

	Month (%)	Quarter (%)	FYTD (%)	1 Year (%)	2 Years (% p.a.)	3 Years (% p.a.)	Since Inception [^] (% p.a.)	Since Inception Cumulative [^] (%)
Perennial Better Future Trust (Net)	0.4	5.2	5.2	36.3	19.1	16.2	16.2	73.3
S&P/ASX Small Ordinaries Accumulation Index	-2.1	3.4	3.4	30.4	12.3	9.4	9.5	39.4
Value Added	2.5	1.8	1.8	5.9	6.8	6.8	6.7	33.9

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

Overview

The Better Future Trust was up 0.4% net of fees in September, outperforming the benchmark return by 2.5%.

The Trust has been running for more than three and a half years. It is a key goal of the Trust to demonstrate that there is no performance trade-off to invest for shaping a better future. Since inception in February 2018, the Trust has delivered a 16.2% p.a. return net of fees, outperforming the benchmark by 6.7% p.a.

Positive contributors this month included Calix (+34.8%), Janison Education (+18.3%) and Smartgroup (+21.8%).

Negative contributors this month included Iress (-20.4%), Limeade (-22.4%) and Sims Ltd (-11.1%).

Better Future Highlight

During the month, Calix held an investor day to update the market on the progress it is making in different areas of the business.

Calix is pursuing a number of interesting opportunities, each of which is focused on improving real world sustainability outcomes. These include carbon dioxide mitigation in the cement and lime industry, wastewater treatment, sustainable mineral processing, next generation battery materials and marine coatings. The newer opportunities that it highlighted included the energy storage project that the company is working on with SaltX in Stockholm. It is developing a pilot plant for a renewable energy alternative to traditional city district heat systems that are used in northern hemisphere cities such as Helsinki during winter.

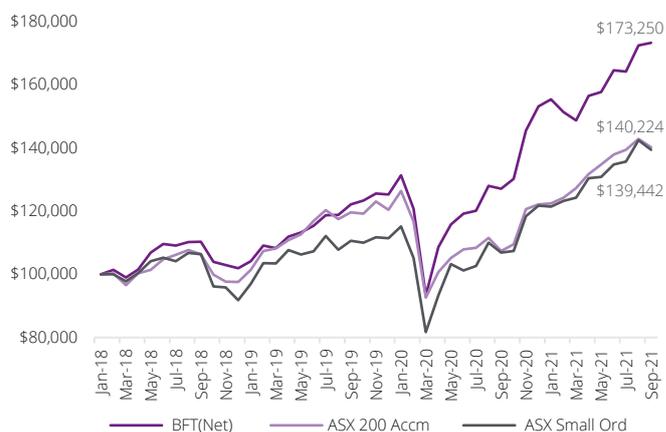
Later in the month, Calix announced that a New York based impact investor, Carbon Direct Capital Management, took a 7% stake in Calix's carbon dioxide mitigation "LEILAC" business for A\$24.5 million, valuing this part of the business at around A\$350 million. This received a lot of interest, particularly as this is just one of a number of promising technologies that Calix is developing and Calix has retained a 30% royalty on revenues generated by the LEILAC business.

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 Annually (if any)	Minimum Initial Investment \$25,000
Trust Inception Date 1 February 2018	Fees 1.20% p.a. + Performance fee

