

	Month (%)	Quarter (%)	FYTD (%)	1 Year (% p.a.)	2 Years (% p.a.)	3 Years (% p.a.)	Since Inception [^] (%p.a.)
Perennial Smaller Companies Sustainable Future Trust (Net)	5.3	20.5	28.4	22.3	22.5	-	15.7
&P/ASX Small Ordinaries Accum. Index	2.8	13.8	20.3	9.2	15.1	-	7.0
Value Added	2.5	6.7	8.1	13.1	7.4	-	8.7

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

Overview

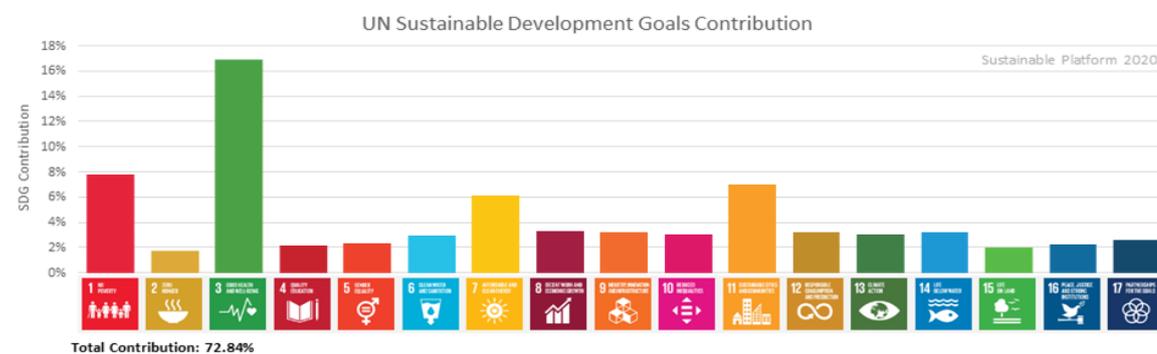
- The Sustainable Future Trust was up 5.3% net of fees, outperforming the benchmark return by 2.5%.
- It is a key goal of the Trust to demonstrate that there is no performance trade-off to invest with a focus on sustainability and ESG. Since inception in February 2018, the Trust has delivered a 15.7% p.a. return net of fees, outperforming the benchmark by 8.7% p.a.
- Positive contributors this month included recently acquired stocks Doctor Care Anywhere (up 50% from IPO price), Control Bionics (up 56.6% from IPO price) and Immutep (up 53.7%).
- Negative contributors this month included Fluence (-30.8%), Limeade (-13.4%) and Imricor (-7.8%).

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

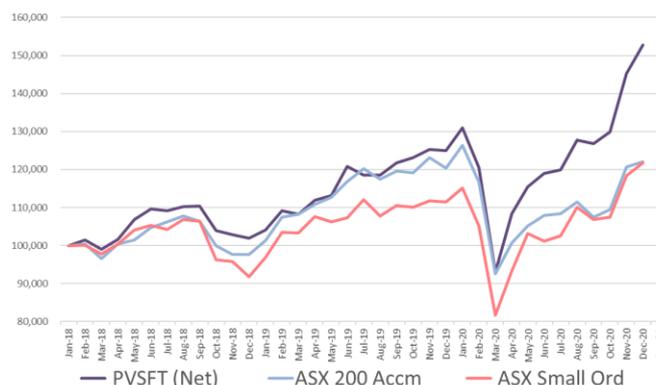
Better Future Highlight

Portfolio holding Control Bionics listed during the month. The company specialises in enabling people with disabilities to communicate with and control electronic devices using their own neuroelectric signals.

The company's NeuroNode technology is a world leader in processing neuroelectric signals into electric commands to undertake tasks that are traditionally done with a keyboard, mouse or joystick. The technology includes the NeuroNode 3 which is a watch sized, wearable, wireless sensor. The products enable a person to utilise their own neuroelectric signals, from their brain to a muscle, to control communication even when that muscle is not fully functional. The products deliver faster communication with less fatigue than other available options.

Control Bionics was up over 50% during the month, with an IPO price of 60c and a closing share price of 94c. The \$15m which was raised by the company during the IPO process is being used to expand the company's existing operations in the US and to enter the Japanese market.

