

	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)	2.5	8.4	9.3	5.6	11.9		10.0
S&P/ASX Small Ordinaries Accum. Index	0.5	4.7	6.2	-2.4	5.7		2.6
Value Added	2.0	3.7	3.1	8.0	6.2		7.4

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

Overview

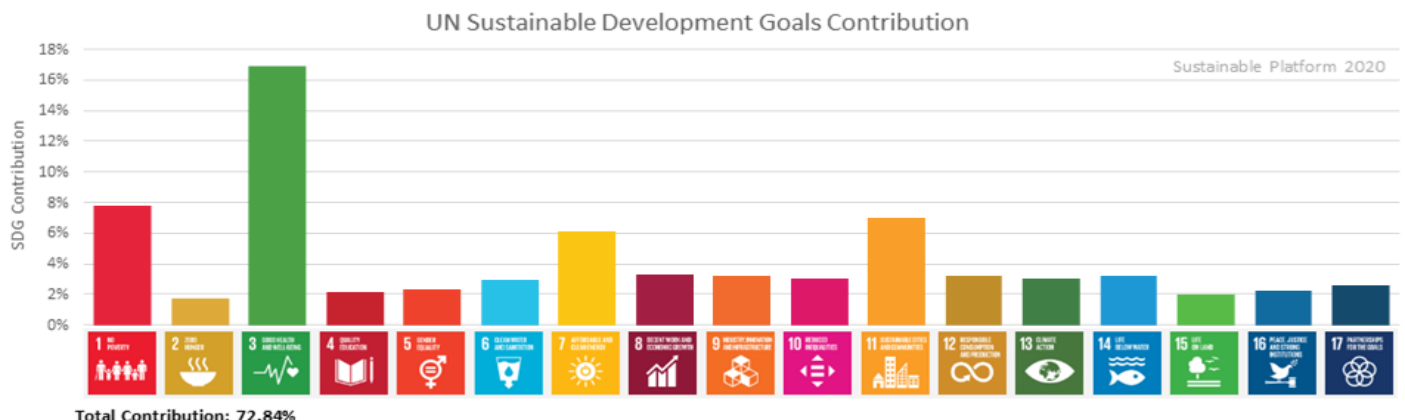
- The Sustainable Future Trust was up 2.5% net of fees, outperforming the benchmark return by 2.0%.
- It is a key goal of the Trust to demonstrate that there is no performance trade-off to invest with a focus on sustainability and ESG. Since inception in February 2018, the Trust has delivered a 10.0% p.a. return net of fees, outperforming the benchmark by 7.4% p.a.
- Positive contributors this month included 4D Medical (+35.9%), Limeade (+32.7%) and Resmed (+16.9%).
- Negative contributors this month included Mesoblast (-39.8%), Mach7 Technologies (-15.3%), Calix (-11.7%) and City Chic Collective (-9.6%).

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 businesses that are making a positive contribution to creating a sustainable future. 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 1 February 2018	Fees 1.20% p.a. + Performance fee

Portfolios Contribution to the UN Sustainable Development Goals



Source: Data provided by the Sustainable Platform 30 Sept 2020; based on company revenues. Note: ~70% of holding companies revenue contributes to the UN SDGs

Better Future Highlight

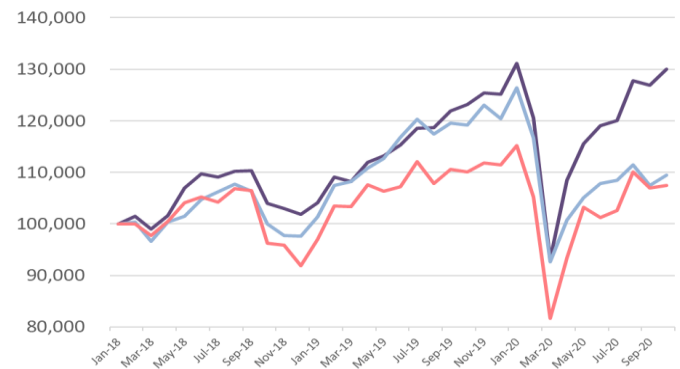
The Responsible Investment Association Australasia (RIAA) has added the Perennial Sustainable Future Trust to their Responsible Returns website after passing its rigorous Responsible certification process.

The Responsible Investment Certification Program is the leading initiative for distinguishing quality responsible, ethical and impact investment products in Australia and New Zealand. The Certification Symbol signifies that the product has implemented an investment style and process that systematically takes into account environmental, social, governance or ethical considerations and this process reliability has been verified by an external party.

As part of this process, RIAA assessed the Sustainable Future Trust's operational and disclosure requirements, publicly available data, investment process, ESG integration, exclusions, positive screens and returns.

You can find the Sustainable Future Trust on the Responsible Returns website here: <https://www.responsiblereturns.com.au/investment-options/perennial-smaller-companies-sustainable-future-trust/profile>

Performance Since Inception



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

During the month the Sustainable Future Trust was up 2.5% net of fees, outperforming the benchmark return by 2.0%.

