

	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)	1.74	5.66	8.70	21.81	-	-	13.16
S&P/ASX Small Ordinaries Accum. Index	1.56	3.68	4.19	16.62	-	-	6.27
<b>Value Added (Detracted)</b>	<b>0.19</b>	<b>1.98</b>	<b>4.51</b>	<b>5.19</b>	-	-	<b>6.89</b>

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

## Overview

- The Trust finished the month up 1.7% net of fees, outperforming the benchmark return by 0.2%. Since inception in February 2018, the Trust has delivered a 13.2% p.a. return net of fees, outperforming the benchmark by 6.9% p.a.
- Positive contributors this month included Sims Metals (+15.4%), Calix (+15.1%), Cleanaway (+14.9%) and Carbon Revolution (+32.7%).
- Negative contributors this month included Genex Power (-27.8%), G8 Education (-23.5%) and Phoslock Environmental Technologies (-12.3%).

## 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**  
Half yearly

**Minimum Initial Investment**  
\$25,000

**Trust Inception Date**  
February 2018

**Fees**  
1.20% + Perf fee



New Energy Solar’s Manildra Solar Plant Source: New Energy Solar

## Sustainable Future Highlight

During the month the Trust initiated a position in New Energy Solar. New Energy operates solar energy plants in the United States and Australia with a total capacity of over 772MW. Approximately 80% of capacity is in the US split between Oregon, North Carolina, California and Nevada.

New Energy enters into long term power purchase offtake agreements with energy utilities, corporates and government entities. These include Transport for NSW, Duke Energy and Stanford University.

The addition of New Energy Solar provides diversification to the fund’s other renewable energy holdings. The fund has exposure to wind, solar, hydro and geothermal energy with geographic diversification across Australia, New Zealand and the United States.

## Performance Since Inception

Value of A\$100,000 since inception (1 February 2018) of the Sustainable Future Trust as at 30 November 2019



## ESG Team

Damian Cottier – Portfolio Manager

Emilie O’Neill – ESG & Equities Analyst

## Trust Review

The Trust finished the month up 1.7% net of fees, outperforming the benchmark return by 0.2%. Since inception in February 2018, the Trust has delivered a 13.2% p.a. return net of fees, outperforming the benchmark by 6.9% p.a.

Positive contributors this month included Sims Metals (+15.4%), Calix (+15.1%), Pental Group (+19.7%) and Janison Education (+12.8%).

Negative contributors this month included Genex Power (-27.8%), G8 Education (-23.5%) and Phoslock Environmental Technologies (-12.3%).

During the month Sims Metals (+15.4%) announced that it is selling the company's European compliance scheme recycling operations to shift focus to be the global leader in recycling the computing "cloud". Sims provides cloud service operators with a service to sustainably, securely and safely resell and recycle data centre equipment.

Pental (+19.7%) delivered a better than expected result and Janison (+12.8%) provided a solid trading update at the Company's annual general meeting.

Genex Power (-27.8%) made the unexpected announcement that Energy Australia had advised the company that it was not able to reach a positive investment decision in relation to the Kidston Pumped Storage Hydro battery project prior to the end of 2019. This was disappointing news given the advanced stage that planning had reached and requires a number of agreements, most importantly the terms with Energy Australia or another party, to be renegotiated. Given the material change in our investment thesis we decided to sell our position in Genex and during the month reinvested the proceeds into New Energy Solar (discussed overleaf). The other material negative contributor was childcare provider G8 Education (-23.5%) which announced a disappointing trading update.

During the month the Trust participated in an IPO by Carbon Revolution. Carbon Revolution is an Australian based company that is a global leader in the design and manufacture of carbon fibre wheels for motor vehicles and aircraft. Carbon fibre wheels result in a significant weight reduction for the vehicle and improved fuel efficiency. The company raised money during the IPO process to invest in the company's manufacturing facilities at Deakin University near Geelong. This will allow the company to lower production costs and sales prices to increase the market penetration of the products.

At month end, the Trust held 45 stocks and cash is at 8.9%.

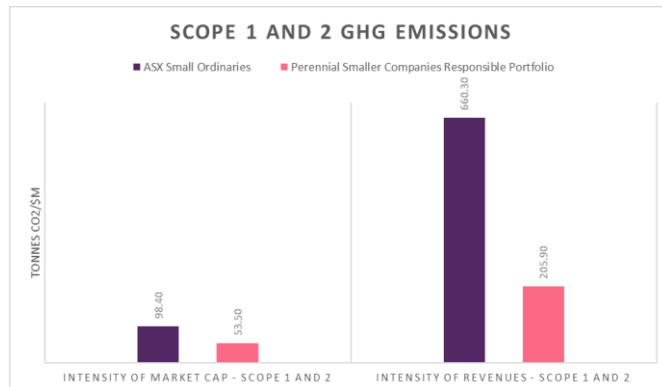
**Our focus continues to be on investing in companies that are making a positive contribution to creating a sustainable future.**

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## ESG Activity

Recent ESG-related engagement included:

- We participated in a panel discussing the impact of ESG on performance at the Investment Performance Measurement, Attribution and Risk Management Forum.
- New Energy Solar (held): Discussed corporate governance issues arising out of the external management structure with the Chair of New Energy Solar.
- Ingenia Communities (held): Discussed key ESG risks of the business, UN's Sustainable Development Goals, climate change, circular economy & ESG reporting.
- IVC (not held): Engaged with IVC on pricing transparency, given the recent media coverage and ultimately sold holdings in the stock.
- BKL (held): Engaged with BKL in regards to animal testing of its products.
- CCX (held): Engaged with board members of CCX relating to the increase in NED fees in the 2019 shareholder proposals. We are satisfied that the increase will provide flexibility to CCX to hire appropriate directors to position them for future growth.
- ResourceCo (not held): Engaged with ResourceCo to learn more about the company's recycled material alternative fuel sources.
- Limeade: We met with Limeade that is expected to IPO in December and discussed the company's products that focus on improving employee engagement.
- Costa Group (not held): discussed the impact of the drought on the company's water allocation and operations.
- Cleanaway (held): Discussed the company's recently acquired Victorian recycling operations, proposed Waste to Energy and Queensland landfill issues.
- Bingo Industries (not held): Discussed the company's recycling expansion plans.
- Carbonxt (not held): Discussed the company's activated carbon products.



Source: CAER (Part of Vigeo Eris Network), Factset and Perennial as at 30 September 2019. Whilst due care has been used in preparation of the above, calculations are based on the information provided.

Top 5 Positions	Trust (%)	Index (%)
CASH	8.9	0.0
CITY CHIC COLLECTIVE	4.0	0.0
KATHMANDU HOLDINGS LTD	4.0	0.0
INTEGRAL DIAGNOSTICS LTD	4.0	0.0
SIMS METAL MANAGEMENT	3.6	0.9

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