Performance Since Inception



Value of A\$100,000 since inception (1 February 2018) of the Sustainable Future Trust as at 31 December 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 was up 5.3% net of fees, outperforming the benchmark return by 2.5%.

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 15.7% p.a. return net of fees, outperforming the benchmark by 8.7% p.a. During calendar year 2020 the Trust delivered a 22.3% return net of fees, outperforming the benchmark by 13.1%. This is a pleasing result for investors, particularly as many of the contributors to this return are also making a positive contribution to a better future.

Positive contributors this month included recently acquired stocks Doctor Care Anywhere (up 50.0% from IPO price), Control Bionics (up 56.7% from IPO price) and Immutep (up 53.7%). Other contributors included City Chic Collective (+45.7%) and Janison Education (+22.3%).

Negative contributors this month included Fluence (-30.8%), Limeade (-13.4%) and Imricor (-7.8%).

We participated in the initial public offering of Doctor Care Anywhere which listed in December. Doctor Care Anywhere is a telehealth provider in the UK and Europe. The company facilitates the provision of both primary care and secondary care remotely through its technology platform and clinicians. The company provides services to more than 1,500 corporates and SME clients through a relationship with health insurers such as AXA and HCA Healthcare. The company's business model is designed to provide benefits for patients, clinicians and health insurers through the use of technology which makes services more accessible and reduces costs.

Immutep is a biotechnology company that we have recently added to the portfolio. Immutep is developing immunotherapies for the treatment of cancer and autoimmune diseases with its lead product designed to improve the effectiveness of existing cancer treatments. During the month Immutep reported very positive data from their Phase IIb trial for use of their product in patients with breast cancer. In particular, the trial suggested a statistically significant overall survival benefit when the product is used in conjunction with existing chemotherapy treatments. The benefit was particularly strong in patients with low monocyte counts and Luminal B type cancer (a more aggressive form of breast cancer).

City Chic Collective was higher after announcing the acquisition of the e-commerce assets of Evans Group. The acquisition provides the company with a springboard to expand in the UK and Europe with the Evans brand which is well-known in the UK market. Janison Education announced that the company's online examination and proctoring technology had been selected by Chartered Accountants Australia and New Zealand to deliver the examinations for the CA Program online as part of a \$5m five-year partnership.

Fluence finished the month lower after announcing the resignation of the Managing Director last month. Pleasingly, during the month the company reported that it had reached a key milestone in the company's project to build a new water treatment plant in Abidjan, Cote d'Ivoire which will provide sufficient capacity to meet the fresh water needs of over one million people.

Limeade was down despite announcing a new three year, US\$2.3m per annum subscription contract with the University of Texas System. UT System will offer the Company's web-based and mobile employee well-being solution for all UT System employees. UT System is one of the largest employers in the state of Texas with over 240,000 students, 21,000 faculty and more than 85,000 health care professionals and support staff.

We reduced our holdings in City Chic, Janison Education and Telix Pharmaceuticals following strong recent outperformance.

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 Principles for Responsible Investment

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We added to our holding in Genetic Signatures following the announcement of the company's first client in the US and increased our holdings in Control Bionics and Immutep after the share prices pulled back towards the end of the month. We also added to our holdings in Resmed, Equity Trustees and Spark NZ after recent underperformance.

At month end the Trust held 41 stocks and cash was 8.3%.

For December, the weighted average Perennial-derived Environmental, Social, Governance and Engagement ("ESGE") Score of the Trust was 7.2 which is 26% higher than the benchmark ESGE Score of 5.7.

ESG Activity

As is often the case, December was a quieter month from an engagement perspective. ESG activities included:

- We discussed with G8 Education the Company's announcement that it had detected the underpayment of staff due to inadequacies in its systems and has made a significant provision in its accounts to rectify the issues. We discussed the circumstances of the underpayment and the steps it was taking to rectify the issue.
- During the month we engaged with the newly formed group Investors Against Slavery and Trafficking APAC (IAST) to assist in the selection of high risk Australian companies.
- We participated in a stakeholder ESG survey for EROAD.

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

Top 5 Active Positions	Trust (%)	Index (%)
Janison Education	3.8	0.0
Telix Pharmaceuticals	3.5	0.0
Integral Diagnostics	3.8	0.3
Imricor Medical Systems	3.3	0.0
Limeade	3.0	0.0

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 details¹.

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