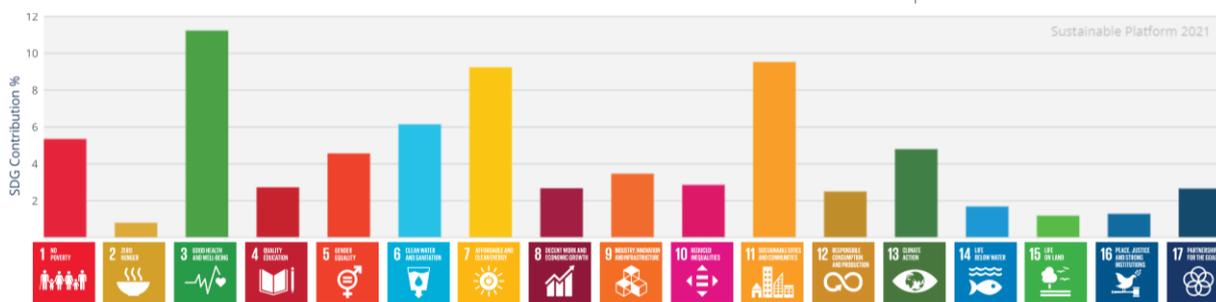
Performance Since Inception



Value of A\$100,000 since inception (1 February 2018) of the Better Future Trust as at 30 September 2021.

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.

Portfolios Contribution to the UN Sustainable Development Goals



Total Contribution: 72.26%
(equal to 58.66% social impact contribution and 13.6% environmental impact contribution)

Source: Data provided by the Sustainable Platform 31 Aug 2021; based on company revenues

Trust Review

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As discussed on the front page, Calix announced an investor in the company's LEILAC business at an attractive valuation.

Smartgroup announced that it had received a non-binding indicative proposal to acquire the company from a private equity consortium at 30% premium to the prevailing share price. The board indicated that it intended to recommend the proposal in the absence of a higher offer.

On the flip-side, Iress announced that the potential bidder for the company had indicated that it was not proceeding which caused the share price to fall. Following this announcement, the company commenced the buy-back which it had announced prior to receiving the bid.

Limeade announced that American Airlines, one of the company's top 10 customers, is terminating its contract with effect from 1 January 2022. This is a disappointing outcome, albeit the company has a pipeline of new customers that are becoming more active as COVID-19 eases in the northern hemisphere.

We added a number of new stocks to the portfolio during the month including 3P Learning and Pacific Edge.

3P Learning is focused on K-6 education in the areas of reading and maths. The company has recently bolstered its product offering following a merger with Blake e-Learning and has added ownership of the Reading Eggs product to the company's existing Mathletics offering. The merger has created a company with greater scale to market these well-regarded early learning products globally to schools, education departments and parents.

We participated in a capital raising for Pacific Edge to facilitate this New Zealand company becoming dual-listed on the Australian Stock Exchange. Pacific Edge has developed the Cxbladder diagnostic test which is used for the detection and management of bladder cancer. The urine-based test is far easier and less painful than existing techniques for the detection of bladder cancer and has regulatory approval and customers in the US, Singapore and New Zealand. The capital raised will fund ongoing research and development and increased marketing to drive growth in the US and Asia.

At month end, the portfolio held 49 stocks and cash of 7.7%.

At September end, 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.

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ESG Activity

Our ESG activity during the month included:

- We have been compiling results and writing a summary report of our Better Future Survey which aims to take the "ESG Pulse" of ASX listed companies. The report has now been released and can be accessed [here](#).
- We participated in a webinar with the Workplace Gender Equality Agency and we also met with the Director of Policy at Chief Executive Women (CEW) to discuss the findings of the Chief Executive Women Senior Executive Census that has been recently released. We discussed how we can better engage with companies to improve gender diversity in executive teams, particularly for "in line roles".
- We met with the Chair of the remuneration committee of Steadfast group to discuss the company's remuneration policy and encourage the company to continue to improve gender diversity at an executive level.
- We met with CleanSpace and discussed the company's approach to end-of-life recycling of products and the work that the company is doing to better demonstrate the carbon footprint benefits and waste benefits from using the company's products.
- We met with Alpha HPA and discussed the work that the company is doing on improving climate disclosures at both a corporate level and the company's industrial process.

Top 5 Active Positions	Trust (%)	Index (%)
Calix	3.6	0.0
Spark NZ	3.9	0.3
Janison Education	3.3	0.0
Immutep	3.3	0.0
Integrat Diagnostics	3.5	0.3

Better Future and ESG Team

Damian Cottier
Portfolio Manager

Emilie O'Neill
Co-Head of 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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