

	Month (%)	Quarter (%)	FYTD (%)	1 Year (% p.a.)	2 Years (% p.a.)	5 Years (% p.a.)	Since Inception [^] (%p.a.)
Perennial Smaller Companies Sustainable Future Trust (Net)	6.5	-4.2	0.2	2.1	4.0	-	6.4
S&P/ASX Small Ordinaries Accum. Index	10.6	-1.9	-3.8	-2.9	-0.5	-	1.4
Value Added	-4.1	-2.2	4.0	5.0	4.4	-	5.1

[^]Since inception: 1 February 2018. Past performance is not a reliable indicator of future performance.

Overview

- The Sustainable Future Trust finished the month up 6.5% net of fees, underperforming a very strong benchmark return by 4.1%.
- Since the Trust's inception in February 2018, the Trust has delivered a 6.4% p.a. return net of fees, outperforming the benchmark by 5.1% p.a. during that time.
- Negative contributors this month included Next Science (-19.8%), Limeade (-6.7%), Bendigo Bank (-6.0%) and Genetic Signatures (-4.0%).
- Positive contributors this month included Kathmandu (+32.7%), Carbon Revolution (+25.2%), City Chic Collective (+23.9%) and Imricor (+20.0%).

Perennial Smaller Companies Sustainable Future Trust

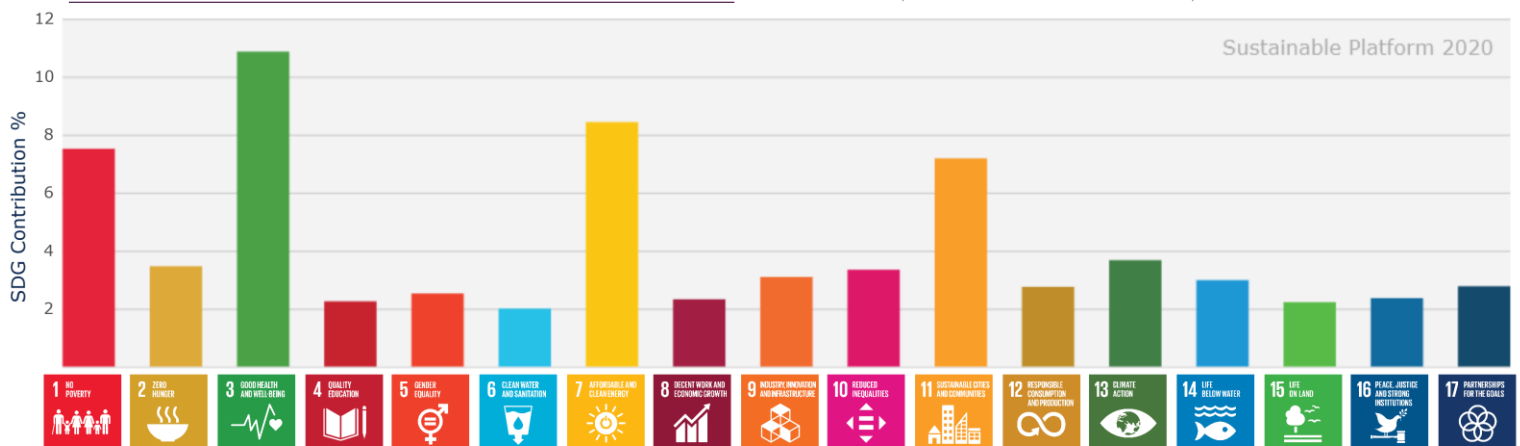
The aim of the Trust is to grow the value of your investment over the long term by investing in companies predominantly outside the S&P/ASX Top 50 Index that conduct business taking into account environmental, social and governance ("ESG") considerations and/or conduct business in industries which have 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 **APIR Code**
Damian Cottier **WPC5600AU**

Distribution Frequency **Minimum Initial Investment**
Half yearly **\$25,000**

Trust Inception Date **Fees**
1 February 2018 **1.20% p.a. + Performance fee**

Portfolios Contribution to the UN Sustainable Development Goals



Source: Data provided by the Sustainable Platform 29 Feb 2020; based on company revenues. Note: ~70% of holding companies revenue contributes to the UN SDGs

Sustainable Future Highlight

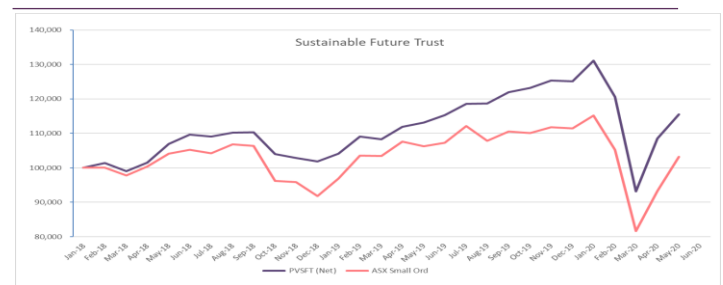
Janison Education has developed an online examination platform which replaces traditional pen and paper exams. While this reduces paper use, it also has a number of other advantages including being able to adapt question difficulty to take into account the ability of the student to better ascertain student proficiency.

