

	Month (%)	Quarter (%)	FYTD (%)	1 Year (%)	2 Years (% p.a.)	3 Years (% p.a.)	Since Inception <sup>^</sup> (% p.a.)	Since Inception Cumulative <sup>^</sup> (%)
Perennial Better Future Trust (Net)	-9.6	-7.4	-3.4	2.4	10.0	15.2	12.3	59.1
S&P/ASX Small Ordinaries Accumulation Index	-9.0	-8.0	-4.0	6.7	6.0	10.1	6.7	29.5
<b>Value Added</b>	<b>-0.6</b>	<b>+0.6</b>	<b>+0.6</b>	<b>-4.3</b>	<b>+4.0</b>	<b>+5.1</b>	<b>+5.6</b>	<b>+29.6</b>

<sup>^</sup>Since inception: 1 February 2018. Past performance is not a reliable indicator of future performance.

### Overview

The market was weak in January with the benchmark down 9.0%. Atypically for a month of weakness the resources sector (which we are underweight) outperformed strongly while more traditional defensive sectors such as healthcare (which we are overweight) were weak. The Better Future Trust finished down 9.6%, underperforming the benchmark by 0.6%.

It is now four 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 for shaping a better future. Since inception, the Trust has delivered a 12.3% p.a. return net of fees, outperforming the benchmark by 5.6% p.a.

Positive contributors to relative performance this month include Alpha HPA (+11.7%), Janison Education (-4.9%) and G8 Education (+0.0%).

Negative contributors this month include Immutep (-22.4%), Calix (-23.9%) and Integral Diagnostics (-16.4%).

### Better Future Highlight

3P Learning is a provider of educational tools to assist with reading and maths. The solutions include Mathletics, Mathseeds and Reading Eggs which are used by children from kindergarten to year 12 across 100 countries at school and at home.

One particularly socially positive element of the business is the 3P Learning and Click Learning collaboration in South Africa which is helping 100,000 children to learn to read.

In South Africa 78% of children cannot read for meaning and 58% of households do not own a book and have no access to a computer.

Reading Eggs and Click Learning developed a technology solution taking underutilised hardware, providing log ins to the Reading Eggs literacy program and employing unemployed youth to facilitate the program in the computer lab.

You can learn more about the Click Learning collaboration here: <https://www.youtube.com/watch?v=8WgoeLOray4>

