

	Month (%)	Quarter (%)	FYTD (%)	1 Year (% p.a.)	2 Years (% p.a.)	3 Years (% p.a.)	Since Inception [^] (%p.a.)	Since Inception Cumulative [^] (%)
Perennial Better Future Trust (Net)	1.4	19.3	30.3	18.3	22.0	15.7	15.7	55.0
S&P/ASX Small Ordinaries Accum. Index	-0.3	13.0	20.0	5.4	11.9	6.7	6.7	21.4
Value Added	1.7	6.3	10.3	12.9	10.1	9.0	9.0	33.6

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

Overview

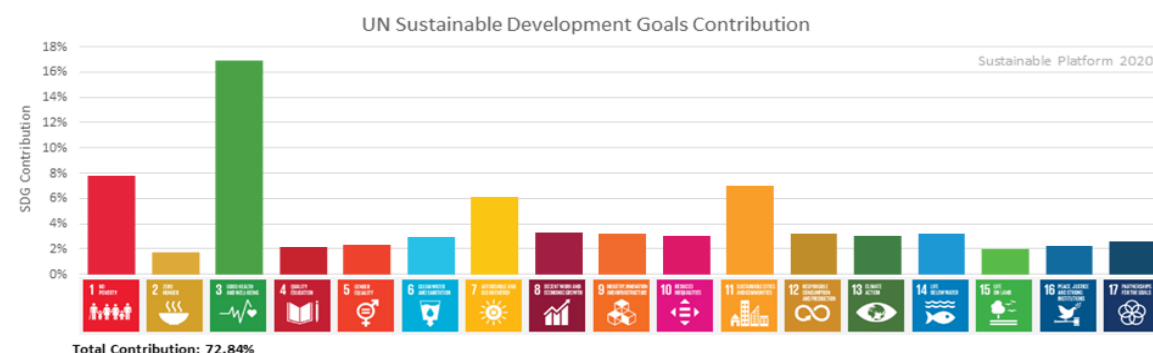
- The Better Future Trust was up 1.4% net of fees, outperforming the benchmark return by 1.7%.
- It is now three years since the inception of the Trust. It is a key goal of the Trust to demonstrate that there is no performance trade-off to invest with a focus on sustainability and ESG. Since inception in February 2018, the Trust has delivered a 15.7% p.a. return net of fees, outperforming the benchmark by 9.0% p.a.
- Positive contributors this month included Calix (+46.0%), Australian Ethical (+39.2%), Mach 7 Technologies (+14.8%) and Mercury Energy (+7.3%).
- Negative contributors this month included Control Bionics (-10.6%), 4D Medical (-9.5%) and Iress (-5.7%).

Perennial Better 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 better 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



Better Future Highlight

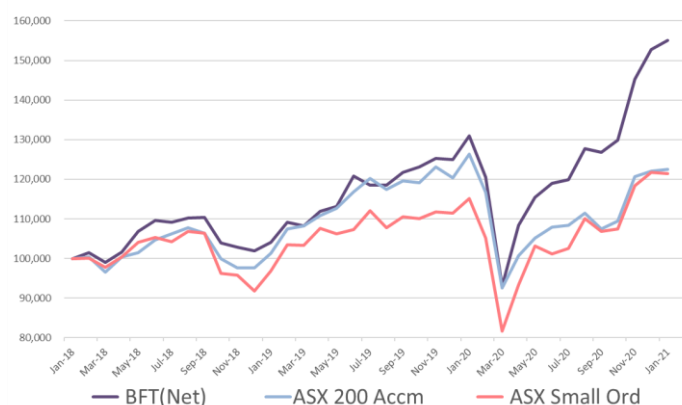
Readers may recall that portfolio company Calix has developed the Low Emissions Intensity Lime and Cement (LEILAC) carbon mitigation technology for use in the cement production process. The lime & cement industry is a large carbon dioxide emitter and represents approximately 8% of global carbon emissions.

Last year the company announced that it had entered into agreements with a number of European parties, including Heidelberg Cement to participate in the LEILAC-2 Project to significantly scale-up the technology.