The COVID-19 pandemic has presented a number of opportunities for Janison – we have mentioned several of these in previous monthly commentaries. During May, Janison made a number of announcements in relation regarding new contracts. Firstly, it announced that it had been selected to be the technology provider for the Cambridge Assessment and NSW Department of Education project to transition NSW selective schools' placement tests to digital from 2021. Janison also announced that it had entered into an agreement to acquire the Educational Assessments division of UNSW Global. This business runs the ICAS exams that are popular extra-curricular school exams in 15 countries in subject areas such as maths and science.

Janison then announced that it has been selected to provide the technology and services to deliver exams online for distance learning students of the University of London.

These opportunities will provide excellent reference sites for Janison to pursue other opportunities globally.

Performance Since Inception



Value of \$100,000 since inception (1 February 2018) of the Sustainable Future Trust as at 31 May 2020. 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.

Trust Review

The Sustainable Future Trust finished the month up 6.5% net of fees, underperforming a very strong benchmark return by 4.1%.

Since the Trust's inception in February 2018, the Trust has delivered a 6.4% p.a. return net of fees, outperforming the benchmark by 5.1% p.a. during that time.

The fund underperformance during May was not the result of significant stock price falls, but rather many of the Trust's stocks being up in a low-mid single digit range and not keeping up with benchmark return of 10.6%.

Negative contributors this month included Next Science (-19.8%), Limeade (-6.7%), Bendigo Bank (-6.0%) and Genetic Signatures (-4.0%).

Positive contributors this month included Kathmandu (+32.7%), Carbon Revolution (+25.2%), City Chic Collective (+23.9%) and Imricor (+20.0%). Each of these made announcements in relation to the COVID-19 impacts on their business.

Next Science (-19.8%) was impacted by an AGM update which suggested that US Federal Drug Administration approvals of its products may be delayed by COVID-19 and that product sales to hospitals were also being impacted by the lockdown in the US. Bendigo Bank (-6.0%) announced a significant provision in relation to potential losses associated with the COVID-19 economic slowdown. At the time of writing it appears that the COVID-19 lockdown is likely to be shorter than initially expected.

Kathmandu (+32.7%) announced that it was re-opening stores in Australia and New Zealand earlier than expected and that global online sales had increased by 2.5-3 times during the shutdown.

Carbon Revolution (+25.2%) announced that the company's customers were reopening factories in Europe and the US post COVID-19. City Chic (+23.9%) announced that it was reopening stores in Australia and that it had traded profitably during the COVID-19 shutdown due to strong growth in the company's significant online operations in both Australia and the US.

Imricor (+20.0%) announced that it had signed a master purchasing agreement with the largest hospital Group Purchasing Organisation in Germany and that it is expecting restrictions to be relaxed in the key German market which will allow it to both market the product more extensively and allow Imricor personnel to implement the system for new clients.

During the month we used the market strength to exit a number of holdings including Ooh!Media and Ingenia Communities. We also reduced our holdings in Orora and Mesoblast.

We used the proceeds to increase our holdings in a number of Sustainable Future Enabler stocks including Envirosuite, Fluence, Imricor, Janison and Phoslock Environmental Technologies.

At month end the Trust held 43 stocks and cash was 9.3%.

For May, the weighted average Perennial-derived Environmental, Social, Governance and Engagement ("ESGE") Score of the Trust was 7.1 which is 27% higher than the benchmark ESGE Score of 5.6.

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ESG Activity

ESG-related engagement increased during the month due to December year end annual general meeting season and as companies became more outward looking due to the gradual easing of COVID-19 restrictions:

- Imricor – we engaged with the company in relation to the targets for the long term incentive plan and we encouraged the company to increase the number of female directors on the Board. The company undertook to further consider these issues with a view to improving over the course of the next 12 months.
- Vista Group – we engaged with the company in relation to the independence of the board and gender diversity. We voted against the election of one of the directors as we raised similar issues last year and the company appears to have made limited progress.
- Kathmandu – we engaged with the company in relation the management of impacts from COVID-19 on the company's supply chain. As mentioned above, the company announced that it is reopening stores and has had strong online sales. Accordingly, it is not expecting any cancellations of orders with suppliers with perhaps some short term deferrals being required to manage inventory positions.
- Phoslock Environmental Technologies – we engaged with the company in relation to improving targets in the long term incentive scheme and improving gender diversity at both board and executive level.
- Fluence – we engaged with the company in relation to remuneration levels, the independence of the board given a number of directors have past affiliations with the company and gender diversity at board level. The company is seeking to appoint a female director and we have provided input the company in relation to potential candidates.

Top 5 Positions	Trust (%)	Index (%)
City Chic Collective Ltd	4.3	0.0
Janison Education Ltd	3.6	0.0
Mesoblast Ltd	3.5	1.0
Integral Diagnostics Ltd	3.5	0.0
Infigen Energy Ltd	3.4	0.3



Sustainable Future and ESG Team

Damian Cottier – Portfolio Manager

Emilie O'Neill – ESG & Equities Analyst