### 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

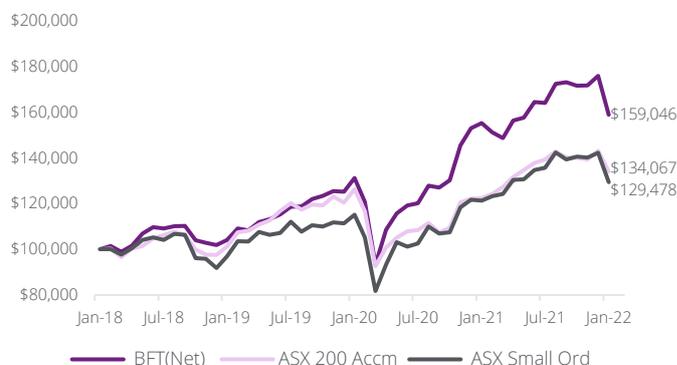
#### Trust Inception Date

1 February 2018

#### Fees

1.20% p.a. + Performance fee

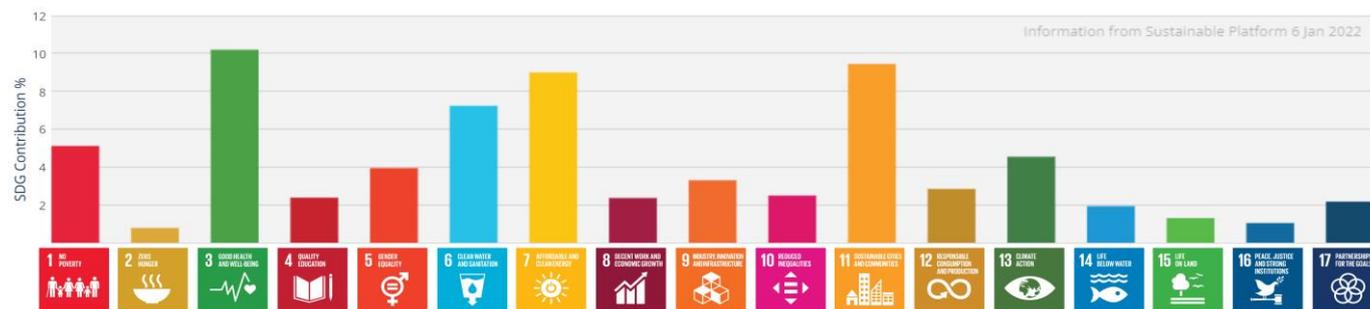
### Performance Since Inception



Value of A\$100,000 since inception (1 February 2018) of the Better Future Trust as at 31 January 2022.

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

The market was weak in January with the benchmark down 9.0%. Typically for a month of weakness, the resources sector (which we are underweight) outperformed strongly while more traditional defensive sectors such as healthcare (which we are overweight) were weak. We have been holding a higher cash balance for some time to allow for a potential outcome such as this and while the higher cash balance cushioned the impact, the Better Future Trust finished down 9.6%, underperforming the benchmark by 0.6%.

It is now four 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 for shaping a better future. Since inception in February 2018, the Trust has delivered a 12.3% p.a. return net of fees, outperforming the benchmark by 5.6% p.a.

Positive contributors to relative performance this month include Alpha HPA (+11.7%), Janison Education (-4.9%) and G8 Education (+0.0%).

Negative contributors this month include Immutep (-22.4%), Calix (-23.9%) and Integral Diagnostics (-16.4%).

There was no material news for Alpha HPA although market appears to be increasingly confident that the company may announce a key global offtake partner for the company's high purity alumina processing facility. Alpha HPA's innovative process are expected to reduce the greenhouse gas emissions associated with the production of high purity alumina by up to 59%. High purity alumina and associated by-products are used in the production of LED lights, lithium ion batteries and smartphone screens.

There was no incremental negative announcements for Immutep or Calix. Integral Diagnostics announced that despite 5% organic revenue growth which is pleasing in a severely COVID-impact environment, first half profit will be lower than expected due to higher COVID-related costs. We expect these cost impacts will abate over time and we remain comfortable with the company's medium-term outlook.

There was an interesting development for portfolio holding Next Science (-2.9%) during the month. Next Science has developed products which are more effective than existing products to prevent and treat bacterial infections in hospital environments. Next Science announced that it had signed a distribution agreement with Zimmer Biomet for the company's Xperience product. Zimmer is a global leader in products used in orthopaedic surgery and Zimmer's 2,000 sales executives will be selling a white-label version of the Xperience product in the US. This presents a significant addition to the company's existing sales force which commenced sales to leading UA hospitals during 2021.

At month end, the portfolio held 50 stocks and cash of 6.4%.

At January 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:

- During January, the Better Future team targeted measurement and disclosure of GHG Emissions. We contacted each company in the portfolio that had not disclosed GHG Emissions and requested that they measure, disclose and take steps to reduce their emissions profile for Scope 1 and 2 emissions, and where possible Scope 3. We were met with positive responses from directors and managers including from City Chic, 3P Learning, Nitro Software and G8 Education.
- Pendal appointed a female chair to the board and BEN appointed a female NED.
- We discussed sustainability, and in particular gender diversity with Immutep including the importance of a gender diverse board of directors.

Top 5 Active Positions	Trust (%)	Index (%)
Meridian Energy	3.6	0.0
Janison Education	3.3	0.0
Bendigo and Adelaide Bank	3.2	0.0
Integral Diagnostics	3.4	0.3
Spark NZ	3.2	0.4

## 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](http://www.responsiblereturns.com.au) for details<sup>1</sup>.

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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