

	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)	0.8	4.2	32.3	36.3	18.1	13.9	14.7	57.8
S&P/ASX Small Ordinaries Accum. Index	0.3	6.1	29.3	26.7	10.9	7.9	8.4	30.8
Value Added	0.5	-1.9	3.0	9.6	7.2	6.0	6.3	27.0

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

Overview

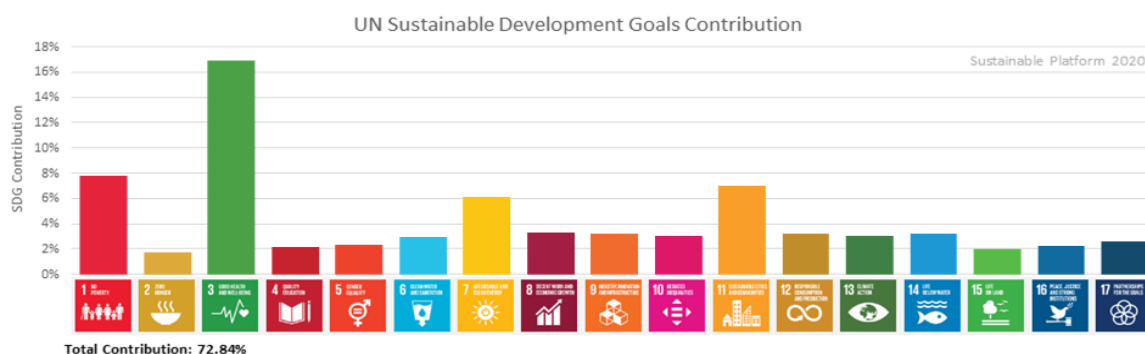
- The Better Future Trust was up 0.9% net of fees in May, outperforming the benchmark return by 0.6%.
- It is over three years since the inception of the Trust. It is a key goal of the Trust to demonstrate that there is no performance trade-off to invest with a focus on shaping a better future. Since inception in February 2018, the Trust has delivered a 14.7% p.a. return net of fees, outperforming the benchmark by 6.3% p.a.
- Positive contributors this month included Immutep (+52.2%), Telix Pharmaceuticals (+20.3%), Janison Education (+10.1%) and Kathmandu (+9.6%).
- Negative contributors this month included Limeade (-28.1%), Control Bionics (-20.1%), 4D Medical (-19.3%) and Imricor (-18.4%).

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 (if any)	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

Calix is an industrial solutions company focussed on solving global sustainability challenges. Readers may recall that last month we discussed the agreement that Calix signed with Adbri (formerly Adelaide Brighton).

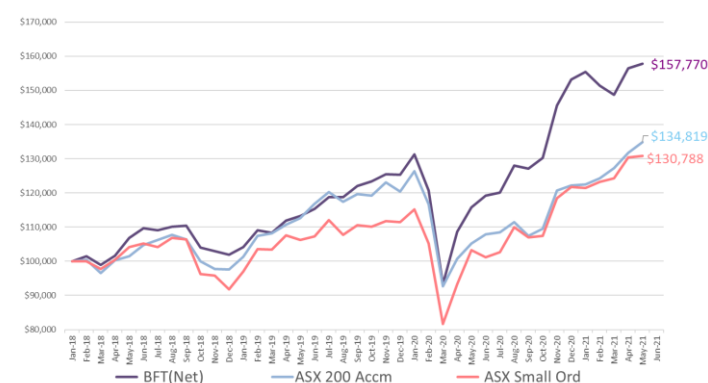
During May, Calix announced that it signed a memorandum of understanding covering the co-development of a midstream lithium chemicals processing plant utilising Calix's core technology.

It is proposed that Pilbara Minerals and Calix will jointly develop a world-first commercial demonstration scale, low-emissions lithium salt production facility.

The demonstration plant will take lower-grade spodumene concentrate and process it utilising renewable energy to create a low carbon, concentrated lithium salt that is used as an input to lithium batteries.

Additional benefits of the new process include that a higher recovery is obtained from the ore using this process, resulting in less mine waste and, a higher value product is produced in Australia resulting in significantly less waste product being shipped overseas.

Performance Since Inception



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

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Immutep, which is developing a "LAG-3" therapeutic product that stimulates the immune system to improve the effectiveness of cancer treatments, was stronger following the release of positive results from another "LAG-3" Phase II/III trial. This is a significant milestone in cancer immunotherapy and further recognises LAG-3 as a potentially promising checkpoint receptor.

Telix Pharmaceuticals announced that the company's Phase III Prostrate Cancer Therapy Clinical Trial had commenced during May which was earlier than expected.

Janison announced that it had been accredited by the OECD as the sole provider for the PISA for Schools assessment in the UK. The PISA for Schools assessment is an assessment that supports individual school improvement by testing 15 y.o. students using an international benchmark. The UK represents a significant market opportunity for Janison. Later in the month the company also announced that it had been approved as the platform provider for the PISA for Schools assessment in Kazakhstan, with Janison now platform provider for 15 countries.

Kathmandu announced the appointment of the current managing director of the Rip Curl business as the new managing director of the group. It also announced the establishment of a \$100m sustainability linked loan which incorporates a pricing mechanism that incentivises improvement in material sustainability metrics, including greenhouse gas emissions, B Corp certification and continuing to improve the transparency, wellbeing and labour conditions for workers in its supply chain.

Negative contributors during May included Limeade (-28.1%), Control Bionics (-20.1%), 4D Medical (-19.3%) and Imricor (-18.4%). There were no material new announcements in relation to these stocks and we remain comfortable holding them. Our sense is that their fortunes may improve at the conclusion of the traditional tax loss harvesting period towards the end of June.

During the month, we reduced our holdings in Immutep and Telix after recent strong performance and sold out of Fluence and Synlait. We increased our holdings in Meridian Energy and Next Science and added Arena REIT to the portfolio. Arena REIT is an internally managed REIT focussed on investing in healthcare and childcare assets.

At month end the Trust held 46 stocks and cash was 8.6%.

At May end, the weighted average Perennial-derived Environmental, Social, Governance and Engagement ("ESGE") Score of the Trust was 7.2 which is 24% higher than the benchmark ESGE Score of 5.8.

ESG Activity

Relevant ESG activity during the month included:

- Fluence appointed a female independent NED who is well qualified for the role. We have been engaging with the company on this issue for some time.
- We visited the Micro-X production facility in Adelaide where the company produces mobile X-ray devices using cold cathode technology that are more efficient than traditional devices. The company indicated that it is doing more work to quantify the improved carbon outcome for use of the devices and measuring the social benefit more broadly.
- We met with Alpha HPA to discuss the company's carbon footprint modelling which suggests up to a 59% reduction in carbon dioxide over incumbent processing of high purity alumina.
- We met with Control Bionics and encouraged the company to improve gender diversity on the board.
- We met with EROAD on their governance roadshow to discuss remuneration framework, gender diversity on the board and encouraged disclosure on the safety benefits of their products and their management of modern slavery risks.
- Emilie presented at the Financial Standard Best Practice Forum on Exchange Traded Products. Damian presented at the Inside Network Growth Assets Symposium in Melbourne and Sydney on The Green 'Arbitrage' and also presented at the RIAA Australia 2021 Conference on a panel "Impact hiding in plain sight."

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

Top 5 Active Positions	Trust (%)	Index (%)
Integral Diagnostics	4.6	0.3
Spark NZ	4.6	0.4
Janison Education	3.6	0.0
Immutep	3.2	0.0
Kathmandu	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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