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Positive contributors this month included 4D Medical (+35.9%), Limeade (+32.7%) and Resmed (+16.9%).

Negative contributors this month included Mesoblast (-39.8%), Mach7 Technologies (-15.3%) and Calix (-11.7%).

4D Medical's quarterly update was in line with expectations and the stock continued the strong share price performance from September. Limeade also announced a solid quarterly update in which it maintained revenue guidance and announced improved EBITDA guidance as the company's employee experience software business continues to navigate the challenges and opportunities that COVID-19 presents.

Resmed released a positive quarterly update as demand for the company's core sleep apnea products were less impacted by COVID-19 than expected.

Healthcare software provider Mach7 Technologies was weaker after noting that the ongoing COVID-19 pandemic made it more difficult to predict when new client projects would commence. There was no material news from Calix during the month.

Mesoblast announced that US Federal Drug Administration approval for the company's remestecel-L for the treatment of acute graft versus host disease had been delayed with the FDA recommending that Mesoblast conduct further trials. This was unexpected as the cancer drug expert panel that the FDA had convened to assess the product had generally been supportive of approval, and the FDA typically approves products in these circumstances. As this development was inconsistent with our investment thesis we sold the Trust's position after having generated good returns since the initial purchase.

During the month we also sold out of Envirosuite and Janus Henderson Group. We also reduced our holdings in 4D Medical, AUB Group, Limeade and Sims. We reinvested some of the proceeds into New Energy Solar, Integral Diagnostics, Iress and Equity Trustees.

We added CleanSpace Holdings to the portfolio. CleanSpace designs, manufactures and sells respirators that are used for workplace safety in both industrial and healthcare settings.

CleanSpace products were initially developed for industrial users – with the respirators designed to be low-profile, lightweight and re-usable compared to bulkier traditional products. In 2018, CleanSpace launched a series of products directed at healthcare markets and the COVID-19 pandemic has accelerated the company's push into the healthcare markets with the re-usable CleanSpace Halo respirator being a more robust solution than traditional surgical face masks.

In industrial settings, the CleanSpace product is used to protect the respiratory health of workers, including from silica. It is also pleasing to see that women are well-represented on the CleanSpace management team with both the CEO and CFO of CleanSpace being female – something that in our view should more frequently be the case.

At month end the Trust held 40 stocks and cash was 8.8%.

For October, the weighted average Perennial-derived Environmental, Social, Governance and Engagement ("ESGE") Score of the Trust was 7.2 which is 30% higher than the benchmark ESGE Score of 5.6.

Invest Online Now

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Signatory of:



Proud member of the Responsible Investment Association Australia (RIAA)



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ESG Activity

Our ESG activities during the month included:

- We met with the Chair of Kathmandu (ASX: KMD). We discussed gender diversity on the board, human capital, the dilutive capital raise during COVID and promotion of the sustainability of the company's products. After the call, the notice of AGM was released, including the remuneration report. We sent an email to the company requesting greater detail on the remuneration report going forward and expressed our preference to implement a say-on-pay vote for shareholders, which is not a requirement for companies with a primary listing in NZ.
- A pleasing result from our engagements occurred during October with Blackmores (ASX: BKL). Early in the month we wrote to the company requesting that they appoint additional females to the board given they did not meet the minimum 30% gender diversity goal of the 30% Club (of which we are a member). Late in the month, the company announced board renewal including appointing a new female chairperson.
- We met with the board of Integral Diagnostics (ASX: IDX). We discussed ESG at length including modern slavery, gender diversity, carbon emissions, staff turnover, succession planning, training and development, cyber security and remuneration.
- New Energy Solar (ASX: NEW) announced the outcome of the company's strategic review, the first stage of which is to seek expressions of interest in the company's two Australian solar assets and we discussed the outcomes of the strategic review with the CEO. Topics included the performance of Australian and US solar assets and the steps the company is taking to reduce the discount to net asset value.

Top 5 Active Positions Trust (%) Index (%)

Top 5 Active Positions	Trust (%)	Index (%)
Imricor	4.8	0.0
Integral Diagnostics	4.0	0.3
Mercury Energy	3.8	0.0
Janison Education	3.5	0.0
Kathmandu	3.2	0.1

Sustainable Future and ESG Team

Damian Cottier
Portfolio Manager

Emilie O'Neill
ESG & Equities Analyst



CERTIFIED BY RIAA

The Perennial Smaller Companies Sustainable Future Trust has been certified by the Responsible Investment Association Australasia according to the strict operational and disclosure practices required under the Responsible Investment Certification Program. See www.responsiblereturns.com.au for details.¹

1. The Responsible Investment Certification Program does not constitute financial product advice. Neither the Certification Symbol nor RIAA recommends to any person that any financial product is a suitable investment or that returns are guaranteed. Appropriate professional advice should be sought prior to making an investment decision. RIAA does not hold an Australian Financial Services Licence.