

	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)	-2.6	-9.9	-5.9	+2.3	+13.3	+12.4	+11.3	+54.9
S&P/ASX Small Ordinaries Accumulation Index	-0.0	-7.7	-4.0	+5.0	+10.9	+7.7	+6.5	+29.5
<b>Value Added</b>	<b>-2.6</b>	<b>-2.2</b>	<b>-1.9</b>	<b>-2.7</b>	<b>+2.4</b>	<b>+4.7</b>	<b>+4.8</b>	<b>+25.4</b>

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

### Overview

The market was dominated by geopolitical events during February following Russia's invasion of Ukraine. Much like last month, the market favoured resource stocks while growth stocks were weaker. This resulted in the Better Future Trust finishing the month down 2.6%, underperforming the benchmark by 2.6%.

It is now over 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 +11.3% p.a. return net of fees, outperforming the benchmark by +4.8% p.a.

Positive contributors to relative performance this month included recycling company Sims Ltd (28.1%), Meridian Energy (+10.5%) and Smartgroup (+17.2%).

Negative contributors this month included Telix Pharmaceuticals (-27.2%), Janison Education (-20.3%) and Integral Diagnostics (-13.6%).

### Better Future Highlight

Sims Ltd is a global metal and electronics recycling business which fits into the theme of the circular economy and resource efficiency. The company purpose is to "create a world without waste to preserve our planet".

At the 1H22 Result, they demonstrated that they had made pleasing progress towards their sustainability strategy.

During the half year they were able to meet their board gender diversity target (50%) and achieved an employee engagement score of 82%. They continued to drive safety improvements in the business.

They produced their first TCFD report on climate risk and opportunity and were able to reduce carbon emissions by 4% compared to the corresponding period. They have begun looking at their Scope 3 emissions profile.

They also spent \$644,000 with indigenous-owner businesses as part of their Reconciliation Action plan.

### 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

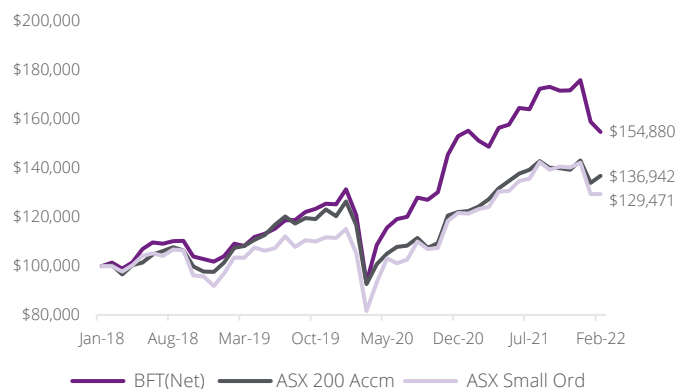
#### Trust Inception Date

1 February 2018

#### Fees

1.20% p.a. + Performance fee

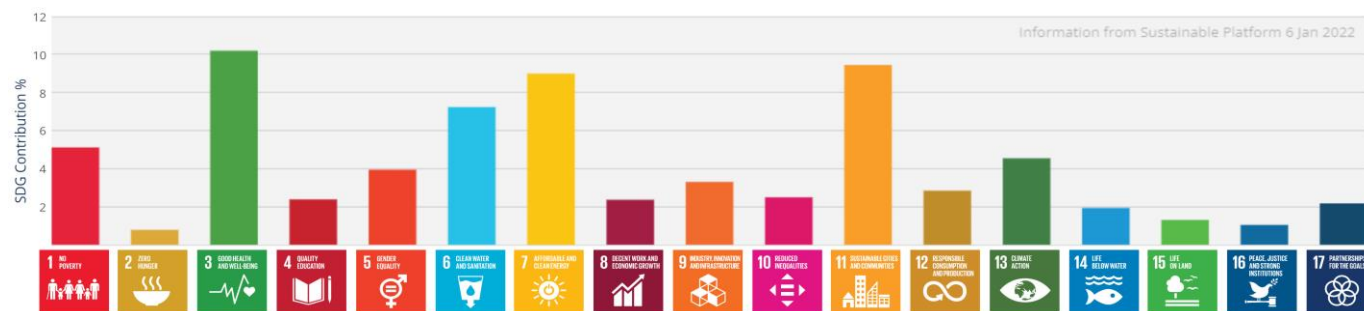
### Performance Since Inception



Value of A\$100,000 since inception (1 February 2018) of the Better Future Trust as at 28 February 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

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It is now over 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 +11.3% p.a. return net of fees, outperforming the benchmark by +4.8% p.a.

Positive contributors to relative performance this month included recycling company Sims Ltd (28.1%), Meridian Energy (+10.5%) and Smartgroup (+17.2%).

Negative contributors this month included Telix Pharmaceuticals (-27.2%), Janison Education (-20.3%) and Integral Diagnostics (-13.6%) although there was general weakness in a number of the other growth stocks held by the Trust.

Sims announced a better than expected half year result and outlook as demand for recycled metal increases as the world looks to produce steel from less greenhouse gas intensive sources.

Meridian Energy announced a better than expected half year result and also announced that the company's project to investigate the feasibility of the world's first large-scale green hydrogen plant is progressing more quickly than expected. It has selected four substantial global companies as potential partners for the next phase of the project. The commercial production of green hydrogen is a key step on the path for the world to decarbonise and Meridian's hydro energy is relatively well-suited to this application.

Smartgroup announced a better than feared full year result and a significant special dividend.

Telix Pharmaceuticals delivered a full year result which was largely in line with expectations but the stock was caught up in growth stock weakness.

Janison Education delivered a weaker than expected result due to headwinds in a number of key business areas due to ongoing COVID disruptions. Integral Diagnostics was weaker after confirming soft half year results and raising capital to acquire the Peloton diagnostic imaging business which is located in Southeast Queensland. While organic revenue growth has been solid, the company has been impacted by higher costs associated with managing COVID and we expect the company's profitability will recover as headwinds ease.

During the month we participated in the Integral Diagnostic capital raising. We also participated in a capital raising by Next Science which is expected to fund the ramp up of US sales of the company's Xperience product. The Xperience product is more effective than existing products to prevent and treat bacterial infections in hospital environments.

At month end, the portfolio held 49 stocks and cash of 8.0%.

At February end, the weighted average Perennial-derived Environmental, Social, Governance and Engagement ("ESGE") Score of the Trust was 7.3 which is 27% higher than the benchmark ESGE Score of 5.7.

## ESG Activity

Our ESG activity during the month included:

- Immutep and Janison Education appointed a female to the board after discussions with both companies on gender diversity.
- 3P Learning reinforced the focus on the social element of ESG, particularly education and their work with the Click Foundation which is helping kids in lower socio-economic countries to learn to read. They have diversity targets at both a board and management level and have identified their largest emission sources.
- Steadfast announced a Carbon Neutral Transition Plan. This is a topic on which we have recently engaged with the company.
- We had a dedicated ESG meeting with G8 Education to discuss sustainability, GHG emissions, SASB reporting and gender diversity.

Top 5 Active Positions	Trust (%)	Index (%)
Meridian Energy	3.9	0.0
Integral Diagnostics	3.5	0.3
Bendigo and Adelaide Bank	3.2	0.0
KMD Holdings	3.1	0.0
Spark NZ	3.5	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>.

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