During January, Calix announced that CEMEX, one of the largest cement companies in the world, has joined the LEILAC-2 project. As part of the announcement the Global R&D Head of Cemex said "Amongst the different technologies that we are pursuing, it is one of the most promising technologies to mitigate CO2 emissions in clinker production."

The LEILAC technology is just one aspect of Calix's business. It also has an environmentally friendly, wastewater odour control business and is conducting R&D work in next generation battery technology.

Performance Since Inception



Trust Review

It was an exciting finish to January 2021 for the Better Future team with the name of the fund changing to the Perennial Better Future Trust and the Trust reaching a key milestone of three years since inception.

The change of name is to more accurately reflect the fund's strong focus on investing in companies that are making a positive contribution to a better future.

It is now three years since the inception of the fund. It is a key goal of the fund 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 9.0% p.a.

This is a pleasing result for investors, particularly as many of the stronger contributors to this return are also making a positive contribution to a better future.

For the month of January, the Better Future Trust was up 1.4% net of fees, outperforming the benchmark return by 1.7%.

Positive contributors this month included Calix (+46.0%), Australian Ethical (+39.2%), Mach 7 Technologies (+14.8%) and Mercury Energy (+7.3%).

Negative contributors this month included Control Bionics (-10.6%), 4D Medical (-9.5%) and Iress (-5.7%).

As mentioned overleaf, Calix announced that Cemex, one of the world's largest cement companies had joined the LEILAC-2 Project.

Australian Ethical provided a positive quarterly update. Mach 7 Technologies announced that it had signed a significantly expanded contract for the company's medical enterprise imaging software platform with the Adventist Hospital group which has 22 hospitals on the west coast of the US and Hawaii.

Control Bionics was weaker after a strong performance in December and 4D Medical released a quarterly update which suggest that the company's near-term progress in the US was being impacted by COVID restrictions.

A number of other companies in the portfolio delivered quarterly updates during the month.

Positive updates were delivered by Janison Education, Genetic Signatures and Netwealth, while a number of portfolio companies indicated short term delays to progress due to COVID restrictions in the US and Europe. These companies including EROAD, Fluence, Imricor and Limeade. We expect outcomes for these companies will improve as COVID conditions in the northern hemisphere taper.

After the market's strong run we sought to position the portfolio a little more defensively during the month. To this end, we increased our holdings in telecommunications provider Spark NZ and diagnostic imaging holding Integral Diagnostics. We also increased our holding in Equity Trustees.

During the month, we reduced our holdings in Telix Pharmaceuticals, Sims Ltd and Australian Ethical after strong recent performance.

At month end the Trust held 41 stocks and cash was 7.1%.

For January, the weighted average Perennial-derived Environmental, Social, Governance and Engagement ("ESGE") Score of the Trust was 7.2 which is 27% higher than the benchmark ESGE Score of 5.7.

ESG Activity

We took advantage of a quieter January to undertake a number of engagement initiatives with our portfolio companies:

- **Gender Diversity:** We sent emails to companies that have less than 30% representation of women on the board, in line with the goals of the 30% Club. We detailed the business benefits of a diverse board and management team, and requested the appointment of appropriately qualified independent female directors to the board. We have had positive engagement responses, particularly from Telix Pharmaceuticals, Charter Hall Social Infrastructure & City Chic.
- **Remuneration & say on pay:** ASX best practice is to place a remuneration report up for shareholder vote. We took the opportunity to write to companies who do not have say on pay vote, typically internationally based companies, to encourage alignment with best practice. We had a positive response from EROAD.
- We had a call with Fluence, the wastewater and reusable water solutions business. We have been engaging with the company for some time on gender diversity on the board and were informed the recruitment was in process. We also discussed the governance of a dual CEO/chairperson role. It was acknowledged that best practice in Australia is to have an independent non-executive chair and we expect this to be addressed in the medium term.

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

Top 5 Active Positions	Trust (%)	Index (%)
Integral Diagnostics	4.5	0.3
Janison Education	3.9	0.0
Spark NZ	3.9	0.5
Calix	3.3	0.0
EQT Holdings	3.2	0.0

Better Future and ESG Team

Damian Cottier
Portfolio Manager

Emilie O'Neill
ESG & Equities
Analyst



CERTIFIED BY RIAA

The Perennial Better 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.

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.

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