

	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)	2.4	1.6	6.9	14.9	18.5	20.0	15.5	76.0
S&P/ASX Small Ordinaries Accumulation Index	1.4	2.0	5.5	16.9	13.0	15.7	9.4	42.3
Value Added	1.0	-0.4	1.4	-2.0	5.5	4.3	6.1	33.7

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

Overview

The Better Future Trust was up 2.4% net of fees in December, outperforming the benchmark return by 1.0%.

The Trust has been running for almost 4 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 15.5% p.a. return net of fees, outperforming the benchmark by 6.1% p.a.

Positive contributors this month include Genetic Signatures (+36.1%), Telix Pharmaceuticals (+17.4%) and 3P Learning (+17.4%).

Negative contributors this month include Nitro Software (-29.8%), Janison Education (-5.7%) and Imricor (-14.8%).

Better Future Highlight

Telix Pharmaceuticals was up strongly during the month after announcing that the US Food and Drug Administration (FDA) had approved Telix's prostate cancer imaging product, Illucix. Obtaining FDA approval is a challenging process and this is a significant milestone for the company.

Importantly, the Illucix product has also recently been included in the US NCCN Clinical Practice Guidelines in Oncology for Prostate Cancer which means that patients will be able to start benefiting from the improved technology in the coming months. The Illucix technology has been recognised as superior to conventional imaging with CT or MRI. The technology can give physicians the ability to visualise tumour cells, including very small metastases.

Prostate cancer is the second leading cancer in men in the United States with nearly 250,000 cases estimated in 2021. Prostate cancer was also the second leading cause of cancer death in men in 2020.

Illucix has also been approved by the Therapeutic Goods Administration in Australia and regulatory authorities in Brazil and is in the late stages of the approval process in the EU.

Telix, which has returned over 100% over the last 12 months is a good example of what the Better Future Trust is striving to achieve – strong, consistent returns while shaping a better future – in this case for patients with prostate cancer.

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

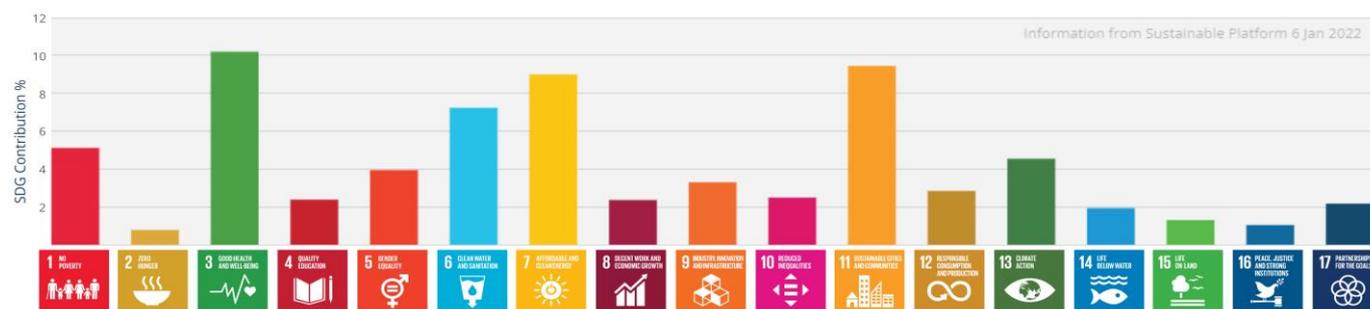
Performance Since Inception



Value of A\$100,000 since inception (1 February 2018) of the Better Future Trust as at 31 December 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: 70.02%
(equal to 56.12% social impact contribution and 13.91% environmental impact contribution)

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

Trust Review

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Genetic Signatures provided a trading update in which it announced that the company's EasyScreen product which is a more efficient PCR test for COVID-19 had been a beneficiary of increased PCR testing due to the rapid spread of the Omicron variant. It also announced that the company's European sales team had been engaging with customers in relation to other EasyScreen products and had received the first order for EasyScreen enteric kits which are used to detect gastrointestinal viruses more efficiently than traditional methods. There are also two other European clients close to concluding trials of the EasyScreen enteric kits.

As discussed in the Better Future Highlight section earlier, Telix Pharmaceuticals announced that it had received US Food and Drug Administration approval for the company's Illucix product which is used to detect prostate cancer.

Nitro Software declined after US comparables DocuSign and Adobe announced weaker than expected results which indicated that growth rates in the company's markets were slowing from very high levels. While it would be preferable for the end markets to be continuing their strong growth, we note that the Nitro business is far smaller than that of these large market participants and that Nitro is seeking to capture market share from these competitors.

Imricor Medical Systems was weaker due to concerns that the emergence of the Omicron COVID-19 variant in Europe may impact the company's ability to execute on its sales pipeline. On Christmas Eve the company announced that it had signed two world-renowned institutions as new customers in Berlin, Germany – The German Heart Centre Berlin and the Charite Medical University Virchow-Klinikum Campus.

During the month we reduced our holding in Charter Hall Group following very strong performance and added to our positions in APM and Nitro Software upon weakness.

At month end, the portfolio held 50 stocks and cash of 6.9%.

At December 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.

ESG Activity

Our ESG activity during the month included:

- During December, the Better Future team targeted gender diversity on boards. We emailed all companies that are yet to reach our target of 30% women on the board of directors. We received positive and engaged responses from over 70% of those emailed. We expect to see improved outcomes in the coming 12 months. Some positive examples included Calix and Alpha HPA, each of which indicated that they are actively looking to improve gender diversity across both their boards and the broader business.
- In a meeting with EROAD we discussed carbon footprinting and ESG reporting.
- We had a sustainability meeting with Charter Hall in which we discussed the approach of the company and Charter Hall Social Infrastructure REIT to ESG and sustainability, including carbon emissions and TCFD reporting, SDGs, corporate governance, modern slavery, diversity and gender pay gaps.
- We met with HealthCo Healthcare and Wellness REIT to discuss the company's approach to ESG and sustainability, including the company's objective to invest to bring health services to underserved communities, gender diversity targets and carbon reduction targets.

Top 5 Active Positions	Trust (%)	Index (%)
Meridian Energy	3.5	0.0
Janison Education	3.2	0.0
Integral Diagnostics	3.4	0.3
Bendigo and Adelaide Bank	2.9	0.0
Kathmandu	2.8	0.0

Better Future and ESG Team

Damian Cottier
Portfolio Manager

Emilie O'Neill
Co-Head of ESG &
Equities Analyst



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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