

	Month (%)	Quarter (%)	FTYD (%)	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	-3.3	-5.2	-1.9	-1.7	-0.2	0.9	-0.1	4.3	32.6
S&P/ASX Small Ordinaries Accumulation Index	-2.6	1.5	17.5	23.0	14.9	12.5	6.6	7.0	57.8
Value Added	-0.7	-6.7	-19.4	-24.7	-15.1	-11.6	-6.7	-2.7	-25.2

[^]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

The benchmark Small Ordinaries Accumulation Index was down 2.6% in February with resources stocks outperforming. The Small Resources Accumulation Index was up 0.8% compared to the Small Industrials Accumulation Index which was down 4.5%. The portfolio was down 3.3%, underperforming the benchmark by 0.7% despite a generally solid reporting season for the portfolio as results outcomes were outweighed by AI concerns and macro/geopolitical thematic.

Similar themes have played out during the month as have played out in the underperformance of the portfolio over the 12 months to 28 February where the benchmark is up 23.0%. The Small Resources Accumulation Index is up 85.5% over the 12 months compared to the Small Industrials Accumulation Index which is up 1.1% and just the gold stock component of resources has been a 14.3% relative performance drag over the year. Our relatively defensive positioning and healthcare exposures have been the other significant contributor to the portfolio lagging the strong benchmark.

Positive held relative contributors this month included PEXA Group (+8.9%), Sims (+8.3%) and Australian Ethical (+13.3%).

Held negative relative contributors this month included Janison Education (-21.2%), AUB Group (-16.1%) and IDP Education (-26.1%).

Better Future Highlight

Portfolio company Chorus NZ has built out an optical fibre telecommunications network in NZ to replace the legacy copper network. As part of this process, it is well advanced in decommissioning the copper network in areas which now have fibre access. The fibre delivers an improved customer experience, uses less electricity than the copper network and is also generally more reliable and cheaper to maintain than the copper network.

During the month Chorus announced that after a successful trial, it is going to undertake a program to recycle the copper in the copper network. Not only will this provide environmental benefits, the company also expects to receive \$30-50m proceeds over the project life.

Interestingly, portfolio holding Sims Ltd has a strong presence in the NZ recycling market and is well placed to be involved in this recycling project.

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

\$36.5 million

Distribution Frequency

Annually (if any)

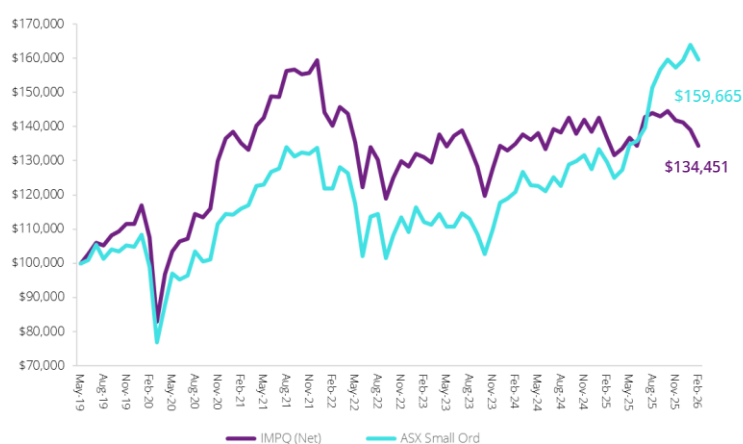
Fees

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

Inception Date

23 May 2019

Growth of \$100,000 Since Inception



As at 28 February 2026. 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 **87.3% less carbon intensive compared to the ASX300** and **86.6% less carbon intensive compared to the ASX Small Ords[^]**



8 female Directors were appointed to the board across 8 portfolio companies in 2025, typically following engagement, totaling **89 female Directors since inception** as at 31 December 2025



98 dedicated ESG engagements in 2025 with management and boards about material risks and opportunities **across 39 portfolio companies**



23% of portfolio companies have a Reconciliation Action Plan, compared to 19% of the ASX300 and 12% of the ASX Small Ords as at 31 December 2025

Fund Review

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PEXA delivered a better-than-expected result and, pleasingly, appears to be making progress in the company's UK strategy. Leading UK bank NatWest is due to go live with settlements of remortgage transactions in April. Sims also delivered a solid result, benefitting from higher prices for computer chips from its datacentre recycling business as well as higher aluminium and copper prices for its more traditional recycling business. Australian Ethical also delivered a better-than-expected result.

Janison Education delivered a soft result albeit the medium term outlook remains positive as it commences to ramp up recent contract wins for its online testing platform, including with New Zealand Ministry of Education. IDP Education and AUB both delivered solid results, although were caught up in the intra-month sell-off in many stocks due to concerns over AI impacts. In our view, while AI may assist disruption over time, in many cases the use of AI to produce software to disrupt existing business models is not the only requirement for disruption to succeed. In our experience, the significant challenges are often the expenditure required to encourage users to use a product or service and overcome user switching costs as well as the time taken to develop the relationships with other stakeholders in order to break down the competitive moat surrounding the disrupted business. This typically takes longer than expected and costs more than expected.

At month end, the portfolio held 43 stocks and cash of 9.0%. The weighted average Perennial-derived Environmental, Social, Governance and Engagement ("ESGE") Score of the Trust was 7.3 which is 30% higher than the benchmark ESGE Score of 5.6.

ESG Activity

ESG activity during the month included:

- The Better Future team met with the management teams of Polynovo, Janison Education, Charter Hall Social Infrastructure REIT and NIB during February, whereby ESG topics discussed covered governance, data security, responsible AI integration, among others.
- The Better Future team conducted dedicated ESG engagement meetings with Bendigo Bank and Netwealth, discussing responsible AI and cyber, transition plans, vulnerability frameworks and asset resilience.
- Perennial participated in the Investors Against Slavery and Trafficking (IAST) APAC Working Stream 1 and Working Stream 2 meetings, contributing to collaborative initiatives across the Asia-Pacific region.
- Perennial's ESG team attended the RIAA First Nations Working Group meeting, engaging with peers on advancing First Nations investment principles and outcomes within the Australian market.

Top 5 Portfolio Positions

	IMPQ (%)	Index (%)
Meridian Energy	5.8	0.0
Sims Ltd	6.6	1.1
Pexa group	5.8	0.6
Smartgroup Corporation Ltd	4.7	0.4
NIB Holdings Ltd	5.3	1.0



Portfolio Manager
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