

	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)	-2.6	4.0	26.9	25.3	17.6	14.2	14.3	51.0
S&P/ASX Small Ordinaries Accum. Index	1.6	4.1	21.8	17.2	9.1	7.2	7.0	23.3
Value Added	-4.2	-0.1	5.1	8.1	8.5	7.0	7.3	27.7

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

Overview

- After several months of strong performance, the Better Future Trust was down 2.6% net of fees in February, underperforming the benchmark return by 4.2%.
- It is now over 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 creating a better future. Since inception in February 2018, the Trust has delivered a 14.3% p.a. return net of fees, outperforming the benchmark by 7.3% p.a.
- Positive contributors this month included Calix (+30.6%), Bendigo Bank (+9.1%) and Janison Education (+6.6%).
- Negative contributors this month included Meridian Energy (-20.6%), Mercury Energy (-15.3%), EROAD (-17.2%) and 4D Medical (-21.4%).

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

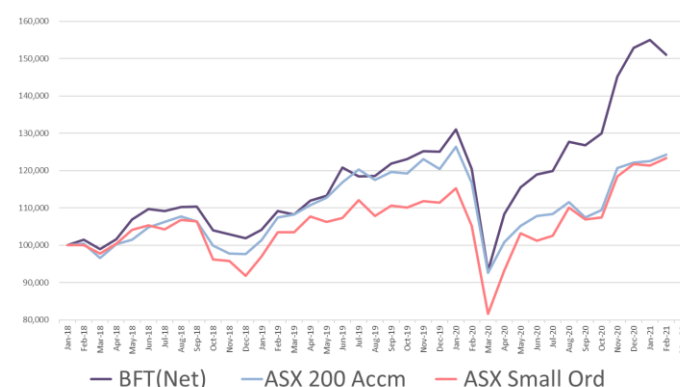
During the month we added Micro-X to the portfolio.

Micro-X has developed an ultralight weight mobile X-ray using a "cold cathode" nano X-ray tube. The Micro-X device is smaller and more agile than other x-ray units. The system weighs only 95kg and it has been designed to allow bedside imaging in emergency departments as it is easy to manoeuvre through small patient rooms, crowded hallways or tight ICU spaces.

The company has also developed a "Rover" version of the device for remote use and has recently signed a \$1.3m contract to provide the Rover to the Australian Defence force for use in field hospitals.

Subsequent to month end, Micro-X announced that the Australian Stroke Alliance, of which the company is a member, had been awarded \$40m as part of the Federal Government's Medical Research Future Fund program. Micro-X will receive \$8m of this funding to develop a "Ring Scanner" brain CT imager to be used in ambulances. The product will be designed to allow paramedics to detect strokes prior to a patient arriving in hospital to improve outcomes for stroke patients.

Performance Since Inception



Trust Review

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Calix delivered a strong first-half result and announced continued strong interest from potential global clients in the company's calcination technology which allows mineral and chemical processes to be conducted using renewable energy rather than traditional energy sources.

Bendigo Bank announced a better-than-expected result. Bendigo's strong community focus has resulted in the company having a "net promoter" score of 29.0 compared to the industry average of 2.2. This appears to have assisted with loan growth with the bank reporting lending growth of 9.2% compared to "system" growth of 0.1%.

Meridian Energy was weaker after a softer than expected start to the year, resulting from lower storage water levels in the company's hydro generation assets in the South Island of New Zealand. Interestingly, the company announced that it is constructing a 176MW wind farm in Hawke's Bay, New Zealand. It also has a 20MW battery energy storage system at the Hume power station in NSW and a 130MW wind farm and battery storage system in northern NSW as part of the company's development pipeline.

Mercury Energy was weaker after announcing delays to construction of the company's Turitea wind farm and downgrading guidance due to dry weather in the catchment for the company's Taupo hydro generation on the north island of New Zealand.

EROAD delivered a weaker than expected quarterly update due to COVID-19 interruptions on the company's sales process in North America. There are a number of companies in the portfolio which have been impacted by COVID interruptions and we expect the outlook for these companies to improve significantly if COVID infection rates in the northern hemisphere continue to improve as vaccination programs progress.

4D Medical delivered a weaker-than-expected result, albeit post month end announced a \$29m grant to develop the world's first dedicated lung function scanner. We will discuss this further next month.

During the month we added a number of new stocks to the portfolio, including Micro-X (discussed on first page) and MedAdvisor. MedAdvisor is a medication management platform with operations in Australia and the US. The MedAdvisor software allows users to manage their medication requirements and improve adherence by linking the software to the user's preferred pharmacy.

During the month, we reduced our holdings in Calix, M7 Technologies, New Energy Solar and Netwealth and added to holdings in CleanSpace, Fluence, Bendigo Bank and Sims Ltd.

At month end the Trust held 44 stocks and cash was 8.7%.

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

ESG Activity

Our ESG activity during the month included:

- We met with EY who was asked by Bendigo Bank to engage with us as a key stakeholder in relation to the company's ESG and sustainability reporting. Key areas that we encouraged the company to improve included climate disclosure, climate commitments and more clearly highlighting sustainability-related data. During the company's results presentation the company announced that it has committed to reduce absolute emissions by 50% by 2030.
- We met with Telix at their request to discuss ESG and sustainability more broadly. The topics that we discussed included diversity, remuneration targets and how the company can improve ESG related disclosures, including explaining how the company's products contribute to a better future.
- We met with Integral Diagnostics who indicated that after our previous discussions on the topic, the company had conducted a carbon footprint analysis and will be disclosing carbon emissions data in the annual report. An interesting outcome from management's point of view was the carbon footprint of some of the consumables that the company uses and the company has already put in place procedures to be more efficient in the use of the consumables for improved environmental and cost outcomes.

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

Janison Education	4.2	0.0
Integral Diagnostics	4.1	0.3
Spark NZ	3.7	0.5
Calix	3.1	0.0
EQT Holdings	3.1	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.

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