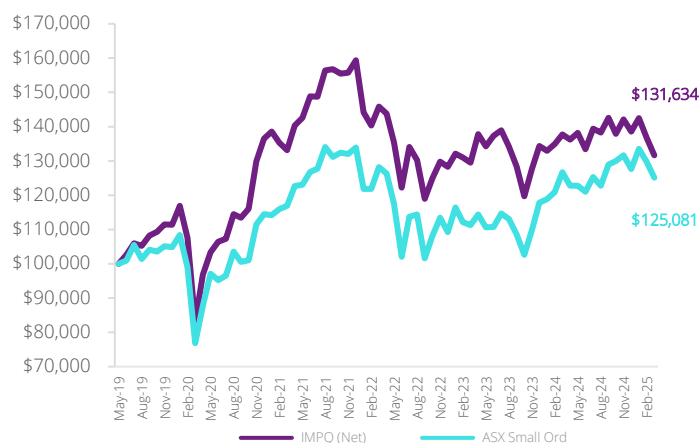
Fees

0.99% p.a. (incl of GST and RITC)
+ Performance fee

Inception Date

23 May 2019

Growth of \$100,000 Since Inception



Performance shown net of fees with distributions reinvested. Does not take into account any taxes payable by an investor. Past performance is not a reliable indication of future performance.

Better Future Stats



The portfolio is **88.6% less carbon intensive compared to the ASX300** and **87.2% less carbon intensive compared to the ASX Small Ords[^]**



111 dedicated ESG engagements in 2023 with management and boards about material risks and opportunities **across 34 portfolio companies**



8 female Directors were appointed to the board across 8 portfolio companies in 2024, typically following engagement, totalling **81 female Directors since inception** as at 31 December 2024



33% of portfolio companies have a Reconciliation Action Plan, compared to 21% of the ASX300 and 12% of the ASX Small Ords as at 31 December 2024

Fund Review

During March, the benchmark fell 3.6% as the market continued to be concerned with the uncertainty created by the tariff policies of the new US Administration. The Fund fell 3.8%, underperforming by 0.2%. The underperformance was due to our nil holding in gold stocks which was a 2.1% headwind to relative performance during the month as investors continued to buy largely gold stocks as defensive exposure. Our lack of gold exposure has been a 4.6% headwind to relative performance over the three months to 31 March and a 5.9% headwind over the last year.

Positive contributors to relative performance during the month included NIB Holdings (+4.6%), EQT Holdings (+4.9%) and Integral Diagnostics (+8.7%).

The key relative detractors were gold stocks with the top 5 relative detractors being not-held gold stocks. The main held relative detractors included Immutep (-9.7%) , PolyNovo (-19.9%) and PEXA Group (-9.3%).

NIB continued its recent solid share price performance after having announced in late February that better than expected premium increases had received approval. There were no material announcements from Integral Diagnostics although Medicare data was supportive of ongoing revenue growth.

PolyNovo was weaker after the departure of the company's CEO and media reports in relation to governance issues at the company. As mentioned below, we engaged with the company in relation to these issues. The interim CEO is board member Robyn Elliott who has considerable experience as a senior executive at CSL and key US executives remain at the company which we expect to provide stability, albeit we will be keenly monitoring progress at the company. There were no incremental negative announcements in relation to Immutep or PEXA Group.

Absolute performance was impacted by our small holding in Opthea which announced that the company's two Phase III trials in relation to Age Related Macular Degeneration did not meet their primary endpoints. This was a disappointing outcome albeit our holding at the time of announcement was a small holding of around 0.3% (approximately benchmark weight) after having reduced our position when the stock rallied late last year. As a matter of prudence we have written down the value of the holding to zero at month end.

Looking forward, our target price forecasts* suggest that the portfolio is well positioned with a preference for stocks with company-specific drivers that we expect to materialise in the short to medium term and/or are expected to be operationally resilient regardless of the macroeconomic environment.

At month end, the portfolio held 45 stocks and cash of 6.9%. The weighted average Perennial-derived Environmental, Social, Governance and Engagement ("ESGE") Score of the portfolio was 7.3 which is 28% higher than the benchmark ESGE Score of 5.7.

**Based on Perennial Value Management Forecasts. While due care has been used in the preparation of forecasts information, actual outcomes may vary in materially positive or negative manner.*

ESG Activity

ESG activity during the month included:

- We engaged extensively with PolyNovo in relation to governance issues arising out of the departure of the company's CEO, including meeting with two directors to discuss the issues and express our views on the way forward.
- We have been preparing our Perennial Better Future Impact Statement for 2024 which we expect to release in the next month. We have updated the Better Future Stats on the front page of this report for 2024. Gender diversity is one area that we have been focused on for some time, and continue to focus on, in our engagement activities. Some interesting additional statistics from the report:
 - 42% representation of women on portfolio company boards (2023: 39%);
 - 24% of portfolio companies have a female Chair as at the end of 2024 (2023: 18%) compared to 17% in the ASX Small Ordinaries benchmark and 15% of the ASX 300;
 - 31% representation of women on portfolio company management teams (2023: 32%) – this is an area where we are continuing to increase our focus as part of the 40:40 Vision.

Top 5 Portfolio Positions	IMPQ (%)	Index (%)
Meridian Energy	5.8	0.0
Chorus	4.9	1.2
AUB Group	4.8	1.4
Australian Ethical Investment	4.6	0.3
NIB Holdings	4.5	1.3



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