

	Month (%)	Quarter (%)	FYTD (%)	1 Year (% p.a.)	3 Years (% p.a.)	5 Years (% p.a.)	Since Inception (%p.a.)
Perennial Smaller Companies Sustainable Future Trust (Net)	-1.0	-7.7	-7.0	-	-	-	1.9
S&P/ASX Small Ordinaries Accum. Index	-4.2	-13.7	-12.7	-	-	-	-8.2
<b>Value Added (Detracted)</b>	<b>3.2</b>	<b>6.0</b>	<b>5.7</b>	-	-	-	<b>10.1</b>

\*Since inception: 1 February 2018. Past performance is not a reliable indicator of future performance.

## Overview

- The Trust finished the month down 1.0% net of fees, outperforming the Index by 3.2%. Since inception on 1 February 2018 the fund is up 1.9% net of fees, outperforming the Index by 10.1%
- Positive contributors this month included Longtable Group (+17.5%), Trade Me Group (+5.1%) and Resmed (+6.2%) and not holding oil services company WorleyParsons (-13.5%)
- Negative contributors this month included PWR Holdings (-10.5%), Smartgroup (-12.7%) and Iindex (-8.5%)

## Perennial Smaller Companies Sustainable Future Trust

The aim of the Trust 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. The Trust seeks to provide a total return (after fees) that exceeds the S&P/ASX Small Ordinaries Accumulation Index measured on a rolling three-year basis.

### Portfolio Manager

Damian Cottier

### APIR Code

WPC5600AU

### Distribution Frequency

Semi Annual

### Minimum Initial Investment

\$25,000

### Trust Inception Date

February 2018

### Fees

1.20% + Perf fee



Marni visiting St David's Dairy, owed Longtable Group Source: Perennial Value Management.

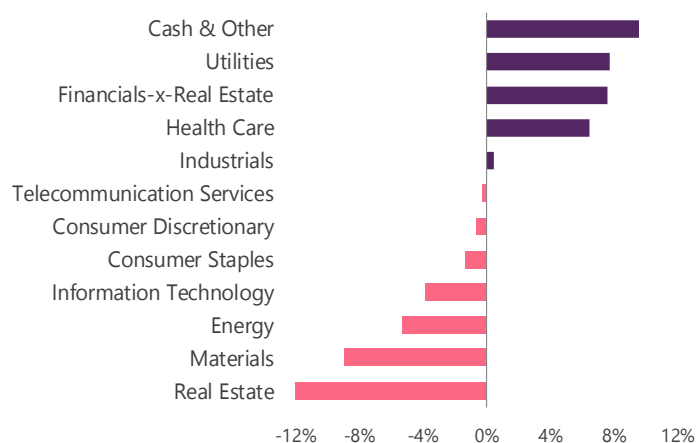
## ESG Highlight

Genex Power (+12.5%), which is held by the Trust, is developing the Kidston Pumped Storage Hydro Project which is a hydro battery co-located with a solar farm. The project aims to generate hydro electricity at times of peak power usage (and power prices) by running water from one disused mine pit to another and then using solar power (or traditional power during off-peak if there is not sufficient solar power) to pump the water back to the top mine pit. During the month Genex announced that it had signed a term sheet with Energy Australia under which Energy Australia will invest in a joint venture to develop the project.

## Top 5 Positions

	Trust (%)	Index (%)
Trade Me Group	4.8	0.9
Integral Diagnostics	4.5	0.0
NIB Holdings Limited	3.9	1.4
Bendigo and Adelaide Bank	3.4	0.0
Vista Group Int Limited	3.0	0.0

## Sector Active Exposure



## Portfolio Characteristics – FY20

	Trust	Index
Price to Earnings (x)	13.8	14.1
Price to Free Cash Flow (x)	12.1	13.6
Net Interest Cover (x)	36.2	12.2
3 Year EPS Growth (%)	18.7	15.0

Source: Perennial Value Management. As at 31 December 2018

The above figures are forecasts only. While due care has been used in the preparation of forecast information, actual outcomes may vary in a materially positive or negative manner.

## Trust Review

During December the Sustainable Future Trust was down 1.0%, net of fees, outperforming the benchmark by 3.2% during a volatile month. Since inception on 1 February 2018 the Trust is up 1.9% net of fees, outperforming the Index by 10.1%.

Better performing holdings over the month included **Longtable Group**, **Trade Me** and **Genex Power**.

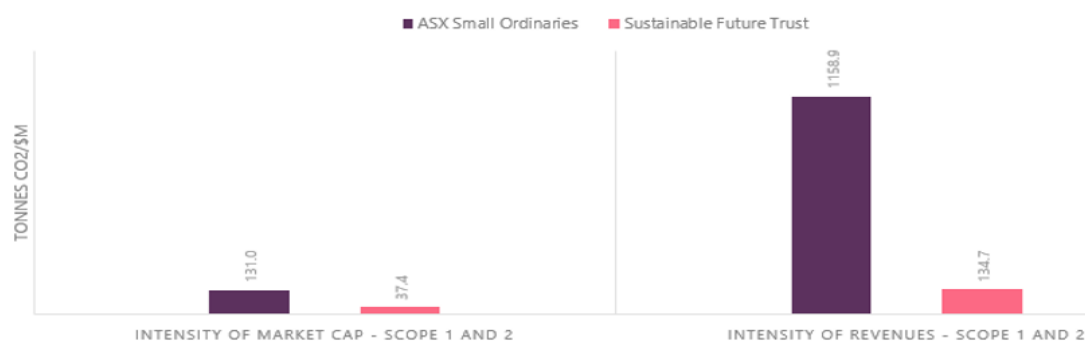
Longtable Group (+17.5%) was higher after the biodynamic and organic dairy company delivered a solid AGM update in late November.

Trade Me (+5.1%) is a successful NZ business which started life as a digital platform for trading second hand goods. After a solid performance last month, the stock continued to outperform after announcing that it had formalised a takeover proposal from Apax Partners at NZ\$6.45 per share.

Genex Power (+12.5%), is developing the Kidston Pumped Storage Hydro Project which is a hydro "battery" project. The project aims to generate hydro electricity at times of peak power usage (and power prices) by running water from one higher disused mine pit to another lower pit and then using solar power (or traditional power during off-peak if there is not sufficient solar power) to pump the water back to the top "lake" until the "battery" is discharged again.

### CARBON ANALYSIS

### SCOPE 1 AND 2 GHG EMISSIONS



Emissions for the Index is adjusted for market capitalisation. Emissions for the Sustainable Future Trust is adjusted based on portfolio weighting.

Source: CAER (Part of Vigeo Eris Network), Factset and Perennial as at 28 September 2018. Whilst due care has been used in preparation of the above, calculations are based on the information provided.

## Market Review – Australia (%)

S&P/ASX Small Ordinaries Index	-4.2
Energy	-8.0
Materials	-0.3
Industrials	-3.5
Consumer Discretionary	-4.2
Health Care	-7.2
Financials-x-Real Estate	-5.4
Real Estate	+4.7
Information Technology	-6.9
Telecommunication Services	-11.4
Utilities	-5.3

## Global, Currency & Commodities (%)

S&P500	-9.9
Nikkei225	-10.5
FTSE100	-3.6
Shanghai Composite	-3.6
RBA Cash Rate	1.50
AUD / USD	-3.6
Iron Ore	+8.9
Oil	-8.4
Gold	+5.1
Copper	-5.6

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